



एक कदम स्वच्छता की ओर



# NAMASKAR

## e\_Magazine



## ICAI Singapore Chapter



**The Institute of Chartered Accountants of India**  
(Setup by an Act of Parliament)

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**CA Kala Krishnamoorthy**  
Chairperson, ICAI Singapore Chapter

## Chairperson's Message

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**Dear Professional Colleagues,**

It's a great pleasure to extend a hearty greeting to all the members on our second edition of the E-Magazine by ICAI Singapore Chapter.

Adaptability is not imitation. It Means power of resistance and assimilation, a quote by none other than Father of our Nation, Mahatma Gandhi, which is much more relevant in the today's world of growing needs. Change is the only thing that is Constant and inevitable. Especially during the Pandemic situation, we have defied the challenges and made use of the various digital platforms at its best to cater to the professional growth and also in recognizing our in- house talents. That goes without saying, the art of living is a constant readjustment to our surrounding.

Encouragement and Hope are two most powerful qualities; any person can provide to others. That said, the Members of this Chapter has been of continuous support and motivation to various initiatives for Professional events and knowledge series events. Your active participation and involvement have always been food for thought to bring the best of the speakers and events for professional enrichment.

Tough times don't last, Tough people do. As members of this Chapter we have stood along-side each other in bringing about various endeavors that we are proud of. Difficult Roads often lead to beautiful destination. With the increasing Chapter visibility in the Central council and among Overseas Chapter, we have set our goals high and working towards achieving the same.

Amidst the lockdown and social distancing, our chapter celebrated Chartered Accountants Day on 1<sup>st</sup> of July. CA day is a celebration of all the hard work, perseverance and commitment, a Chartered Accountant who acts as a pillar of strength for the economic prosperity. The moment of joy was celebrated in form

**CA Kala Krishnamoorthy**  
Chairperson, ICAI Singapore Chapter

## Chairperson's Message

of organizing very interactive quiz events, new members ice breakers session and the inauguration of the Book Club was a successful attempt to bring an interactive platform among members.

An Intellectual session by Speaker **Mr. Jayesh Parekh** on “Journey of Successful Entrepreneur” and address by **CA. Atul Kumar Gupta**, Honorable ICAI President on the evolving future of CA professional in the Digital era carried the valuable insights for the participants.

**The First Ever Women's Session** by our Chapter on the ‘Strategies for Success with your Own Leadership Style’ by three Enigmatic Women panelists who have carved their success in their respective fields took the participants to journey towards success. Our members have proved that Chartered Accountants are much more multi-taskers and creative and we are proud to show the world through our **Creative Crops series** we publish in our Social Media every week.

To strengthen our relations with **Indian High Commission**, we met **His Excellency Mr P.Kumarasamy**, High Commissioner and shared about our chapter progress and events.

Institute of Chartered Accountant of India headquartered in India under the able guidance and leadership of **CA Atul Kumar Gupta**, has been playing a predominant role in expanding their horizons with New Chapters and representative offices in the International grounds and placing a firm foot with 2 new Chapters and 12 representative offices recently in July 2020, to add up to the existing 34 chapters and 5 representative offices.

ICAI has initiated the Standards on Forensic Audit which is said to release in December 2020. To take forward this intention, The **Forensic – Fraud detection session by Mr. Chetan Dalal** was organized with an overwhelming member participation.

“Cultivate an optimistic mind, use your imagination, always consider alternatives, and dare to believe that you can make possible what others think is impossible.”

We need to overcome the difficult terms with faith and positive attitude. This gives the power to overcome the difficult situation. Let us join hands together to evolve into a stronger professionals with the upcoming sessions to cater to the professional enrichments.

**Hands Together**

# Indian High Commission Visit

On 24<sup>th</sup> August 2020, ICAI Singapore Chapter's team of office Bearer visited and welcomed our new **Honourable High commissioner of India to Singapore His Excellency Mr. P Kumaran** on behalf of Singapore ICAI members.

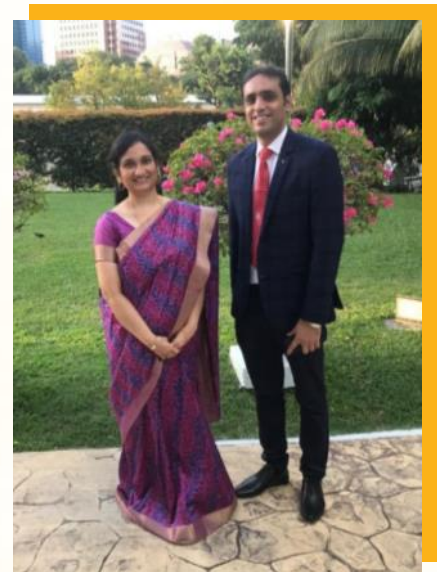


They updated Mr. Kumaran about legacy of ICAI Singapore Chapter, professional guidance, knowledges and assistance provided to its members and various activities and events organised by the chapter.

They also discussed mutual and strategically beneficial activities on which ICAI Singapore Chapter and Indian High Commission can contribute together and strengthen relationship.

We wish him best of success in efforts of collaboration between both countries.

Hands together





CA. Harsh Maheshwari



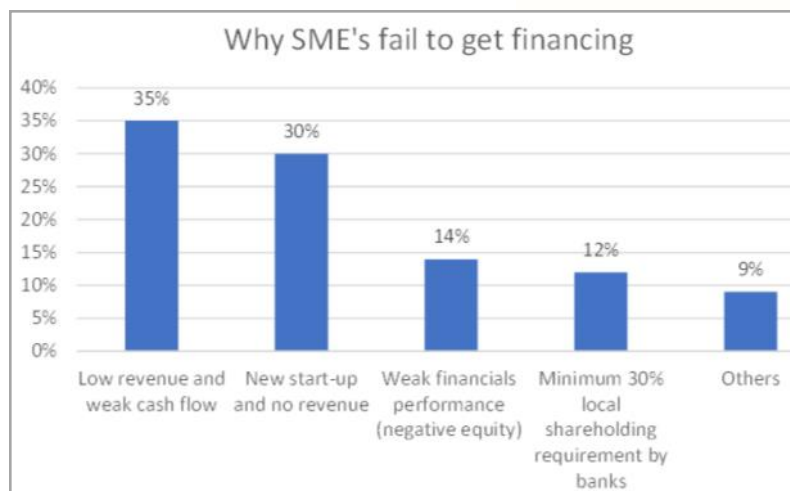
## Singapore governments financial & education initiatives to support the SME sector

### SME access to finance

In Singapore, SME's account for an estimated two-thirds of all employment and contribute around half of the country's GDP. As of April 2019, there were an estimated 220,000 SMEs in Singapore, with the services sector constituting close to 80% of these enterprises.

SME growth is vital to the economy & to generate employment opportunities in the country. However, the lack of funding has been a major challenge for SME growth in Singapore. Business owners often spend a disproportionate amount of time on their day-to-day activities & managing finances instead of spending time on innovation and implementing new growth ideas.

A survey conducted by Aon in 2019 showed that the leading reason SME's are unable to secure finance is low revenues and weak cash flow:



Various external factors such as US-China trade wars and the impact of COVID has deepened the

cashflow and liquidity challenges faced by SME's. If the macro-economy continues to slow, banks might taper lending to businesses. SMEs are usually the first ones to experience the credit crunch first as they are perceived as a higher credit risk profile.

In response, the government has launched a slew of measures aimed at helping and growing the SME sector in Singapore.

### Financial support for SMEs

#### 1. Business continuity

1.1 Enterprise Singapore (ESG) loans schemes – SMEs can take up the Temporary Bridging Loan Programme and the SME Working Capital Loans administered by Enterprise Singapore (ESG) to help with the immediate cash flow needs, at loan quantum of up to S\$5 million and S\$1 million respectively.

1.2 Loan Insurance Scheme (LIS) – This scheme allows SMEs to secure short-term trade financing from participating financial institutions for inventory financing, overseas working capital loan, structured pre-delivery working capital, factoring and Banker's Guarantee. The government support for LIS' insurance premium will be increased to 80 per cent until 31 March 2021.

1.3 Scale-up SG – This programme helps SMEs to



## Singapore governments financial & education initiatives to support the SME sector

collaborate with private and public ecosystem partners to identify and to build new capabilities to help them innovate, grow, & internationalise. The scheme funds up to 70 per cent of the programme cost.

**1.4 Enterprise Development Grant** – The grant supports local firms on projects concerning business upgrading, innovation and overseas expansion, funding up to 70 per cent of qualifying project costs.

### 2. Digitalisation and technological innovation

**2.1 Technology Adoption Programme** – This programme helps companies to identify their gaps in their businesses that will benefit from the use of technology and matches companies with suitable technology providers.

**2.2 Productivity Solutions Grant** – The grant supports companies keen on adopting IT solutions and equipment to enhance business processes with funding support up to 80 percent.

**2.3 SMEs Go Digital** – This scheme aims to help SMEs to digitalise in order to enhance operational efficiency and to seize opportunities in the digital economy, funding up to 70 per cent of implementation costs for SMEs adopting approved solutions under the scheme.

### 3. Internationalisation

**3.1 Market Readiness Assistance Grant** – Companies looking to market products and services overseas can defray up to 70 per cent of third-party costs through the MRA grant.

**3.2 PACT Programme** – SMEs can collaborate with other businesses to build capabilities, to innovate and to pursue global opportunities under this scheme, which funds up to 70 per cent of qualifying activities.

### 4. Deepening internal capabilities

**4.1 Energy Efficiency Fund** – The fund encourages companies with industrial facilities to adopt energy-efficient processes through the co-funding of resource-efficient facility designs, energy assessments as well as energy-efficient equipment and technologies.

**4.2 Productivity Innovation Project Scheme** – The scheme helps companies to improve their operational efficiencies by re-engineering existing work processes and adopting labour-efficient technologies.

**4.3 Capability Transfer Programme** – This programme helps companies to engage foreign specialists to transfer capabilities to local workers or sending local workers for training abroad, with funding support and work pass facilitation.

## Singapore governments financial & education initiatives to support the SME sector

**4.4 Enhanced Training Support for SMEs** – The scheme encourages SMEs to send employees for training and skills upgrading by offsetting up to 90 per cent of fees for courses supported by SkillsFuture Singapore.

**4.5 Lean Enterprise Development Scheme** – The scheme helps SMEs to become more manpower-lean and to build a better quality workforce by providing companies with training.

What else can SME's do to optimise their finances:

- Leverage on professional service firms for managing their risks and internal controls
- Looking at currency hedging options, in case SME's trade-in overseas market & deal in foreign currency
- Explore alternative financing options (especially for SME's which do not have a track record of being eligible for traditional financing):
  - ⇒ Private equity financing from investors and venture capitalists: this option provides the business with extra working capital to grow without repayment obligations. However, the disadvantage of equity financing is that business owners will have to give the investor a percentage of the company, reducing their autonomy over business decisions.

⇒ Financing from crowdfunding platforms and peer-to-peer (P2P) lenders.

### Entrepreneurship training support for SME's

In the current environment, business activity has slowed down and businesses in many sectors are feeling the pain of the lockdown. During this period of lull, the Singapore government has taken the opportunity to focus on entrepreneurship education and to train the next level of leadership for the growth in the post COVID era as well as prepare for digitalisation. The government is pushing for entrepreneurship education initiatives such as:

**Enterprise Leadership for Transformation:** The Enterprise Leadership for Transformation (ELT) is a one-year programme that supports business leaders of promising SME's to develop business growth capabilities. The programme helps leaders develop business growth plans that will take their enterprises to the next level. The ELT will be administered by a network of partners including Institutes of Higher Learning, financial institutions and industry experts who understand the unique challenges faced by SME's. Eligible enterprises can qualify for up to 90% funding of programme fees.

**Cost-Free Digital Consultancy Services at the SME Digital Tech Hub:** the SME Digital Tech Hub provides digital consultancy to SMEs who require



## Singapore governments financial & education initiatives to support the SME sector

expert advice in specialised areas such as data analytics, cybersecurity, artificial intelligence and Internet of Things. Established by IMDA and operated by the Association of Small and Medium Enterprises (ASME), the SME Digital Tech Hub complements SME Centres which help SMEs identify the pre-approved solutions that meet their business needs.

The SME Digital Tech Hub also provides free advisory clinics for SMEs and recommends suitable infocomm technology vendors and consultants.

**Enhanced Training Support Package and Enhanced Absentee Payroll to mitigate COVID-19:** the Enhanced Training Support Package (ETSP) is part of the Stabilisation and Support Package and supplementary Resilience Budget. The ETSP will be time-limited to cover eligible courses in selected sectors to help them tide over the economic impact of COVID-19, and to help them position themselves for subsequent recovery.

Companies in selected sectors that are directly and critically impacted by COVID-19 are eligible for enhanced absentee payroll at 90% of basic hourly salary, capped at \$10 per hour, and enhanced course fee support at up to 90% of course fees. These sectors are air transport, arts & culture, food services, point-to-point (taxi and private hire) and private bus companies, retail and tourism.

The training will focus on priority and emerging skills that the sector requires and will focus on training in deep domain skills and training in emerging digital skills.

In summary, Singapore's SMEs are impacted heavily by COVID-19 but the Singapore Government's crucial support for SMEs in these challenging times is helping to keep them afloat.

Singapore's fiscal policies are being kept accommodative to lower borrowing costs for

SMEs. Apart from the various schemes and subsidies launched by the government to help SMEs maintain cash flow, grants have also been made available to encourage more SMEs to make use of the lull period to digitalise in order to minimise the disruption to their business and to ensure that they are able to seize opportunities when the economy recovers.

Despite the adverse conditions, Singapore's resilient economy and long-term value proposition remain an incentive for foreign investments. Investor confidence remains intact as the country has maintained its number two spot in the World Bank's Ease of Doing Business Index and its stable political environment and accommodative business policies continue to make it an attractive market.



## KNOW YOUR MEMBER (KYM) SERIES

Mihir Selarka is currently working as Managing Director with Accenture since 2014 and have been in Singapore since 2010. His previous corporate stints include working with Infosys BPO and Datamatics Technologies in various roles across geographies. And prior to that he was running his own firm for close to 7 years and his love and interests in exploring ITES led him to corporate world. He was also a visiting faculty with SP Jain in 2000s and has co-authored various curriculum books. His interests outside work is very diverse with his keen eye in spirituality, dramatics, writing, singing, radio jockeying, hosting events, etc among others.



Mihir is someone who gives lot of credit of his success to his journey of becoming a chartered accountant as he truly believes that the process is so well structured that it instils lifelong habit of being disciplined and structured thinking. This trait helps a chartered accountant to transcend and excel across wide variety of functions and not just finance or accounting. It also gives lot of credibility in the industry which makes one a practitioner and not just a generalist and that's



Interview taken by

CA. Sanjay S. Panwar & CA. Nishant Surana

what client loves.

Outside of his work side, he is passionate about three things – i) music, he is a passionate learner ; ii) drama, he has acted in numerous and iii) writing.

**Sanjay & Nishant**

Welcome, Mihir. We're so glad that you were able to spare some time for us.

**Mihir**

Thank you. It's my pleasure to meet you.

**Nishant**

First, we, as fellow Chartered Accountants, are all proud of your achievement as being Managing Director in an organisation as big as Accenture. We all aware your achievements in corporate life as that's in public domain so through this interview we would like to know more on Mihir as a person and what are the learnings we can imbibe from your journey.

So, let us start the journey of exploring Mihir.

What are your priorities in life?

**Mihir**

Health, Family, Happiness and Work and in that order of priority. One can only focus and give 100% in work if the first three are sorted out. And in that too, Health is number one as without that you would not be able to look after or enjoy any other things in life.

## KNOW YOUR MEMBER (KYM) SERIES

### Sanjay

And as a corollary to above then, what is success to you?

### Mihir

To me success is to remain in the state of happiness. Anything that disturbs that happiness will be a failure. And I believe the epicentre of my success is not external but is internal to me and so the minute I transfer that power to you, that



becomes a failure to me. For e.g., if I become unhappy if I do not get a promotion then it a failure not because of I did not get promotion but because I am not able to cope up with that kind of situation. So the minute my happiness becomes dependent on something or I say I am happy 'because', then it becomes conditional and it will not bring success to me.

### Nishant

How much credit to success would you like to give the spiritual side of your personality?

### Mihir

Spirituality helps in giving you good balance whenever you are struggling in other aspects of life. It brings you that calmness, that positivity, it makes you stay floated. Even in these trying times, it keeps us happy and stay focus.

Also need to understand that Spirituality does not mean religion. You can believe in any god or guru or institution. Spirituality is about realising your own's self. Its basically turning that camera inwards and become an observer of yourself. Its not about someone telling do this, don't do this, abstain from doing this; those are all just 'Kriya'. If the camera is inwards then its about what you are thinking, what you are observing, what you are interpreting, what you are experiencing and that's when you start your journey of self-realisation and that's what will make you balanced. For example, if you are not realising that you are getting into negative zone, you will eventually go there as by the time a third person comes and tell you, you would probably already be there.

### Sanjay

Being a successful person comes with its own baggage of longer working hours and stressful corporate life. In these, how do you manage your work-life balance?

### Mihir

I am an early riser. 6 hours of sleep is good for me to have 18 hours of productive day. And this early rising has been a habit imbibed in me since beginning. In fact, I used to wake up and study in 'Brahma murhata' i.e. around 3.30 AM in the morning all throughout. And in fact, this very habit of early rise and six hours of sleep has



## KNOW YOUR MEMBER (KYM) SERIES

helped me a lot as I travel a lot and across time zones.

Day activities are usual – morning chores, reading a bit, catching up on my documentaries and then get back to work, with only exceptions being on weekends where I must go for my cycling routines. And also, weekends are totally dedicated to my hobbies and passions.

But coming back to managing the work-life, one routine which is an absolute non-negotiable is that on my calendar 7 pm to 10 pm is permanently blocked as “Personal Time-Off”, my family time. No one can go and request or block for any meeting or calls during this time. In very rare occasion, if anyone wants any part of this family time, they need to talk to me and cannot go through by EA. They need to understand that it will be a privilege and I need to know what is so urgent. And after some time, people around your eco-system starts to understand and start respecting this. One thing people must understand that we need to put a ground rule and you don't need to be at some senior level to do so. All have same 24 hours in a day.

### Nishant

One thing we all know that only one thing is constant which is Change. With more than 2 decades of working experience and 4 decades of life experience under your belt, what is that one thing you would recommend any person to keep in mind to keep pace with continuous changes?

### Mihir

The first thing which has helped me is to be always surrounded by people who are wiser and more knowledgeable than you so that I that

always receive source of inspiration. Don't do disservice to yourself by being always part of the group where only you are giving but not receiving as that's when the progress stops. Don't get threatened by smarter and wiser people.

The second thing which worked for me is the ability to connect with people and here I will give lot of credit to inter-personal skills. This world is full of occasions where people come together for selfish reasons, for particular objectives to accomplish and then they go away. They will only stick with you when they are able to connect with you at the human level. So learn to look beyond obvious when dealing with people and connect with them more genuinely and at more personal



level as that breaks barriers and will help you to

## KNOW YOUR MEMBER (KYM) SERIES

navigate from any difficult situations. Power of Empathy !

So yes the above two are two winning formulas for me.

### Sanjay

Now the vulnerable side of you, what was your greatest challenge/mistake and what our members should do to avoid that in their life?

### Mihir

Looking good phenomenon is probably the most vulnerable side because most of the time you would be judged by the numbers you do, by the presentations you make so you will always feel whether you have done well or not; whether I have delivered it correctly or not.

And to get over that vulnerability is very important for your peace of mind. And to get over that constantly remind yourself about your strengths and reminding yourself not to attach too much importance to it – Believe in yourself. Bit of spirituality will also help because all of this at the end is nothing but a means to satisfy your ego – I am good, I am smart, etc. Vulnerability comes most of the time from our need to protect our ego. So more we let go of our ego, the less vulnerable we will be. But it's a tough job and that's why you must continuously keep training your mind.

### Nishant

Let us do some fun part now, the lighter side of your personal life:

1) What are the genres you follow

Reply:

I watch a lot of documentaries – documentaries on two specific genres: 1) Historical and 2)

Space. Reason for History is that it so fascinating, it tells you what has gone well, what has not; what human beings have thought in the past and what they have done because of what they have thought and that's why what we are now. And Space tells what is all possible about future! And in Space I love astro-physics, black holes, space-time singularity. The entire concept tells that human possibility is endless and amazing.

So one is what human being used to think and what has happened and the other is what human being can do in future! And since I have not studied these things, these excites me and keep me fresh.

2) Your favourite political personality and why

Reply:

I have huge respect for the work of Sardar Vallabhbhai Patel, the work he had done for unification of India. I have also huge respect for the work of Mahatma Gandhi for the way he had led the movement. Another person whom also I really loved watching was P V Narasimha Rao because of his strategy, etc and presently Narendra Modi for being a good statesman.

Outside India would be Nelson Mandela, the way he had operated in freedom struggles perspective.

3) Your favourite non-political personality and why

Reply:

I would tend to gravitate towards Bollywood actors as I love Bollywood. While many would be there in Bollywood but I loved Sanjeev Kumar and Amitabh Bachchan from acting perspectives.

4) You being an actor yourself, who inspires you

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the most

Reply:

Sanjeev Kumar. The range that he had in comedy, tragedy and drama was phenomenal. And another one would be Naseeruddin Shah.

4) Any particular sport you follow or play and why

Reply:

I watched Cricket as every Indian do. I have fond memories of watching Kapil Dev, Clive Lloyd, Allan Border, and Vivian Richards. But now I do not spend that much time watching. I do bit of cycling nowadays.

5) What is that one thing you were really good at but could not or don't want to do anymore?

Reply:

Interesting question! Yoga!! I will stick to cycling now (laughs...)

**Sanjay**

Nowadays no interview is over unless we talk about COVID-19. With the COVID-19 crisis, stress levels are at an all-time high. Many people are starting to feel on the edge as stress has aggravated. How are you managing these tough times and what would you recommend our fellow members on the best ways to deal with the C-19 stress?

**Mihir**

Meet people as much as possible. We are better off as Singapore is managing very well and thus we can go out and meet people. If still not possible, start connecting back to all your distant relatives, be there for them. It helps. See COVID causes depression as we are trapped at home and the environment around us are having same

negative conversations. So only way to deal is to have more positive conversations with more diverse set of people.

Also find a purpose. Get continuously involved into new activities both you and your spouse and especially for kids. Because if you are dormant and by dormant means doing the same daily chores, you will get down. Pre-COVID when we were freely moving, there was a nobility, there was a change on its own. Now you have to create the change, you have to be the change as there is no change around you.

**Sanjay**

If in one line or in one quote, you would like to give a message to our members, what will be that?

**Mihir**

This too shall pass!! Don't attach too much meaning whether you are in a good or bad situation because that is the crux of being equanimous as it will allow you to remain steadfast. No need to be too happy or too worried about everything – this too shall pass !!

**Sanjay & Nishant**

Thank you so much Mihir for wonderful insights and am sure our Members and readers would have some huge takeaways from this!!

**Mihir**

Thank you so much. Thank you so much for reaching out to me and for initiating this conversation and for asking some very insightful questions I'd like to thank you and your entire team. Wish you all the very best.





CA. Devesh Singhania



## Transformation in CFO Role

Transformation in CFO' Role: How should they adapt?

The role of CFO's in particular has seen a significant transformation in last two decade. CFO's has been positioned in heart of business Eco-System and are often sometime positioned as **"Second in command"** in most of organisation.

CFO's influence is increasingly touching each **non-finance corners of organisation** including Resource Planning and Policies, Supply Chain & Procurement, Digitisation, Customer relation & Negotiation.

The evolution of the CFO's role is being driven by five forces:

1. Increased expectations: Boards, CEOs and Enterprises overall increase in expectation from CFOs.
2. Pace of change keeps accelerating.
3. Pressure to show growth and profits is constant.
4. Power of data: Data-volume explosion requiring both focus and new capabilities.
5. Expanded control and compliance expectations: driven by regulation and consumer expectations.

This has been strategic success for all finance

professionals but a constructive challenge to keep up with the dynamism of expectation.

### Automation/ Digitisation:

Big disruption As per Accenture **"CFO reimagine Report & survey"**, 79% of CFO's said that their role is changing due to digital technology.

While traditional finance skills (**accounting, budgetary & controlling**) and speciality skills (**Treasury, Taxation & audit**) still grabs CFO workload, but above survey reported **41% of CFO time is spent now in non-traditional finance responsibilities** such as strategic areas of leadership & performance management, organisation transformation, capital allocation & planning, risk management, Cyber Security & regulatory compliance.

So CFO's have immediate need to identify the mundane task in traditional finance processes for automation.

However implementation needs following steps as precursor:

- Clear view on measurable cost and benefit.
- Understanding of AS IS of existing process within organisation and potential for automation as TO BE.
- Getting the whole organisation into change management mode.

## Transformation in CFO Role

- Considering all digital risk & opportunities

Failing to get into above due diligence may result in failure of the automation drive.

**CFO eventually is expected to become the flag bearer of Automation/ Digitisation and carry the wave to each corner of organisation which helps management/ board to see long term sustainable vision of efficiency.**

However, at times Digitisation/ automation may be hard sell to the management as the return on investment may not so visibly quicker, so here CFO will have the daunting task to get the facts together and convince the board for buying the idea!! **This takes us to next key evolving role of CFO being a communicator.**

### CFO as communicator

CFO traditionally has been seen as specialist but far from being an effective communicator.

There has been complete transformation on expectation on this aspect in present business environment where CFO are expected to deal with investor's, managing board activities, be involved in negotiations and facing customers for various matters.

**The CFO's are expected to be vibrant communicator by packaging the facts & deep understanding of business into a story which**

**can have impact on all other stakeholder.**

Beside clear internal communication has been quite critical for sharing common and clear vision with teams as to "Where we stand" and "Where we are heading". **CFO's have started to have greater influence and role in these internal communications.** This was experienced in Covid crisis by many CFO's to bring clarity amid the uncertain existing business environment.

### **CFO as RISK Officer**

CFO's are first line of defence in establishing & maintaining adequate risk management.

CFO's role as risk officer significant grown with the business, socio-political & technological environment across globe changing quite rapidly.

- CFO needs to ensure that Credit risk governance is embedded in central nervous system of organisation. With insolvencies at historic high amid Covid liquidity Crisis many companies have faced the brunt of its ineffective credit risk governance.
- Liquidity Risk Governance: CFO needs to make sure that organisation is adequately liquid by adequate tools of cash forecast-

## Transformation in CFO Role

ing and stress liquid test especially during COVID crisis to be able to effective plan different layers of organisation including cost, supply chains, resource planning and Capex.

- Cyber & IT Risk Governance : Technological advancement has generated additional cyber risk which needs to be pre-empted and needed risk cover needs to be put in place. And for these actions, CFO needs to work in close collaboration with Chief Information Officer [CIO]
- Legal Risk Governance; CFO are expected to develop legal acumen to ensure manage the legal compliance and risk framework with help of legal expert.

### CFO as Strategic business Partner

This role of strategic business partner entails most critical element of CFO role in present

business world.

CFO are being tasked to be business minded and customer oriented and to play key role in:

- Building shared short & long terms vision & strategy for organisation
- Playing Front end leader role along with CEO to strategic changes
- Lead change management across functions.
- Fill in shoe of CEO many times for many situation/ functions.

So with these changing expectation CFO needs to be

- Proactive with Strategic mind-set
- Leading change management & automation.
- Customer & investor oriented.

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CA. Gautam Garg



## Distributed Ledger Technology (DLT) - An Introduction

Hello Everyone and hope this article finds everyone safe and in good health. The world has gone through a tumultuous 2020 till now for the reason known to everybody but whatever bright days we have seen in the past few months is all due to two factors – the human factor and technology especially the emerging technology. We have seen an unparalleled technology adoption in the past few years breaking all the records and hence I thought of writing about an emerging technology which has caught attention of almost everybody around the planet and is termed as the next revolution.

**Distributed Ledger Technology (DLT)** - I will start with a myth buster. The term blockchain is being used as a synonym to DLT and Bitcoin and Blockchain are often used interchangeably. So let me get the facts right for the readers first

- bitcoin (pls note that its “b” in small case) refers to the cryptocurrency – BTC
- Bitcoin (where “B” is in upper case) refers to the P2P decentralized payment network
- BlockChain is the technology behind “Bitcoin”
- And BlockChain is a subset of Distributed Ledger Technology.

**So every blockchain is a distributed ledger but all distributed ledgers are not blockchain**

In layman terms, a distributed ledger is a

database that is decentralised i.e. distributed across several computers or node. In this technology, every node will maintain the ledger and update the ledger if any data change happens. The updating takes place independently at each node thus ensuring the same records at all nodes.

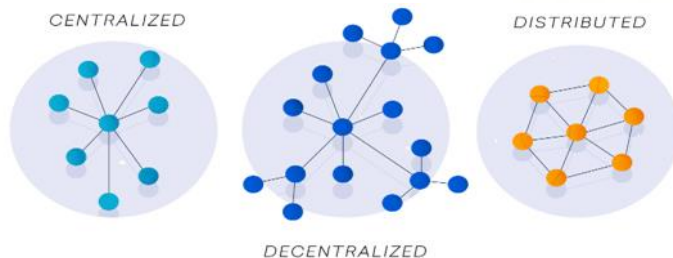
A question comes to mind is that why is this technology important? Why is DLT picking up pace? Since a long time, the transactions in this world have been running on a centralised node function. One party is authorised to do the necessary due diligence and all transactions happening anywhere have to pass through that centralised node for approval and validation

With the advent of Internet, the world started becoming decentralised, where there were more authorised parties responsible for the due diligence and approvals were granted from the decentralised nodes without the need of going through the centralised node all the time thus saving time and making things faster

But with the advent of DLT, the mechanism has become more distributed. A node can transact directly with any other node in the eco system without going through the entire chain of approvals and verifications. This saves a lot of time and will make transactions real time. Much faster than ever imagined. Below picture will give you a visualisation of how these different models

## Distributed Ledger Technology (DLT) - An Introduction

have worked



### Benefits of Distributed Ledger Technology

Industry Concerns	Benefits from DLT
Slow Payment transactions	Instant Transfers including cross border
Security Concerns	More secured with network supervision
Complex Onboarding	Instant verification and KYC
Multiple Stakeholders	No Intermediaries, Minimal Supervision
Compliance concerns	Better compliance (no need of separate ledgers)

Lets take a simple example to understand this more

### How the world looks like without DL

- The process of buying share involves the customer, bank, broker, stock exchange and the company (whose share is transferred).
- All participants have separate ledgers for transactions.
- Ledgers cannot be seen by each other, and hence cannot be verified for accuracy
- Hence, everybody depends on action completed by one participant to initiate

their action and this chain mechanism of taking action requires lot of time to complete a transaction

### How the world will look like with DL

- Everyone has a copy of the complete ledger
- All participants can look at the ledger all the time
- All transactions from the time of placing the order (e.g., debit from account, order placement, order modifications, stocks being blocked, etc) are appended to the DL real time
- Updated DL is broadcast among all participants

The transaction speed goes up multiple time just with the fact that everybody is looking at the same ledger and the ledger is getting updated real time. It cuts down humongous efforts spent on reconciliation around the globe. Not only time efficiencies, the technology also brings in cost efficiencies since we start understanding the role played by each participant to the transaction and any participant who is no more adding any value to the transaction is removed thus saving the transaction fees paid to that participant.

### Adoption of DLT in business

There are two important aspect of a DLT adoption

## Distributed Ledger Technology (DLT) - An Introduction

in anyone's business

1. Should I use Distributed Ledger Technology?
2. What are the key factors in determining a good business case with DLT?

### Should I use Distributed Ledger Technology?

Key Questions	DLT is the solution	DLT may not be the solution
How much data is common and shared?	More Data	Less Data
How many parties are involved?	Multiple Parties	Two Parties
Are parties interest aligned?	Less Trust	More Trust
Is there a common set of rules?	Common Rules	Rules vary by party or circumstances
How critical is an immutable log?	Critical	Not Critical
How often do transaction rules change?	Stable	Frequent

### What are the key factors in determining a good business case with DLT?

- Throughput – Volume of transactions the DLT is able to process (tps)
- Latency – How long the DLT takes to confirm and commit each transaction
- Node scalability – How many nodes the DLT supports without compromising performance
- Security – How resilient the DLT system is to various security threats
- Cost – How much it costs to build and run a DLT system

In the end I would like to wrap up by stating that DLT is surely a disruptive technology and is disrupting existing industries and creating new business models and new companies. DLT may be a buzz word but one must look at DLT through one's business lens and not the other way around. Many of us go wrong when we start looking at avenues of implementing DLT in the business focusing on the DLT and not the business.

One shouldn't touch their original business strategy to make DLT fit into it. If at all there is a need of DLT, derive your DLT strategy from your overall business strategy.





CA. Tanushree Solapurkar

Pave your own path..

“Do not go where the path may lead instead, go where there is no path and leave a trail.” quoted Ralph Waldo Emerson, and I cannot agree more to it. There has been an abundance of paths that have been carved by many experienced and inexperienced personalities throughout their lifetimes. But you know what the catch is? There has always been someone who carved it out first! I am in no way here telling to be in the race and come first. No. But there is always an option and an opportunity to travel the same path but just in your own way.

Many people get confused when they hear/read this “to the road less travelled” thing with a burden to always explore and get something new. If you believe me it's just not this. It says so much more. It is everybody's own journey and the most beautiful thing about that is – It is your OWN journey and no one else can take it for you. It has all the ups and the downs that you have to take and then only you realize how worthy each down was for you to get the best of the ups.

It isn't a competition to win or lose. Paving your own path means to live each and every possible micro moment of the journey and then look back and pat your own back saying – “That's my path, worth it”.

Societal pressures may make you end up being on a path that you did not choose. However, I always like how Ratan Tata quoted it – “I don't

believe in taking right decisions. I take decisions and then make them right”. Such a wonderful attitude towards everything one can have. Only that one should have the equal amount of humility to accept their failures. If you ever find yourself on a path that you did not choose, just ask yourself what better could it make for some other being and how the universe is conspiring you to get to a different path. You just need to dwell upon your own thought process and you will somewhere in this process find the answer but it might be when you reach your destination. Just because you don't know where it is heading, do not stop living the journey.

In life, as someone once told me [believe me a very intelligent and super funny person (might be me ;)] You first learn the art of living before you even think of ending it.

Most of the answers or if I may say so all of the answers that one is looking for is no where else but within themselves. Ask yourself. Know the why of what and then life will be pretty good. Don't be bogged down by someone else's journey because that's not what you are here for. You are here for the purpose that only you could solve. Get on to your own journey with a lot of humanity and least of disparity and have a rock solid one..

Gratitude for everything



CA. Dinesh Agrawal

US' manifested customisation through China's rationalised standardisation and here comes India's seamless diversity.

Imagine two years old child crying on top of the voice. Let us attempt to draw an analogy on behavioural fact pattern. The child to Chinese parents will simply follow their instructions and adjust the decibel, modulation, tempo at desired level. Let us see how West would react – the child would optimally pre-empt the requirements and customise the levels (decibel, modulation, tempo) to coherently and seamlessly offer parents a delight. Now, the big day event, let us come to India. The child all likely will follow a different trajectory, yes, will get parents play to his or her tunes.

In case above is extrapolated, beautifully explains how major civilisations are intrinsically different. In addition, provides all lag and lead commercial acumen indicators to Corporations to skilfully deploy land, labour, capital, technology in these economics. Indian mythology provides support to India's diversity. Lord Vishnu always followed the principles of diversity in all his avatars (incarnations), adjusting to the requirements of his followers e.g., Lord Narshimha, Lord Rama, etc. Lord Narshimha also called half-man/half-lion was a perfect blend of localised customer requirement. Lord Vishnu

could have easily created economies of scale by being Lord Narshimha in all eleven avatars. Notwithstanding, he carefully analysed facts and circumstances at any given point in time and offered convincing diversity to humanity, isn't it. Lord Shiva is no different; at one end he is a husband, a father and on the other hand perfectly personified "sound of silence" spiritually residing in Kailash Mountain. Both Lord Vishnu and Lord Shiva offer optimal diversity to suit Indian requirements. In Corporate parlance, we can resonant with various concepts like "best practices", "multi-tasking", "product catering to every segment", rationalisation, etc.

Try serving extremely chilly hot and spicy Mac Donald's burger in Gujarat and sweetened version of same burger in Andhra Pradesh. The response of local taste buds will tell you a story.

The COVID-19 pandemic should be a positive attempt to revisit this unique inherent diversified Indian civilisation. The health crisis has led to several daily wage earner return home. The principles of diversity can be commercially deployed to create small village, notified area

US' manifested customisation through China's rationalised standardisation and here comes India's seamless diversity.

communities, town clusters. These can take form of small cottage industries catering to local fact patterns i.e. demographics, taste, etc. Every district of India is blessed in possessing a particular identified or identifiable unique selling proposition and consequently can be commercially leveraged. As a small case study, I come from Sambalpur, an ancient food and culturally rich district in western Odisha and products like Sambalpuri Sarees , a sweet delicacy called " Sarsatia" made of resin of twigs of a locally found tree called "Ganjer" equally carrying several beneficial meditational properties.

This is exactly the central idea of the article i.e. take the best of all civilisations, inspirations from the craftsmanship of all avatars of Lord Vishnu

and Lord Shiva marrying with unique selling proposition of each and every districts of India to make ourselves economically and socially self-sustained. This brings immense intangibles in the form of sense of respect, harmony in any society. Moreover they get positively engaged and develop immense sense of pride and humility.

India is a special gift of unity in diversity.

Note:

I must admit all that is stated above is not my own idea. The concept is inspired by Indian mythology of Ramayana, Mahabharata, books written by several learned authors.

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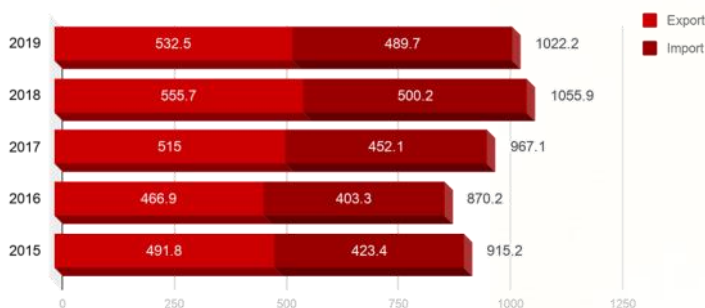


CA. Ekta Gupta

## Economical way of making overseas remittances for businesses – Banks / Fintech players?

Singapore is the world's most competitive economy(<https://www.straitstimes.com/business/economy/singapore-retains-top-spot-as-worlds-most-competitive-economy>). The stable political environment, the pro-business legislation, the tax incentives, the advantageous geo-location are few factors which has kept the investments and firms attracted to the country. The country has established strong international trade and an intense network of import and export. Net exports of goods and services in the country contribute to around 28.2% in GDP of the country.

Total Merchandise Trade at Current Prices, 2015 - 2019



Figures in S\$Billion

(source: <https://www.singstat.gov.sg/modules/infographics/singapore-international-trade>)

This strong international trade sets up a clear need for overseas payments. Current trends suggest that this significant demand for cross-border payments will continue to grow

with accelerated international trade, cross-border e-commerce, and cross border service utilization. In light of the above context, we will see SMEs making more regular use of cross-border payment services for an increasing variety of use cases and, therefore, require payment services that meet existing and evolving needs.

Many of us surely, can vouch that today we have a heavy reliance on the import of goods and services. This is imperative to ensure the smooth running of our business in an economical way. But, the question remains that are we making overseas remittances in the most economical way?

Cross Border payments – traditional way:

Singapore has 131 banks operating in the country. The primary banks have been extending the remittance services to the customers having an account with them. But remittance fees charged by these banks are high, regressive, and non-transparent. To add, remittance fee pricing is complex, and rarely are senders informed about the full precise price of a remittance transaction. The remittance pricing structure with the banks are as below:

Charges		Charges as applied by Banks
Handling Charges	Commission	1/8% of S\$ equivalent of remittance amount (min. S\$10, max S\$120)
Cable/ Telex charges		S\$20
Beneficiary /Agent Charges*		Additional (as applicable)

## Economical way of making overseas remittances for businesses – Banks / Fintech players?

\* Beneficiary or Agent Bank Charges are applied as the remittance is transferred through the global bank networks. These fees are rarely known before the remittance is sent and can deduct a substantial portion of your remittance before it reaches your beneficiary.

We can comprehend from the above that the remittance fees is directly proportionate to the principal amount, and increases with the increase in the same. The bank charges are in the range of Sgd 30 to Sgd 150 and can go beyond Sgd 200 at times. These charges also vary in accordance with the country where remittance is being made.

Banks also have other ancillary charges applied in case you desire to trace the status of the transfer, make any amendment, do a cancellation, or stop payment. At times, if you wish to know about a transaction made prior to 3 months, you may also need to pay an additional \$20 per request.

The below table is the synopsis of such charges reflecting on the bank's website:

Ancillary Charges	Charges applied
Tracer (trace and confirm the status of your transfer)	S\$20 per transaction, plus any agent bank charges
Administrative Charges for Amendment (on best effort basis)	S\$10 - S\$30 per transaction + any Agent's bank charges + Out of pocket expenses(as applicable)
Cancellation/ Stop Payment (on best effort basis)	S\$10 - S\$35 per transaction + any Agent's bank charges + Out of pocket expenses(as applicable)

Along with the fees, it is also observed that the banks have an inbuilt FX spread and the amount ultimately being received by the recipient is much lower.

Our bank statements can testify these charges, which at times miss our attention and we end up paying a huge amount for the remittances.

Apart from traditional banking channels, there are other channels like the money changers and remittance companies. Again, these service providers are usually not structured and have many intermediaries associated along with them. They too have commission charges and inbuilt Fx markup which takes a big chunk of profit margin. Apart from it, they are still far off from the digitalization of the entire process of registering and making a remittance.

Fintech making an inroad and streamlining the process:

In recent years, fintech has been slowly and gradually bringing in technology in every sphere of banking and disrupting the bank's norm. The remittance services introduced by few fintech players have introduced digitalization and better customer experience. Their services do offer a seamless onboarding, which usually with banks can take up to 7 days.

The process of remitting has been eased out and simplified too. The FX rates offered by them are proven to be better and more competitive than

## Economical way of making overseas remittances for businesses – Banks / Fintech players?

the banks. But again, with them, the charges remain the point of concern. The fintech too primarily has charges linked to the amount being remitted and the country where remittance is being made. Sharing a synopsis of the remittance fee charged by a Fintech for making a remittance of SGD 20,000

Remittance Corridors	Fixed Fee (A)	Variable Commission (B)	Fees (A+B) in SGD payable for remittance of SGD 20000
		Bank Transfer	
Indonesia	1.12	0.53%	106.52
Thailand	2.10	0.64%	130.90
Philippines	1.01	0.55%	110.21
Malaysia	0.71	0.59%	117.91
Vietnam	3.28	0.88%	179.08
Hongkong	0.63	0.44%	88.23

The above table also clearly states that the savings on charges are yet not made. In fact, if we compare against banks, the banks do have a cap on the maximum charge for a remittance to be made, but these fintech players miss on that. We may rather at times end up paying more on charges with them against banks.

What we really should aim for is a remittance in the most economical way, with competitive FX rates and remittance fees being transparent, fixed, and a flat fee, irrespective of the amount being remitted and the country where remittance is made.

Recently, a dedicated B2B remittance solution is

launched by a fintech player, aimed to ease out the challenges faced by SMEs, offering them the fixed fee per remittance as low as S\$8.90 and competitive Fx rates. With platforms like this, we can cap our charges, control them, and save against banks and other platforms.

There are few other apps too which offer a fixed fee and competitive fx rates, but these apps are more effective for a consumer remittance and not suitable for a business transaction to be routed.

These tech-intensive and digital-first fintech have partners through whom the movement of the fund is routed across countries. They have minimal administrative expenses, sustain on low margins, and aim towards acquiring more & more customers to play on volume. This makes us get an economic advantage.

In today's world, when every penny is becoming more precious, any additional saving made is equivalent to additional revenue. We need to be vigilant to track the charges we are incurring on our remittances and keep assessing the opportunities of making savings.



## Events hosted ICAI Singapore Chapter

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**Date:** 11<sup>th</sup> July 2020 | **Event:** Excel Training Session : Creating automated MIS PL and KPI dashboard | **Speakers:** Mr. Kushal Jaju

**Date:** 16<sup>th</sup> July 2020 | **Event:** Introduction to Sustainable Finance  
**Speakers:** Mr. Ted Kin Chen & Ms. Marie Gauthier

**Date:** 27<sup>th</sup> July 2020 | **Event:** Money Laundering, its implications and why you should care | **Speakers:** Mr. Narayana Mohan, Mr. Hemanshu Parekh & Mr. Amit Devralia

**Date:** 5<sup>th</sup> August 2020 | **Event:** Journey of a successful entrepreneur  
**Speakers:** Mr. Jayesh Parekh & Mr. Atul Gupta

**Date:** 20<sup>th</sup> August 2020 | **Event:** Strategies for success with your own leadership style  
**Speakers:** Ms. Diana Low, CA Rachana Ranade & CA Parkavi

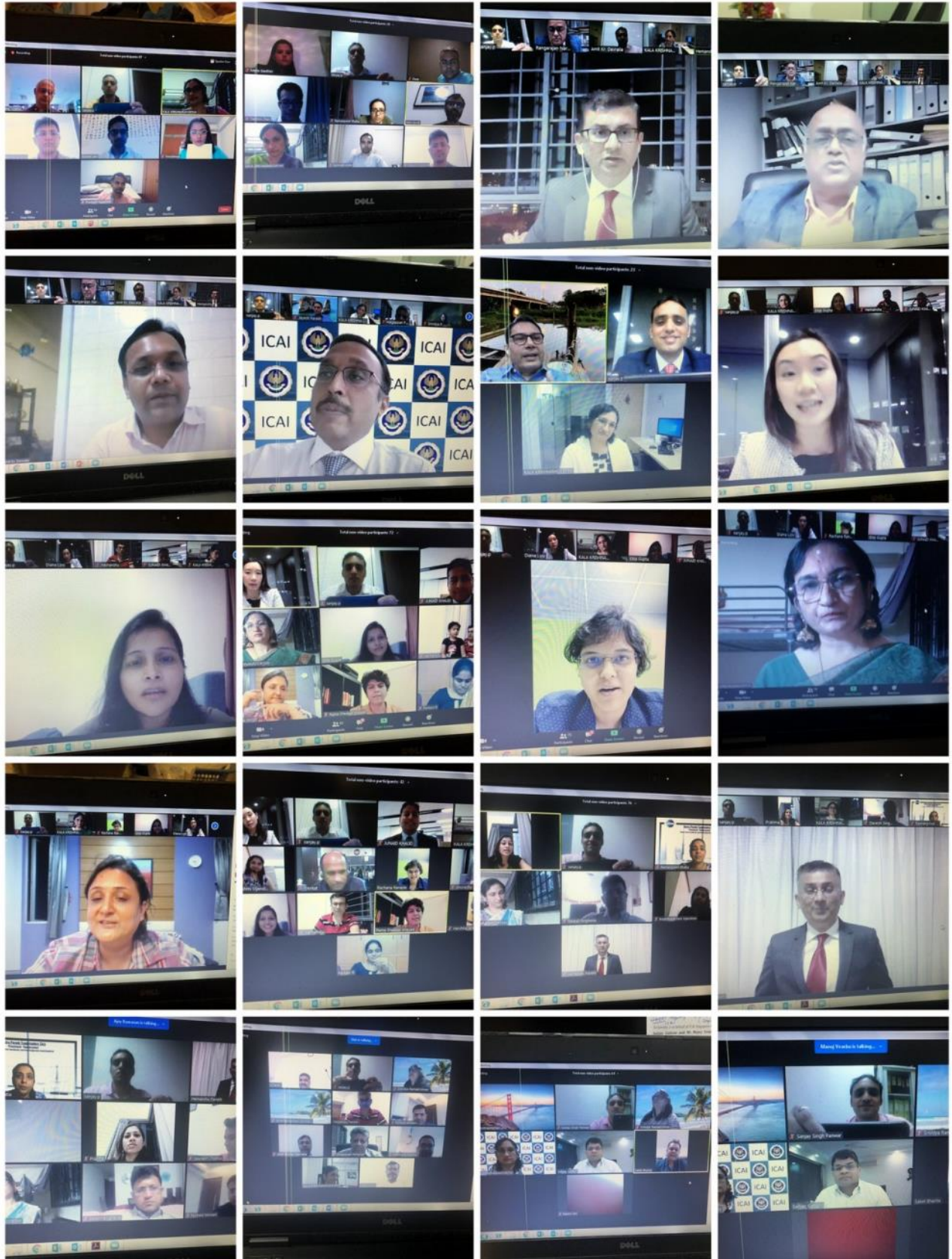
**Date:** 27<sup>th</sup> August 2020 | **Event:** The Art of Public Speaking  
**Speakers:** Mr. Hemanshu Parekh

**Date:** 8<sup>th</sup> September 2020 | **Event:** Forensic - Fraud Detection  
**Speakers:** Chetan Dalal

**Date:** 24<sup>th</sup> September 2020 | **Event:** Trade Finance Changing structure, but here to stay | **Speakers:** CA. Sanjay Gattani & CA. Manoj Vembu

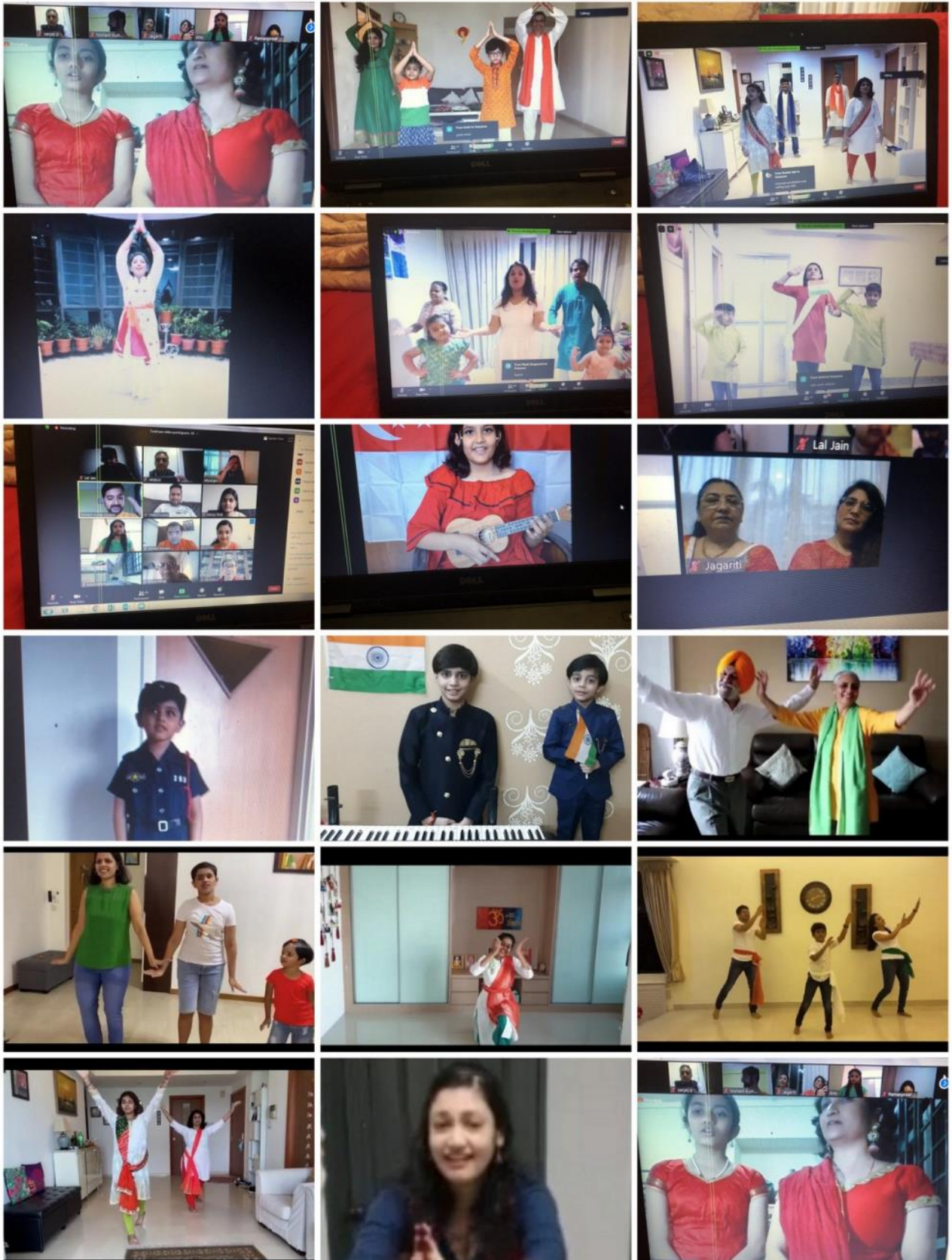


## Recent Events of ICAI Singapore Chapter





## Members Initiatives





## Professional and Social gatherings

