



The Institute of Chartered Accountants of India

# TORONTO CHAPTER

E-Newsletter | Winter Edition

2022



[www.icaitoronto.com](http://www.icaitoronto.com)



/tcicai



@TorontoICAI

# Contents

02 From the Chairperson's Desk

03 Editor's Note

04 Sponsor Articles

09 CPE Updates

12 Guest Articles

16 Technical Updates

21 Member's Articles

30 Ongoing Programs

37 Festive Section

39 Artwork

- “TCICAI” and “the Chapter” in the e-newsletter refer to Toronto Chapter of the Institute of Chartered Accountants of India
- “ICAI” in the e-newsletter refers to the Institute of Chartered Accountants of India

Published by Toronto Chapter of ICAI



# From The Chairperson's Desk



**CA Sandeep Patkar**, TCICAI Chairperson

Esteemed members and supporters of the Chapter

Welcome to the 2022 winter edition of Toronto Chapter of ICAI's Newsletter. This winter we saw snow, snowstorms, temporary shutdowns, Beijing Winter Olympics 2022 and start of unfortunate aggression between Ukraine and Russia in addition to continued COVID-19 presence. As we accept and adapt to the everchanging world, a glimmer of hope comes as the Canadian economy opens up with waning COVID-19 pandemic further. With this, the Chapter will cautiously try to get back to in-person sessions while ensuring these sessions follow practices and government rules to keep our members and their families safe.

During this winter, the Chapter's professional circles and Toastmasters Club have seen a renewed dynamism and energy as new leaders have assumed roles. I welcome these new leaders and take the opportunity to thank all those outgoing ones for their contributions in shaping the Chapter's initiatives and putting them on a success path! I am confident that the new leaders will take these initiatives to new heights under the mentorship of the outgoing ones who continue to play a significant part in the Chapter activities.

As you would have seen in the last few days, the Chapter's professional development sessions have picked up and we hope to provide the members a variety of topics to upscale our members' knowledge. In all this, we will keep leveraging on the Memorandum of Understanding we have with the British Columbia and San Francisco chapters.

I thank all the Chapter members who are helping the Chapter. The Chapter's activities are growing, and I would say we are best among foreign accounting chapters in Canada. To elevate the Chapter and its activities further, I would like to encourage and welcome participation from you all. It will not only provide you the sense of giving back to the India's Chartered Accountant community in Canada, but will also provide you the leadership opportunities to strengthen our collective path to success! Any member who would like to be part of these activities – ranging from professional circles, mentorship, Toastmasters club, social and professional development events, cricket or other sports – is welcome to join by reaching out to us at [info@icaitoronto.com](mailto:info@icaitoronto.com). It is our Chapter, come forward to help take it to the next level!

I also want to thank the editor of the Newsletter, CA Shambhavi Sharma and CA Heer Gajjar, and all our members who have contributed to this edition which brings us tax and IFRS updates and other knowledge enhancements, including tips to rejuvenate and refocus.

With warm and sunny days ahead, the chapter has planned variety of professional and social networking events in the upcoming months. I look forward to seeing you all there!

# Editor's Note



**CA Shambhavi Sharma**



**CA Heer Gajjar**

Dear Readers,

It gives us immense pleasure to share with you folks yet another edition of the newsletter. We have seen quite an eventful quarter – right from Diwali this season to Christmas and obviously the fiscal year end for quite a lot of us got us generated the heat to survive this snow!

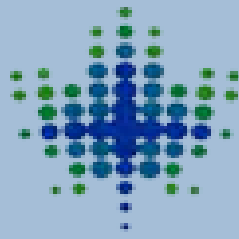
We are really excited to share with you an article on "Intangibles" from CPA Ontario coupled with guest articles that smoothen our lives with technology such as accurate use of Office tools and avoiding attrition pangs.

This time our members have been quite versatile and tech-fluenced as we talk a lot about Forensics and AI. But this no where deters us from the usual and core knowledge of our domains such as accounting and taxation. Also, we dwell into the important and relevant topic of mental well being in the current issue.

The Art section contains contributions from our member's children who continue to fascinate us with their creative talents. Further, it also captures the festive celebration pictures from our members give us an opportunity to sneak peek into their celebrations and uplift our spirits. Truly some mesmerising moments have made the time come to a stand-still.

On behalf of TCICAI, I would like to thank everyone for their participation and sharing the articles with us. Special thanks to our Guest writers – Ashish Bothra and Rachana Kapadia. And a huge shout-out full of gratitude to you all dear readers, without whom this newsletter will truly never be what it is. As always, shall you have suggestions, articles or ideas, please feel free to email to me at [ssharma@icaitoronto.com](mailto:ssharma@icaitoronto.com)





**CPA**  
ONTARIO

## You Can't Touch This: The Intangible Assets Debate

Since the 90s, business leaders have understood that digitization would transform the fundamental makeup of our economy. That vision has come to pass as the engine of our economic growth has begun shifting from goods and services to intangible assets.

CPAs have always approached intangibles cautiously, but as they increasingly drive for economic growth the profession may need to reconsider its approach.

This paper introduces the intangibles conversation and asks CPAs to consider what role the profession is meant to play in this exciting—and controversial—space.

[READ THE FULL REPORT](#)



### Read the paper

Business and policy leaders are currently engaged in a critical discussion about how to value and report on intangibles. It's time for the accounting profession to play a leading role in the debate.

We encourage you to read CPA Ontario's 2021 whitepaper "**You Can't Touch This: The intangible assets debate**" and join the discussion.

[Download report >>](#)



**Sanjay Gupta**  
Real Estate Broker



## As Expected. And No Surprise.

Central Banks at all levels are looking to manage record inflation. And traditionally, the way they do it is to raise interest rates. So, it was no surprise that after seeing inflation reach 5.1% in January 2022 (the highest since September 1991), that the Bank of Canada raised its Key Rate by 0.25% to 0.5% on March 2nd. It's the first time our Central Bank has raised the Key Rate since October 2018.

Our economy has seen a strong rebound since the pandemic lows and employment is estimated to be back at pre-pandemic levels. The economic rebound, employment strength and rising prices in almost 80% of the 48 subcategories in Canada's Consumer Price Index, prompted the BoC to move-up its timetable for a rate increase, which just a few months ago was forecast not to happen until Q2 or Q3 of 2022.

Economists have diverging views on how often or how much the Bank of Canada will raise their Key Rate this year. Some economists see the BoC's Key Rate reaching 2% this year, while others have taken a more moderate view. David Dodge, former head of the Bank of Canada predicts that inflation will gradually come down from "multi-decade highs" and expects our Central Bank to raise the rate by 1% to, at minimum, 1.25%. Financial markets have "priced in" the overnight rate climbing to 1.75%.

One thing is certain – 2022 looks to be the year of interest rate increases. And with developments across the ocean and the word "war" now introduced, we may see many unexpected economic changes on short notice.

If you're looking to make a move, now's the time for a mortgage preapproval.

## Everyone Has an Opinion



For the past few months, you've heard opinions about the changing real estate markets. It seems the media is fond of reporting that the "sky is about to fall." And the forecasting "wizards" continue to offer opposing opinions. There may be many opinions, but what really matters is what's happening at street level.

A big part of my job is keeping on top of neighbourhood trends in realtime. I am sharing this with you because you may know someone who's thinking about buying. And I may know a seller who's in the area.

I am always at your service. Whenever you know someone ready to make a move, I am only a phone call away. I am a marketer, a negotiator, and a trusted advisor.





## Prevent a Spring Basement Flood

Now's the time to plan for the warmer weather ahead. Shovel remaining snow accumulation away from the foundation of your home. Yes, in a few weeks, Spring will arrive. And that means rain - sometimes, too much of it. And that's when basement leaks can happen. Not because of a permanent problem, but because on a rainy night, a clogged gutter has water running over the edge of the roof and pooling beside the foundation wall or filling up a window well.

No instant fix, but there's a quick preventive measure. Use either a 4 x 8 foot sheet of 1/8" Masonite Board, OR a 4 x 8 Fluted Plastic 1/4" sheet. First, clear slushy-snow away from the foundation, then lean the sheet of Masonite or Plastic Board against the wall at a 45 degree angle, so rain and dripping water from an over-flowing gutter is directed away from the foundation of the home.

It's a quick and inexpensive solution to help keep water out until a proper foundation, and/or gutter fix can be done.

## Credit Report - Why wait?

A Credit Report is a history of how consistently you pay your financial obligations and it's created when you first borrow money or apply for credit. Then, on an ongoing basis, the companies that lend money or issue credit cards send Credit Reporting Agencies specific information about your financial relationship with them - when you opened the account, if payments are made on time, if a payment is missed, or credit limit exceeded.

Experts recommend an annual review of your Credit Report. Maintaining a good credit history involves more than paying bills on time. It also involves regular and careful inspection of information that is reported in your credit file to correct inaccuracies which can be the difference between a good or poor credit report.

Waiting until the last minute to discover a mistaken "blemish" could delay, or even sink your plans to purchase a home. Which is the most energy efficient electric heater?

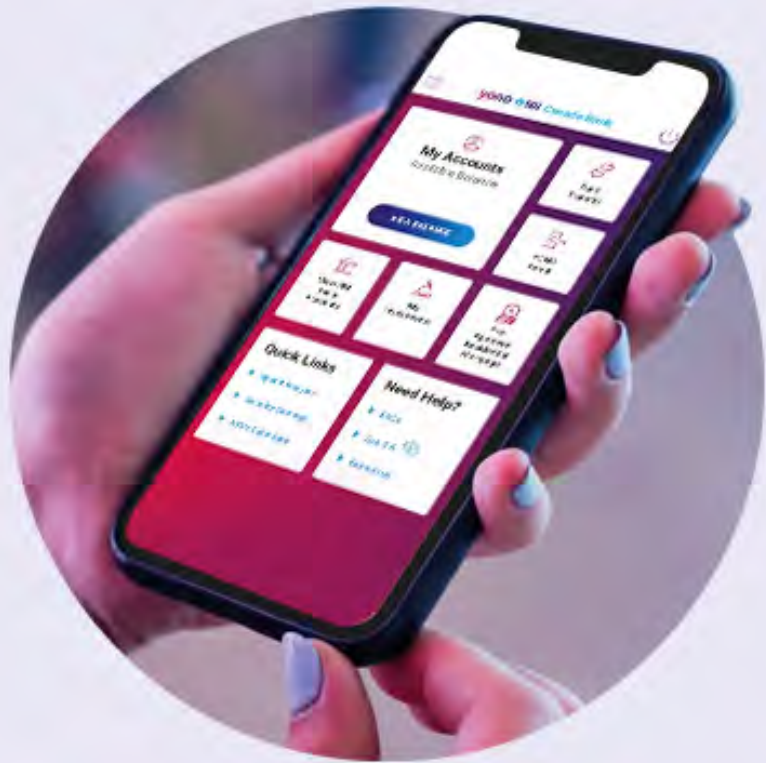






**SBI Canada Bank**

## Safe, Secure and Convenient Banking at **your Fingertips**



### Elevating Customer Experience – Digitally

Everyday life has become busy and complex, even more so during the past couple of years, prompting banking customers to choose banking solutions that are accessible, agile and uncomplicated. Our mission, at SBI Canada Bank, is to provide cost-effective and responsive services. Our objective is to create value for our growing customer base and there is no better way than to repay their trust in us through constant innovation by offering Smart, Simple and Convenient banking solutions.

SBI Canada Bank has been catering to the financial and banking needs of Canadians for 40 years. For our customers, we not only meet their banking needs in Canada but also bridge the gap in their connections with India by enabling them to manage their bank accounts maintained with State Bank of India. We are constantly evolving by offering technology driven solutions and the focus point of these solutions has always been secure transactions and customer convenience.

The onset of the pandemic in 2020 further stimulated the need for a complete digital transformation. In the words of Eric Pearson -CIO, IHG- "It's no longer the big beating the small, but the fast beating the slow" and that is our approach in delivering smart & secure banking solutions for our customers.

In April 2020, we introduced a new feature on our website to enable our customers to open their new bank accounts entirely online while ensuring the banking experience is simple, secure and convenient. By the end of the year, we upgraded to our new mobile banking application YONO SBICA for our existing customers to transact digitally, open new accounts, make investments, and most importantly send money back home instantaneously—all via a simple and secure mobile application.

While our frontline teams facilitated existing customers transition to the new platform to take advantage of banking from the comfort of their homes, the core group was focused on further upgrading the application to offer our services to reach out to new customers as well. By mid-2021, most of our services were accessible digitally to all our customers – both new and existing.



Today our mobile banking solutions are possibly the only one in the domestic market that offers all the banking services within the application itself. Right from opening a new bank account, a guaranteed investment account (GIC), tax free savings account (TFSA), Student GIC account, sending money to India, linking and viewing your SBI account in India— you can do it all of this in one application: YONO (You Only Need One!).

Our digital presence is not limited to Canada as we welcome students and residents arriving in Canada through our mobile banking application. Even before they begin their journey to Canada, we provide them with banking solutions that will ease the process of transitioning their finances to Canada safely and securely.



**SBI Canada Bank**

## Moving to **Canada?** Take **SBI** with You!

**New Country, Same Great  
Banking Experience**



We are continuously innovating and looking at calibrating new solutions like facial recognition for Online KYC, Bill Payments, Mobile cheque deposits, and more. Our user-friendly chat service ensures that the customer experience is secure, hassle free, and exceptional—every single time.

We learn, we improve, and we get better every day, and we are excited to be a part of this amazing digital journey in making your banking experience - Simple and Convenient!!

## EVENTS\*

Date	Topic	Speakers	CPE Hours
26-02-2022	Successful Networking, Putting the Net to Work	Sri Ram Kumar	2
23-02-2022	Compilation Engagements	Richa Khanna	2
19-02-2022	Tax Talk Series -- New T1134 Compliance Review	Akash Lakhotia	2
12-02-2022	Banking Landscape in Canada	Mr. Remal Tailor, Senior Director, Savings and Acquisition, and Investments at RBC	2
30-01-2022	Toast Masters Event - Open to All Members	TCCA Speakers Club members	Nil
22-01-2022	2022 India Republic Day Celebrations!	Mr.Manish Kumar, CGI, Vancouver, Mr.Ratan Verma, Partner MNP, Mr.Nihar Jambusaria, President, ICAI	2
11-12-2021	B.C. Chapter Event - Canadian Income Tax - Tips and Traps	B.C. Chapter	Nil

\* "These events may qualify for CPD hours for CPA Ontario. However, CPA Ontario members are personally responsible to evaluate the CPD eligibility of the event, maintain the supporting documents and application of credits for the events attended"



# HIGHLIGHTS OF SUCCESSFUL NETWORKING EVENTS

## Banking Landscape in Canada

**The Institute of Chartered Accountants of India TORONTO CHAPTER**

**Banking Landscape in Canada Session**  
Saturday, Feb 12, 2022 - 10:30 am to 12:30 pm EST

**Banking Landscape in Canada - Saturday, Feb 12, 2022**

**Mr. Ramesh Teltor, Senior Director, Savings and Acquisition, and Investments at RBC**

- Chartered Accountant for over 25 years.
- Speaker at ICAI and training conferences.
- Expert on Funds, Transfer Pricing.
- Certified as a senior coach.

**About the Session:** Session would be focused on the Banking Landscape in Canada, Funds transfer Pricing, Corporate Treasury Functions and managing business through a crisis.

Register [here](#) or through the [ICAI Mobile App](#) of ICAI Toronto. Like and Follow us on [Facebook](#) and [LinkedIn](#).

## Virtual participation by members

**Toronto Chapter...** Shreez Daresala... Vikram Sinha... Hemant Agarwal... Ganesh Sharma... Dr. Raj Mantra... Mohan Damle... Ajit Kumar... Avnish Aggar... Dweep Mehta... Vinay Kamboj... Suneet Setia... Sheeba Varughese... Rajiv Sood... Phalguni Sharma... Dilpreet Juneja... Akash Lakhotia...

## T1134 Compliance Review

**The Institute of Chartered Accountants of India TORONTO CHAPTER**

**New T1134 Compliance Review**  
February 10, 2022  
Saturday  
10.00am-12.00pm EST

**Akash Lakhotia, CMA, CGA**  
**Arjun Lakhotia**

Register Here: [https://www.icaitoronto.com/learning-sessions.php](#)

**The Institute of Chartered Accountants of India TORONTO CHAPTER**

**Successful Networking, Putting the Net to Work**  
February 25, 2022  
Saturday  
12.00pm-02.00pm EST

**Dr. Ramesh Chandra Sharma**  
Chartered Accountant, Chartered Financial Planner, T1134 Speaker & Author

Register Here: [https://www.icaitoronto.com/learning-sessions.php](#)

## Successful Networking, Putting the Net to Work



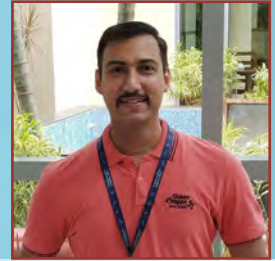
# HIGHLIGHTS OF REPUBLIC DAY CELEBRATIONS





# How to control Attrition pangs

CA Ashish Bothra



"Ashish", says my team manager, "we have yet another resignation. Please talk to him and try to retain him. He is a critical resource with process knowledge and has been with us since transition. The client will make noise if he attrite." "Ok, let me talk to him tomorrow, meanwhile can I have details on him w.r.t his last promotion, CTC, rewards he has received in the process and since how long he has been with us, his last 3 appraisal ratings, to start the conversation," quipped myself to my team manager.

The above conversation sounds familiar, isn't it? These days attrition is all pervasive and talk of the town. All organizations are suffering from the same in some percentage or the other at varied levels. The account which I manage is also experience attrition upwards of 30%. A lot has been written about "The Great Resignation". Reasons have been dwelled into as what is leading to this and how we can retain our valued and critical employees. Some attrition will always be there because a company will not be able to fulfil each employee's aspirations and for some employees there will performance issues. My take on the topics is that we need to create an environment where each employee feels valued and appreciated for the contribution he or she is making. How do we create such an environment where employees have a longer shelf life to the organization? In today's world the concept of loyalty towards a company is diminishing. Let us look at some of the ideas which might help towards building that environment.

**1. Involve your team member** – Right from Day 1, when the employee joins engage him. Make him a part of the organization by telling him about the company, the delivery centres, the varied verticals or types of services the company offers, the hierarchy, take him round the facility, show

him where the team often drinks tea, have a cup of tea with him. The first 15 days are very crucial for the employee. The impression that he creates in those first 15 days stays him for a long time. Don't rush him into doing mandatory and process trainings. I understand that managers need the employee to be process ready to hit the invoices or monthly reporting. Obviously the above will vary from situation to situation, process to process.

- 2. Make the employee feel valued** – Once a team member becomes experienced after 1-1.5 years in the process, start involving him in decision making. Take his or her opinion on what he/she thinks of it. This way you make them feel to take ownership. This also opens up their thought process which will help them in their development. Be transparent with them in every aspect. Appreciate them in public when they do a good job and coach them in private when they make a mistake. Be fair to them so that they don't learn to have biases or develop biases.
- 3. Provide timely feedback** – Most of team managers provide feedback once in 6 months or during the appraisal time at the end of the year. The employee remains under an illusion about his performance. Timely feedback helps him to gauge his performance and if the employee is off-track, he can do a timely course correction so that his time and efforts are not wasted for the rest of the year. It is not necessary that all feedback needs to be documented. I have personally found that feedback session in cafeteria or while taking a round of the facility are effective. That in no ways mean that we shouldn't document. Where there are performance issues, disciplinary issues or any other such issues related to integrity these should be documented.



4. **Meeting the aspirations of employee** – It is tough for companies these days to match the offer their employee are getting for their competitors. At lower levels to mid management levels, employees are getting 40%-80% salary hike and in some cases upto 100%. What should a company do? How many counter-offers can it make? Counter offers can be made to extremely critical employees – employees who have end to end process knowledge or where there has been a heavy attrition which has destabilized the process or any other similar cases. This again creates pressure on the company. If a company doesn't meet the aspiration of the employees in terms of salary correction or promotion, the employee is forced to look outside and he/she will resign as and when a suitable offer is received. The existing team then comes under pressure as the replacement will take at least 3-4 months to come up the learning curve. Team members are stretched and they feel pressure of work-life balance. More attrition follows in coming months and suddenly the manager find that 60%-70% team has been churned. In my opinion, a company should ensure that the employees are getting the median salary so as to reduce discontentment within teams and reduce disparity in pay outs. Another step is that company should contemplate competitive salary as per the prevailing market trend every 3 years. If the company suo-moto increases salary by 15%-20%, employees will feel happy. A majority will not look outside as they will feel content and satisfied that their company values them and takes care of their aspirations.

5. **Create an ecosystem where employee feels empowered to speak** – As a leader, once should encourage employees to speak up, share his thoughts. An employee must not hesitate to approach his manager for professional or personal matters. A manager should be a good listener giving time to his team member. It is often said that an employee does not leave a company for money only, it is because of a toxic manager or a toxic work environment. This is true to some extent but not entirely true. These days most employees are leaving for money. Not sure if they realize that such high salaries may not be sustainable in future as client companies emphasize on robotic automation and technological innovation. Hence it is upon the manager to create an ecosystem where an employee is comfortable and feels at

home. We need to train our middle managers towards employee sensitivity

6. **Rotate employees** – Its human nature to get bored performing the same work. A good manager should look for such indications. It is important to churn or rotate employees by releasing them to account accounts within organization so that employee finds some variety in the work he does. And if the manager does not want to release then he should upskill and change his process within his account. That ways he doesn't lose the knowledge and the employee also feels happy. Talk to the employee and offer him rotation and agree to a timeline. Hire a backfill and start cross training. Rotation helps an organization to reduce attrition and for the employee as well it is a win-win situation as he gets a new process to learn and may negotiate next level after 3-6 months of performance.

7. **Work Life balance** – Ensure that an employee has a work life balance. Level load his work so that he is not pressurized to complete team's deliverables. During pandemic everyone is working overtime as working from home has its own challenges such as power cut, network issues as compared office environment. In office, people go for frequent breaks or walks with team members which helps them to cope up with office stress. But with lockdowns, fear of getting infected movement is restricted within confines from home. This creates additional stress on the employees hence it is important to conduct Friday fun, coffee sessions, pool lunches to ensure people keep their emotional sanity. Work should be put aside for that period and teams should have fun in the time allocated for such activities and share personal lives. Remember we all are in this together.

Attrition is not just a loss of an employee to a competitor but more importantly loss of knowledge and experience. A tenured employee offers buffer to a manager to take additional responsibilities within the organization and also ensures that new joiners get good training and guidance. A manager should plan the composition of his team and ensure proper band mix. An organization should never be held hostage by an employee. Focus of robust detailed SOPs, cross training and controls within the process and then you will be able to negate the after effects of attrition.

Wishing everyone a Happy Valentine's day!!!





CA Rachana Kapadia

I am writing this to celebrate Women at Work and cherish their contribution to make the world a better place. I would like to share with you the incredible story of Jocelyn Bell whose research work helped the discovery of Radio Pulsars in 1967. Pulsar is an abbreviation for Pulsating radio star. Pulsars are the remains of a big star that exploded near the end of its life. The tiny star starts spinning and creates a pulsating radio wave in the sky much like a spinning light house. The periods of pulsars make them very useful tools for astronomers.



### The incredible journey of Jocelyn Bell:

Jocelyn Bell was born in Northern Ireland just after the second world war. Her father was an architect. The staff at her father's office encouraged her to develop interest in astronomy. She failed the eleven-plus exam and her parents sent her to The Mount School, a Quaker girls' boarding school in York, England. Her physics teacher, Mr Tillott played an important role in shaping her interest in physics.

At that time there were no female astrophysicists to look up to and be a role model for her. She was inspired to be an astronomer while reading the book 'Frontiers of astronomy' written by Sir Fred Hoyle.

She went to the University of Glasgow in Scotland. She was the only female in a class of 50. She later went to Cambridge university. Her presence as a female was an anomaly. As a postgraduate student, discovered the first radio pulsars in 1967. The discovery eventually earned the Nobel Prize in Physics in 1974; however, she was not one of the prize's recipients. The paper

announcing the discovery of pulsars had five authors. Bell's thesis supervisor Antony Hewish was listed first, Bell second. Hewish was awarded the Nobel Prize, along with the astronomer Martin Ryle.

### Discrimination and Gender Stereotypes:

As a woman, Jocelyn Bell has faced discrimination, but bravely fought back to break the stereotypes. During her college days boys could study technical subjects, but girls were expected to study subjects such as cooking and cross-stitching. Bell was able to study science only after her parents and others challenged the school's policies.

She faced catcalls and whistles as she entered the lecture rooms. The media covering her research work was not fair to her either. The media covering her research work was considered as the human interest, with questions about her vital statistics, boy friends and the colour of her hair, while her Professor would be asked about astrophysics.

She had to face such discrimination even 5 decades after Marie Curie, the first women and the only person to have received Noble prize twice for her outstanding contribution to two different sciences.

Women might be in a better position than they were in in the 60's but the discrimination and the stereotypes exist even today. How we are viewed or treated is not in our control, but how we respond is. We should focus on the things that are in our control and try to change them to suit us. Women should support each other and welcome those whose realise the discrimination and help us progress towards a more equitable world. The former PepsiCo CEO Indra Nooyi also says "We need our own sisterhood. Unconscious bias can only be addressed if the sisterhood calls it out". Nooyi has always emphasized the need for sisterhood to push more women to the top and get more women at the table of decision making.





### **The Victim:**

It's time for women to stop being the victim. It's a free world and if there are shackles, those are in our minds. I am not saying thousands of years of societal conditioning is easy to break, but it's not impossible either. Despite the societal norms, the general conventions and the approach of colleagues, acquaintances and press at large, Jocelyn Bell focussed on what is important to her. Had she yielded to the societal pressures and cowed down to the subtle covert and overt discrimination, we would have had one less role model to look upto today.

### **Role Models :**

Role models are outliers, they are extraordinary people who will find their way to greatness despite the obstacles. We all need mentors and role models to inspire, motivate us. We feel much assured and convinced that we can be like our role models, If our role model looks like us, eats, dresses, talks and moves like us or is similar to us in any way. There were no female astrophysicists to be the role models for Jocelyn Bell. She became a role model for future generations.

### **Rewards and Recognition:**

Though Jocelyn Bell was looked over for the Nobel Prize , she went on to win several accolades in her career. Bell was president of the Royal Astronomical Society from 2002 to 2004, president of the Institute of Physics from October 2008 until October 2010, and interim president of the Institute following the death of her successor, Marshall Stoneham, in early 2011.

In 2018, she was awarded the Special Breakthrough Prize in Fundamental Physics. In 2021, Bell became the second female recipient (after Dorothy Hodgkin in 1976) of the Copley Medal.

### **Normalizing Women at work:**

Following the announcement of the award, she decided to use the £2.3 million prize money to establish the Bell Burnell Graduate Scholarship Fund, to help female, minority and refugee students become physics researchers. It's important for us to support and uplift our fellow professionals in any way we can.

### **Optimism:**

However, I donot wish this arcticle to be about discrimination in office, disparity in pay, gender pay gap, overlooked for a well deserved promotion or career advancement, being chosen. This should be about the optimism with which we can look at the future. Jocelyn Bell was not bitter about not being nominated for the Nobel prize, nor she attributed it to her being a female. She did not mind her lack of recognition but was glad that her discovery was important to humankind. She believed it would demean Nobel Prizes if they were awarded to research students, except in very exceptional cases, and she did not believe her discovery to be the case. She also echoed Mr. Hewish's view, that it is the supervisor who has the final responsibility for the success or failure of the project and it is only logical for him to be awarded the prize. Like Jocelyn Bell, it is important for women to put the disappointments behind and have the joy of doing the things we love the most.



# TAX UPDATES

CA Azhar Sakriwala



## Recent updates to CRA login services

### Reference

<https://www.cpacanada.ca/en/business-and-accounting-resources/taxation/canadian-tax-news>

**Multi Factor Authentication (MFA) process** – the CRA has recently updated its MFA process by allowing users to opt whether they want to input the MFA passcode each time they sign in, or to just input the “one-time” MFA passcode once every 8 hours if the user is using the same device. Users logging into Represent a Client, My Account or My Business account for the first time after this update will be prompted to make this selection. Once the 8-hour period elapses, a new code will have to be entered when logging in and you can again select the 8-hour option.

**New email address requirement for My Account (MyA)** – The CRA's requirement for taxpayers to provide their email address to use MyA is now live. Taxpayers logging in for the first time to MyA after this update will be prompted for their email address if there is not one already on file. If an email address is not provided, the taxpayer will not be able to access MyA. Also, all taxpayers have the option to receive CRA correspondence by mail or an email notification (if you have an email address on file already, you will have to go under “Personal Profile” to select your notification preferences).

### **Draft legislation on immediate expensing of eligible capital property released**

On February 4, 2022, Finance Canada released draft legislation and a detailed backgrounder on Budget 2021's proposal on immediate expensing of certain capital property of up to \$1.5 million per year.

The draft legislation provides that immediate expensing is available to “Eligible Persons and Partnerships” (EPOPs) which include Canadian-Controlled Private Corporations (CCPCs) (as announced in Budget 2021) as well as individuals resident in Canada and Canadian partnerships with individuals and/or CCPCs as partners.

Eligible property under the proposed legislation, known as “Designated Immediate Expensing Property” (DIEP), generally includes long lived assets subject to capital cost allowance (CCA) other than property included in CCA classes 1 to 6, 14.1, 17, 47, 49 and 51. Further, to qualify as DIEP, the property must be acquired and made available for use within certain time limits:

- **For CCPCs:** the property must be acquired after April 18, 2021 and available for use before January 1, 2024
- **For individuals and Canadian partnerships with only individuals as members:** the property must be acquired after December 31, 2021 and available for use before January 1, 2025

- **For other partnerships:** the property must be acquired after December 31, 2021 and available for use before January 1, 2024
- It is important to note that the \$1.5 million limit is shared among associated members of a group of eligible persons or partnerships (specific rules have been provided).

#### **Revised draft legislation on proposed trust reporting rules**

On February 4, 2022, Finance Canada released draft legislation that included revisions to the trust reporting rules that were originally announced in the 2018 Federal Budget. The rules generally apply in the same manner as originally announced and include a deferral of the rules for one year. Specific changes include:

- the rules will now apply for taxation years that end after December 30, 2022
- subsection 104(1) of the Income Tax Act (reference to a trust or estate) has been amended to refer to section 150
- a specific exception has been provided to ensure that information that is subject to solicitor-client privilege does not have to be disclosed
- a reference to trusts where all the units of which are listed on a designated stock exchange has been added as a specific exception and also under the exception for trusts which hold assets having a value of \$50,000 or less under proposed paragraph 150(1.1)(b)
- proposed subsection 150(1.3) has been added to ensure that so-called bare trustee arrangements are subject to the rules (arrangements under which the trust can reasonably be considered to act as agent for all the beneficiaries under the trust with respect to all dealings with all of the trust's property).

It should also be noted that the Quebec government has also deferred the new reporting rules for Quebec tax purposes for one year.

#### **New 2021 Forms released for T2200S and T777S for home office expense claims**

The CRA released the 2021 versions of the T2200S Declaration of Conditions of Employment for Working at Home Due to COVID-19 (T2200S) and T777S Statement of Employment Expenses for Working at Home Due to COVID-19 (T777S) for employee home office expense claims. Both forms are similar to last year's versions. The CRA has also highlighted the criteria that must be met for employers interested in automating the completion of electronic T2200S forms.

#### **Canada Emergency Business Account (CEBA) loan forgiveness repayment deadline extension**

The government announced that the repayment deadline for CEBA loans to qualify for partial loan forgiveness is being extended from December 31, 2022, to December 31, 2023, for all eligible borrowers in good standing.

Repayment on or before the new deadline of December 31, 2023, will result in loan forgiveness of up to a third of the value of the loans (up to \$20,000).

Outstanding loans would subsequently convert to two-year term loans with interest of five per cent per annum commencing on January 1, 2024, with the loans fully due by December 31, 2025.

The government also announced that the repayment deadline to qualify for partial forgiveness for CEBA-equivalent lending through the Regional Relief and Recovery Fund is extended to December 31, 2023.

#### **Update on employment benefits due to the impact of Covid-19**

The CRA announced a number of administrative rules to provide relief on employment benefits due to the pandemic for 2020. The CRA has now provided an update on how these rules will apply for 2021. Generally speaking, the original announcement for 2020 will now apply from March 15, 2020 to December 31, 2021 but some additional relief has been announced.

The following points should be noted in particular:



- The computer and home equipment reimbursement rule has a maximum threshold of \$500, and this limit applies for the entire period. For example, if an employee purchases a computer for \$400 in 2020 and an office chair for \$250 in 2021 that they will keep after the pandemic and are fully reimbursed, the amount over \$500 (that is, \$150) must be included in the employee's income in 2021.
- The CRA confirmed that accountable allowances are also eligible for the equipment reimbursement rule. An accountable allowance is one where the employee must account for their expenses by producing receipts and returning any amount they did not spend.
- For employer-provided parking relief, the CRA now states that relief is applicable in situations when "a regular place of employment is closed due to COVID-19, including situations where employees have been sent home by the employer." This wording appears to be broader than the original announcement which simply referred to the place of employment being closed.
- The rules for commuting costs will also apply to employer-provided vehicles (specific reference should be made to the CRA page for more information).

#### **CRA updates guidance on transitional administrative relief for the GST/HST digital economy measures**

The federal government had previously announced that the CRA would work closely with affected businesses and platform operators to assist them in meeting their obligations under the new GST/HST digital economy measures. Where the affected businesses and platform operators show that they have taken reasonable measures but are unable to meet their new obligations for operational reasons, the CRA will take a practical approach to compliance and will exercise discretion in administering these measures during a 12-month transition period, starting July 1, 2021.

In Excise and GST/HST News - No. 110, the CRA now indicates that before the CRA exercises its discretion

in the administration of the new measures, an affected business or platform operator must first make a submission to the CRA requesting forbearance and obtain the CRA's written approval that such discretion will be exercised.

#### **CRA resuming CEWS post-payment program audits**

In a stakeholder email dated December 7, 2021, the CRA announced it is resuming its Canada Emergency Wage Subsidy (CEWS) post-payment audit program as of Fall 2021.

The purpose of the audits is to identify claim errors and make sure those who received CEWS benefits qualified for them. During the audit process, CRA auditors will contact claimants with a request to submit the documentation needed to verify revenue and payroll. If you and your clients require additional time to gather the requested documentation, you should contact the auditor reviewing the file.

December 6, 2021

Government releases draft legislation on delivering Climate Action Incentive (CAI) payments quarterly

On December 3, the federal government released a backgrounder and draft legislation which will change the delivery of CAI payments from a refundable credit claimed annually on personal income tax returns to quarterly payments made through the benefit system.

Starting with the 2021 taxation year, the CAI would no longer be claimed on personal income tax returns. That said, individuals would still need to file a tax return in order to receive CAI payments for the upcoming fuel charge year and also indicate whether they live outside a Census metropolitan area (and thereby qualify for the rural supplement for the upcoming year).

To give the CRA sufficient time to develop the new system, payments would start in July 2022 with a "double-up" payment. This payment would return proceeds from the first two quarters of the 2022-23 fuel charge year.

# IFRS UPDATES

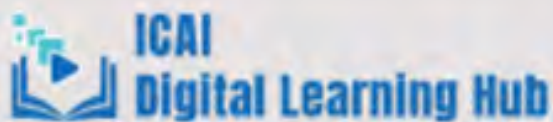
by Editorial Team

Date	Topic	Updates	Full Read
09 Dec, 2021	<b>IASB provides transition option to insurers applying IFRS 17</b>	<p>The IASB has issued a narrow-scope amendment to the transition requirements in IFRS 17 Insurance Contracts, providing insurers with an option aimed at improving the usefulness of information to investors on initial application of the new Standard.</p> <p>As a result, changes to the IFRS Taxonomy 2021 have been proposed; these proposals are open for consultation until 17 January 2022.</p>	<a href="https://www.ifrs.org/news-and-events/news/2021/12/iasb-provides-transition-option-to-insurers-applying-ifs-17/">https://www.ifrs.org/news-and-events/news/2021/12/iasb-provides-transition-option-to-insurers-applying-ifs-17/</a>
11 Jan, 2022	<b>Call for members to join the Capital Markets Advisory Committee from 2023</b>	The Capital Markets Advisory Committee (CMAC) is seeking new candidates to join the CMAC from 1 January 2023 for a term of three years, renewable once for a further three years. The CMAC welcomes applications from analysts and investors from all over the world. CMAC members are drawn from a variety of industry and geographical backgrounds and are selected by the CMAC on the merits of their professional competence as capital market participants using financial reporting information and their ability to represent capital market participants' views.	<a href="https://www.ifrs.org/news-and-events/news/2022/01/cmac-call-for-members-2023/">https://www.ifrs.org/news-and-events/news/2022/01/cmac-call-for-members-2023/</a>
31 Jan, 2022	<b>IFRS Foundation completes consolidation of CDSB from CDP</b>	<p>The IFRS Foundation, CDP and the Climate Disclosure Standards Board (CDSB) are pleased to confirm that, further to the announcement of 3 November 2021, CDSB has been consolidated into the IFRS Foundation. This marks the completion of the first part of the commitment made by leading investor-focused sustainability disclosure organisations CDSB and the Value Reporting Foundation (VRF) to consolidate into the IFRS Foundation by June 2022 to provide staff and resources to the new International Sustainability Standards Board (ISSB).</p> <p>As part of this consolidation, CDSB staff are transferring to the IFRS Foundation, with core intellectual property and technical assets to support the work of the ISSB also being transferred.</p> <p>This consolidation confirms the closure of CDSB, and, as it will be fully integrated into the ISSB, no further technical work or content will be produced. By joint agreement, CDSB's resources remain accessible via its legacy website, which will be preserved until further notice</p>	<a href="https://www.ifrs.org/news-and-events/news/2022/01/ifrs-foundation-completes-consolidation-of-cdsb-from-cdp/">https://www.ifrs.org/news-and-events/news/2022/01/ifrs-foundation-completes-consolidation-of-cdsb-from-cdp/</a>



Date	Topic	Updates	Full Read
10 Jan, 2022	<b>IFRS Foundation Trustees seek nominations for inaugural members of the ISSB</b>	<p>The IFRS Foundation Trustees have started the search for the inaugural members of the newly formed International Sustainability Standards Board (ISSB) to work together with ISSB Chair Emmanuel Faber and the ISSB Vice-Chair(s), who will be announced shortly.</p> <p>The ISSB will work alongside and in close cooperation with the International Accounting Standards Board and be tasked with developing IFRS Sustainability Disclosure Standards that meet the information needs of investors.</p> <p>The ISSB's composition is set out in the Foundation's Constitution and will comprise up to 14 members in total.</p> <p>Access information about how to apply and the role specifications.</p>	<a href="https://www.ifrs.org/news-and-events/news/2022/01/ifrs-foundation-trustees-seek-nominations-for-inaugural-members-of-the-issb/">https://www.ifrs.org/news-and-events/news/2022/01/ifrs-foundation-trustees-seek-nominations-for-inaugural-members-of-the-issb/</a>

Source: <https://www.ifrs.org/>



## Why ICAI Digital Learning Hub

ICAI Digital Learning Hub is an integrated Learning Management System (LMS) which brings a new knowledge ecosystem in a collaborative pedagogical model and with participatory learning to improve learner outcomes. The platform brings you professional and academic content in multiple formats which can be used in a self-paced manner. It provides a platform for interaction with your peers through knowledge sharing engagements making the best use of technology such as smartphones and tablets to disseminate learning snippets. The content is tailored to suit each niche learner segment. For example, it can help members earn CPE hours or help students understand a concept.

Link: <https://learning.icai.org/iDH/icai/>

# FORENSICS AND INVESTIGATIONS – EVERYTHING YOU NEED TO KNOW

CA Zoheb Salim Nevrekar



## What is Forensic Accounting?

Forensic Accounting refers to the use of accounting, auditing, and investigation skills to carry out an assessment of the financial records of an individual or a corporate organization. Forensic Accountants possess the right balance of accounting principles and investigation techniques that assists them to uncover financial wrongdoings in an organization.

## What do Forensic Accountants do?

A Forensic Accounting mandate often involves the use of various other professionals along with Forensic Accountants such as Lawyers, Information Technology experts, Business Valuers, etc. Thus, it is extremely important for a Forensic Accountant to have a great professional network. The services provided by Forensic Accountants generally include the following:

### 1. Dispute Advisory

Forensic Accountants aid in solving disputes whenever there is a disagreement between contracting parties regarding the terms of the contract. Work carried out by Forensic Accountants can include assessment of damages, business valuation analysis, evaluation of insurance claims, data and analytics, e-discovery and the review of accounting, audit, and finance-related issues.

A Forensic Accountant may also be required to testify on his findings and conclusions presented in his report in the court of law.

### 2. Investigations

Forensic Accountants help organizations prevent, detect, and respond to fraud risks and alleged fraud incidents. Forensic Accountants carry out investigations in respect of financial frauds, bribery and corruption charges, money laundering and

embezzlement of funds, asset misappropriation, securities and financial statement frauds, as well as tracing illicit funds and locating hidden assets.

Forensic Accountants assist in identifying the following details of the crime committed:

- a. Nature and the duration;
- b. Number of instances;
- c. Parties involved;
- d. Obtaining Evidences;
- e. Locating proceeds;
- f. Reporting to the concerned authorities;
- g. Testifying in the court of law.

### 3. Forensic Technology Services

From a technology front, Forensic Accountants can help businesses in achieving the highest levels of compliance and efficiency in investigating incidents, managing records and information, developing efficient, repeatable business processes for responding to legal and regulatory requests for Electronically Stored Information (ESI) and providing effective collection, processing, and hosting of ESI for review and production.

## Specialized Forensic Designations:

### 1. Certifications:

- a. Chartered Professional Accountant (CPA)
- b. Certified Fraud Examiner (CFE)
- c. Certified Forensic Investigator (CFI)
- d. Chartered Business Valuator (CBV)
- e. Certified in Financial Forensics (CFF)



f. Certified Anti-Money Laundering Specialist (CAMS)

g. Certified Financial Crimes Specialist (CFCS)

## **2. University Courses:**

a. Master of Forensic Accounting, University of Toronto

b. Fraud Examination & Forensic Accounting, Seneca College

## **Potential Job opportunities in Canada:**

### **1. Consulting**

Forensic Accountants are widely popular in the consulting industry including the Big 4's. Job profile in the consulting industry generally include catering to the needs of external clients for services such as forensic investigations, dispute advisory, fraud prevention and forensic technology advisory. In the consulting world, Forensic Accountants generally work in tandem with other professionals such as Lawyers, IT experts as highlighted above.

Entering the consulting industry is relatively difficult as compared to the entry in the Financial Sector or the Insurance Sector. Consulting firms prefer completion of CPA/ CA designation with at least 1-2 years of forensic experience.

Preferred Designations: CPA or CA and CFE/ CFI/ CFF/ CBV

### **2. Financial Sector**

The Banking and Financial sector is one of the largest recruiters of Forensic Professionals in Canada. These financial institutions have their own team of Investigators. Job profile for Forensic Professionals working in the financial sector include transaction monitoring, reviewing non-performing assets, studying loans and advances and investments made by the financial institution, etc.

With the relevant certifications, entry for a Forensic Professional into the financial sector is relatively easier.

Preferred Designations: CAMS/ CFCS/ Fraud Examination & Forensic Accounting, Seneca College

### **3. Insurance Sector**

Forensic Accountants working in the Insurance sector work towards verifying the authenticity of the insurance claims and identifying any potential fictitious claims. Like the Financial Sector, Insurance companies also have their own team of Investigators.

During the ongoing Covid pandemic, the demand for Forensic Accountants in the Insurance Sector has increased substantially to accommodate the increasing number of claims. Entry into the Insurance sector is relatively easier than entry in the Consulting Industry but difficult as compared to entry in the Financial Sector.

Preferred Designations: CPA or CA and/or CFE, CBV.

### **4. Government Authorities**

This is undoubtedly my favorite job profile for Forensic Accountants. Forensic Accountants hold important positions with prestigious government organizations such as Canada Revenue Agency (CRA), Securities Commissions, Alcohol and Gaming Commissions, etc. The fact that you contribute directly to the growth of the country by being a part of the government initiatives would surely motivate me to give my best every single day.

Job responsibilities for Forensic Accountants generally include conducting investigations on taxpayers and potential defaulters, reviewing new license applications received by government authorities, identifying any potential insider trading activities and any other illicit transactions at the stock exchange, etc.

This is undoubtedly one of the toughest job openings to get into for a Forensic Accountant. Government Authorities generally prefer the local accounting designation plus relevant certifications and experience from consulting organizations.

Preferred Designations: CPA Canada and experience from consulting firms and relevant certifications.

### **Average remuneration of a Forensic Accountant in Canada:**

The average remuneration of a Forensic Accountant (New Graduate) varies on the industry in which the professional is employed in. However, the following are some average salary figures for New Graduates:

1. \$59,690 per year (Indeed.com)
2. \$62,174 per year (Glassdoor.ca)
3. \$62,500 per year (ca.talent.com)





CA Kienzle Mody

# Relaxing and unwinding

It's a paradox that a working mom is writing this article. These are probably the 2 words that a working immigrant Canadian mom maybe either missing or not having enough.

I am one of those too who does not give enough time to myself like many of those who are reading this article.

The past 2 years have further dawned upon me the importance of "Relaxing and unwinding". The big question is how can one achieve that when you are in a new country with probably no family and few friends who are like family.

Today's article is not to vent about how much we mom's miss the me time, we had back home. The article is to help you find avenues towards self care, self love and time to relax.

Interested?

I landed in Canada in Aug 2017 with my husband and 1.5 year old young twins with a job and a goal to settle in Canada as soon as we could. In that pursuit, I took up CPA course in 4 months of landing here and studied hard to pass it. Today, 5 years down, I work as a Controller, in a large organization with "working from home" option. Phew that does make things a bit easier. Agreed?

So how do we be mindful of self love and self care, now in the times of work from home, restrictions around and limited opportunities to meet family and friends?

1. **Seek support:** Your friends here feel the same stress as you do on different days. Seek support and depend on them and discuss as you would with your family. "I can do it all" will not do any good to you or your family.
2. **Mind exercise:** This is one that comes with practice and always make you feel better. A regular meditation schedule even for 15 mins in the day, does some real good wonders. Try to be conscious and create a regular schedule on meditation, yoga etc. Your local community centre has some programs too
3. **Join a group/ Volunteer:** Join some local women group for those regular meet ups even virtual or for evening walks to get you out of house for a fresh breath of air or for a cup of coffee. Look for some professional circles like Toronto chapter local circle or Toastmasters club which is outside of your day to day and helps you develop and gain new perspective.





4. **Pursue your hobby:** For a lot of us, hobby has become FB, Insta or binge watching or those evening dinner with friends. Remind yourself of those days when you really had a hobby like reading, dance, painting, writing, cycling, gardening etc. Dig through yourself and give that time to yourself to pursue something outside of work and family. There are many local programs again at community centre or your local community may have and explore those.
5. **Do nothing:** Surprised? How would you feel if there was one day or couple of hours where you did not plan to do anything and just sit, relax, enjoy the sunshine, sleep and give that break to your mind ? I am sure it may sound difficult but it's doable. Allow yourself to feel bored and do nothing for few hours in a month.
6. **Learning:** it's not just professional learning but also learning a new skill, sport, cooking or driving etc. This helps to keep that network, meeting new people and feeling fresh as you learn something new.

I am sure most of you know and are aware about all of these points. Do we make an effort to do this? Allowing oneself to relax and unwind is most critical even when one cannot take vacations and travel because otherwise the stress, depression will make it a vicious circle.

Canada provides ample opportunities to pursue hobbies, learn new skills and be happy. You just need to give yourself that chance, perspective and goal. This will help you to look beyond your daily routine and feel fresh, relaxed and more importantly "be present" for your family. It's self love that is important so that others will love you too.

This is a message from a mom who also sometimes forgets this but a conscious reminder and practice of some of the above tips, helps her bring that life back to life. Ah and I forgot, I started reading again and attempting meditation. Love yourself!



# 8 C's of Credit Risk Assessment in Context of Commercial Real Estate Lending



CA Rajani Asari

Commercial Real Estate Lending is inevitable for any growing business - Small, Medium or Large Businesses. Business growth is represented in terms of increase in staff, upsurge in sales, holding of more inventory, strategic decision to expand by installing new equipment or simply need for a bigger floor space. With need for bigger space, businesses have to make a critical decision to either lease or invest in commercial real estate. Both leasing or buying a commercial space have its own pros and cons. With leasing option, the advantage business have is to not to worry about debt, the cost of leasing is manageable and lease expenses are cost deductible. On the other hand, disadvantages can be losing the market presence when the lease ends and the business has to shift to another location, lose control over building, increase in rent or management fees, loss of appreciation if market value of the property increase, etc. Hence, businesses need to think is this the right time to own a commercial property and address a question whether buying a commercial property rather than leasing can make financial sense. So, the important consideration is liquidity and managing the cashflow efficiently by business to arrive at a decision. If commercial property is purchased with own sources, there will be an adverse impact on business working capital and may hinder operational performance. To respond to this situation, business can opt for commercial mortgages from financiers specially designed for business to own the property and at the same time provides an ability to manage its cash flow efficiently.

## **Commercial mortgages (businesses) or Commercial Real Estate Lending (financial institutions)**

Commercial mortgages (Business mortgages or Commercial real estate finance) let business owners

borrow money needed to buy property or land for their business. Similar to residential mortgage, the money is borrowed from financial institutions and is repaid in monthly instalments, along with interest. Commercial mortgages are most commonly used by business owners who want to own the premises to undertake business activities, commercial mortgages can also be used by investors or developers who want to purchase or build either a commercial properties or residential properties and earn rental income or make profit from sale of these units when property value appreciates.

## **Nature of Commercial mortgages**

Unlike residential mortgages, which are easy to find and research online, commercial mortgages tend to work on a case-by-case basis. Commercial mortgage is complex by its nature for many reasons like it takes longer to be approved, nature and size of the property differ significantly, lacks standardized structure as all business needs are unique, higher interest rate, higher down payment (35% to 40% of the purchase price), CREDIT MATTERS (Credit Assessment), involves complex documents like appraisal report, building assessment report, environmental assessment report, etc. Success of commercial mortgage is highly dependent upon level of CREDIT ASSESSMENT performed by lender while carrying out initial due diligence.

## **Commercial Real Estate Lending**

Primary objective of lenders is to assess whether the commercial property being reviewed for funding will generate sufficient cash flow to service the debt on a long-term basis since the business are exposed to various internal and external risk. Due to the level of risk involved and uncertainty around business operation over long run, commercial real estate lending requires



a regular review and assessment of how the business are performing by accounts manager or relationship managers. Effective risk assessment is a fundamental requirement for commercial real estate lending. One way of drawing some comfort on creditworthiness of businesses (borrower) prior to approving and funding commercial mortgage is to perform risk assessment by checking 8 C's to Credit: COMMUNICATION; CHARACTER, CONDITIONS, CAPITAL, CAPACITY, CONTROL, COLLATERAL AND CROSS-SELLING. There are the basic questions that needs to be considered in commercial lending decision by financial institution also known as critical factors in lending process. Amongst these 8 C's, three foundations of credit are: Character, capital and capacity. These factors form basis of through underwriting in credit lending. The higher onus of performing due diligence in the context of these 8 C's are upon account managers (also know relationship managers)

**1. Communication:** Communication is the first step of commercial lending due diligence. An effective communication involves a great deal more than being in touch. Communication happens at internal and external level and account managers acts are intermediary between the borrower and the credit adjudicator (decision making authority within financial organization). Communication extends to thorough understanding of internal products and policies and to arrive at a structure accustomed to borrower's financing needs. Communication tools such as in person meeting, phone conversations, emails, and letters plays important role to make customer aware of credit policies and what is expected from them during the approval stage and terms of facility. It's a business relationship, and therefore, its success depends upon communication effectiveness which ultimately leads to mutual understanding and minimize conflicts. Basic characteristics of effective communication are: conveying information clearly and as needed; creates harmonious relations with lenders, clients and staff; leads to mutual understanding and cooperation. Suggestive set of questions to satisfy with the level of communication are

- How reliable is the information provided by the borrower?
- Does the borrower responses to the questions asked are completely and clearly answered without any doubt of hiding significant information?
- How and from what sources is a lender going to obtain needed answers and explanations?

**2. Character:** Character refers to the willingness of a borrower to pay its obligation towards lenders. Lender assesses borrower's level of ethics, integrity, trustworthiness, quality of management, etc. Tasks includes examining business background of promoters, reference check with business parties, review of credit report check to verify past payment history and payment behaviour, any bankruptcy, etc. ultimately leading to a decision toward whether the promoters have demonstrated satisfactory payment history to qualify for a commercial mortgage. In a nutshell, character is more than integrity. To convince satisfactory compliance with Character, promoters should demonstrate: moral commitment to honour obligations; integrity, fortitude, trustworthiness; willingness to provide accurate information and to co-operate on a continuing basis. Suggestive set of questions towards assessment of Character are:

- Will the promoter co-operate even in difficult times?
- Does the promoter provide complete and clear information?
- What is the response time taken by promoters to any question or requests?

**3. Conditions:** Conditions refer to the many challenges, opportunities and problems that every business runs into during the normal course of events. These events may either interrupt or smoothly flow the normal course of business. Conditions encompasses factors like economic and business conditions risk; markets, competition, regulations. Most recent example can be COVID 19 which has made its adverse marks on aviation and hotel industry. Specific set of question which an account manager can consider to find an answer to are:

- What are the current economic and business conditions in the country, the region and the community and what are they likely to be in the future?
- How will these conditions impact cash flow from the property?
- What industry is the business in?
- How is the market influencing the valuation of the property under consideration?

**4. Capital:** Capital draws a ratio of commitment of the promoter in the business and how much risk they are exposed to. Capital for a business-loan application



consists of personal investment into the firm, retained earnings, and other assets controlled by the business owner. Capital is considered as an additional means to repay the debt obligation should income be interrupted. While assessing capital, lenders pay due attention to status of financial stability, solvency and liquidity and various attributes like protection for creditors; financial stability; resources for growth, etc. Specific set of question which an account manager can consider to find an answer to are:

- Does the business have adequate capital?
- Is the business going concern?
- What is the property's financial stability?
- What protection for creditors is provided by the funds invested in the business by the owners of the business?

**5. Capacity:** Capacity links to ability of the business to operate successfully with profitable positions and ability to make timely payments to its secured and unsecured creditors. Capacity in the final analysis is expressed in profits and cash flow but is determined by factors such as equity, management, location, length of time established and potential. Special traits to Capacity are: ability and desire to succeed; management ability; profit and cash flow, etc. Response to these questions can provide some insight around capacity of the business

- Is the business able to repay its current obligations?
- Does management have the ability to generate profits?
- What is management's ability and desire to succeed?

**6. Control:** Control involves putting the proper package together, looking after the loan, staying informed about the business taking corrective action when necessary, collecting the loan. Control is demonstrated when the business's have proven ability to minimize the risk; monitor the loan; manage the loan; etc. To assess control, account managers often consider these questions:

- Does the type of property pose any special or significant risks for the financial institution at the present time or in the future?
- How can risk to the financial institution be controlled and the commercial mortgage effectively monitored?

**7. Collateral:** Collateral is the assets that can be pledged as security for the satisfaction of debt and is usually mortgaged to draw a comfort as a source of repayment of mortgage amount in the event of default. This factor though acts as a secondary source for repayment for lenders, is also important to calculate the extent of finance the lender can approve and fund. Most of the lender's advance facility upto 65% of the collateral value while deciding on eligibility. Lenders generally questions below:

- What security does the borrower have available?
- What is the security worth and has appraiser assessed valuation as per prevailing market conditions?
- What is the nature of collateral with economic life of the collateral?

**8. Cross-selling:** Cross-Selling entails actively soliciting more business from borrowers and at times also entails to providing fulsome services to strengthen the business relationship and support each other to grow together. Hence, the account manager generally asks and discuss: What additional services would benefit the member?

Each financial institution has its own method for analyzing a borrower's creditworthiness, but the use of the eight Cs of credit serves as basic guidelines (but does not necessarily are the only factors) for making a conscious decision to provide finance to the business applicant. Capacity i.e. the borrower's ability to repay debt ranks as the most important. Those businesses who have high marks in each category are more apt to receive bigger loans at lower interest rates and favorable repayment terms. This is also true that if after in-depth due diligence, more risk are uncovered and project does not fit the lending criteria of the financial institutions, the lender may decides it to be wise not to lend money to those business.

I hope the reader found this content helpful. The above content is neither intended to provide any financial advice nor to provide exhaustive list of commercial lending criteria.

Please feel free to reach out to me at [ca.rajani2009@gmail.com](mailto:ca.rajani2009@gmail.com) to discuss your unique request on commercial finance need. The author is a Relationship Manager, Commercial Business Banking at a reputed financial institution.



# Best Roles of Financial Professionals in Yours Organizations



Sharad Gondaliya

*Sharad Gondaliya, CPA who is tech savvy financial professional will help to understand the financial position of your organization, you will need to consult the finance manager of your organization as he is the right person dealing with the numbers of your organization day in and out. The finance professional of a company is your go-to person who updates you on your company's financial health. Read on to know what roles a finance professional performs and the types of finance professionals in an organization. Also, Sharad, who has also completed CPA Canada, CPA USA and CA India, having experience as Finance Manager and Accounting Manager in Fortune 500 listed group company said that he prefers usage of Artificial Intelligence and machine learning for accurate financial decision making.*

## Types of Financial Professionals

### Finance Manager

The Finance Managers take care of the organization's financial aspects from planning to analysis, reporting, and managing risks, everything they look after. Financial Managers have an essential role to play in making financial decisions of the organization.

### Controller

The controllers mainly perform reporting activities such as financial statements preparation and various analytical reports to forecast the organization's financial needs.

### Treasury Manager

Treasury Managers look after the capital requirements of the organization to make sure the activities are performed as expected in the budgeted plan. Raising capital and performing investing activities are also functions performed by the Treasurers.

### Roles Performed by the Financial Professionals

In simple words, finance professionals actively participate and manage the financial side of the organization. Also, Sharad said that Financial Professional should attention to detail, having innovative problem solving skills, well organized, good leadership skill, strong interpersonal skill to be better financial professional. While specific organizations

Finance Manager

Controller

Treasury Manager



will have separate finance professionals carry out the functions individually, the others will have only one finance manager that takes care of the following activities.

### Financial Planning and Analysis

The Finance Managers plan financial activities and analyze the details and information to understand how to plan the financial activities for the organization, further considering the economic conditions. Financial activities such as budgeting, financial planning, financial modeling, and performance reporting are included, performed by the financial managers.

### Raising and Allocating Funds

Raising funds for the organization and allocating them in the best possible manner is a crucial task. The Finance Managers make decisions on raising funds through equity or debt. The fund raised is allocated for the purpose they were raised, such as operational and growth, and expansion activities.





### Financial Decision and Control

Considering various financial analyses and activities of the organization, finance professionals make essential financial decisions. They also exercise control over the financial side of the business to make sure the operational and other activities are running smoothly in the organization.

### Cash Flow Management

Meeting cash flow and the working capital requirements are crucial to make the business running. Financial Managers play an essential role in managing accounts payable and receivable to meet the cash flow requirements. These professionals also work closely with various department heads to understand the working capital requirements.

### Risk Management

Managing and mitigating risks of the organizations comes under the purview of the duties performed by the financial managers. They analyze possible threats to the financial management of the business, review weaknesses of the organization to deliver results and make plans, and take necessary actions to mitigate such risks. Typically, they perform a SWOT analysis to assess the risks related to the organization.

### Financial Reporting

Financial statements reflect the organizational activities and explain how the previous financial year was for the company financially. Finance professionals prepare financial statements and reports for the company management, auditors, and stakeholders by adhering to the accounting standards and rules applicable to the organization.

### Final Words

Succinctly, finance professionals work closely with the CEOs and the board of directors to ensure the organization's financial health is maintained throughout. The roles and responsibilities mentioned above are inclusive but not exhaustive. They represent the most significant roles and duties performed by the finance professionals.



# Ongoing Programs

Mentorship  
Program

Toastmasters  
TCCA  
Speakers Club

Professional  
Circles

Talent Share  
Program

# Programs & Leads

## Samma Tulsani

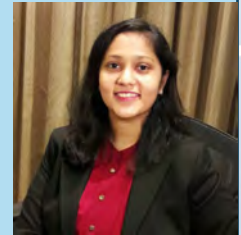
Mentorship Program Lead



The Toronto Chapter of ICAI launched the Mentorship Program in the spring of last year amidst the pandemic. Amongst other things, the purposes of the Program was to provide guidance from our experienced and successful members to any member trying to find a job, seeking to enhance their career and professional progress in Canada. Our mentors who have volunteered for this initiative, collectively include a rich experience in myriad areas, including public accounting, taxation, private practice, risk management, business development/ management, internal audit, leadership roles, etc.

## Pooja Y Chaudhary

Mentorship Program Lead



## Shambhavi Sharma

Toastmasters International Program Lead (Interim)



Effective communication is one of the most important life skills. We are pleased to introduce the Chapter's new initiative "Toastmasters International Club".

The Toronto Chapter of ICAI has chartered TCCA Speakers Club (the Toastmasters Club) for members of the chapter and their families, to help them improve their communication and leadership skills. This initiative started on Jan 20, 2021 and the club has been officially chartered on March 25, 2021 with 22 enthusiastic and confident members

## Akhil Kapoor

Professional Circles Program Lead

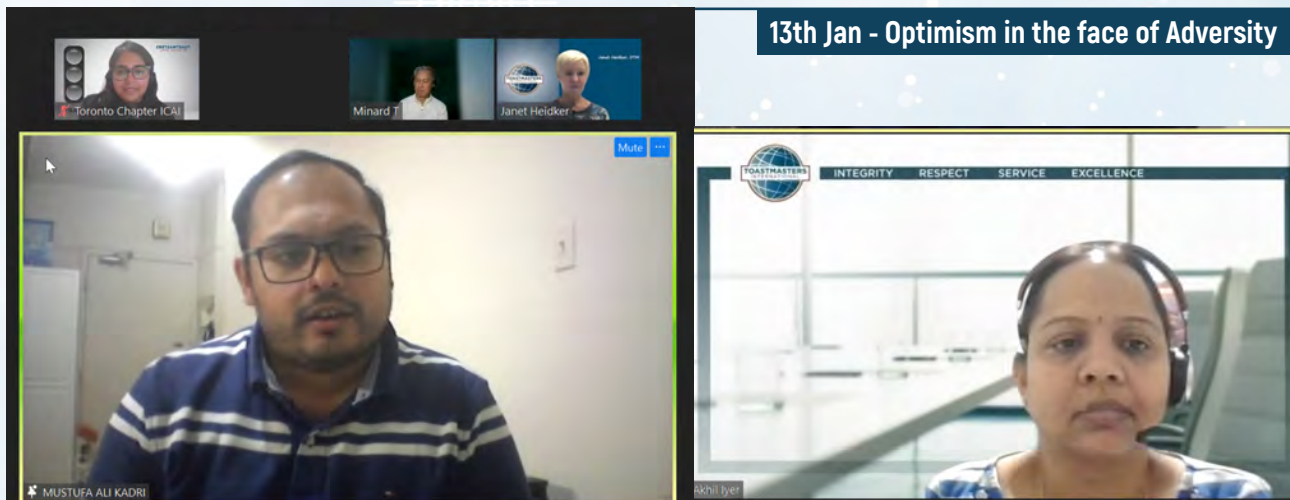


With an aim to connect the Chapter members in local areas and to promote formal and informal engagement amongst them, the Chapter initiated creation of Professional Circles at the beginning of the month of February 2021. As a pilot project, the Chapter has created four area specific Professional Circles ("Circles").

Members can join any of these Circles based on the region where members reside, however the Chapter allows a member to join any circle of their preference (irrespective of where they live).



# TCCA Speakers Club



## 30th Jan - New Year New Beginning

The Chapter's Toastmasters Club (the club) – which is now open to all members and their families – met on January 30, 2022 with theme of New Year New Beginning!

The club is excited to share with you glimpses of what happens during these meetings. Here is a summary:

- Shambhavi Sharma, interim president kicked-off the meeting followed by Dimple Gupta, CPA (Canada), CA, CS (India), CSC, the grammarian, who introduced the Word of the Day – “Light”.

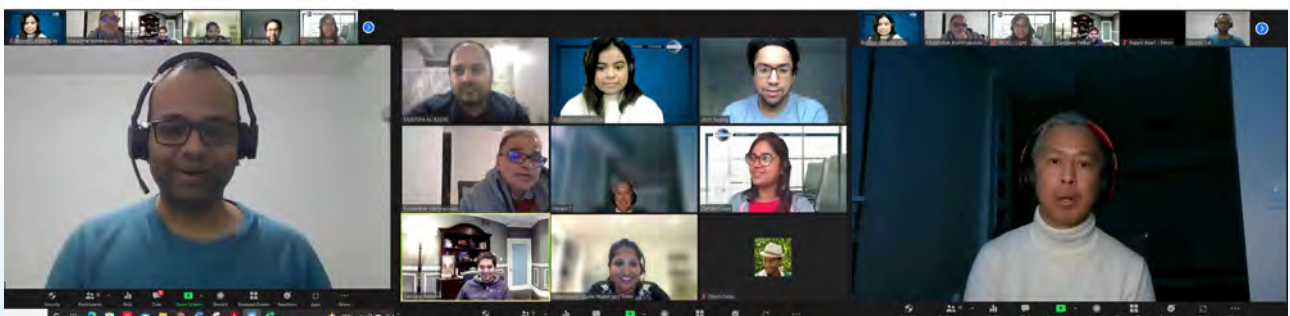
- The day's topic speaker Mustafa Ali Kadri spoke on “Privilege” – he succinctly discussed about how many small things that we take for granted are true privileges in our lives and how we should be thankful to what we have.

- The club's coach, Minard Tapawan, CISSP, CCSP, CISM, CISA, CRISC, MCSE, DTM, shared his life's heart-touching story “Breath” providing insight and motivation on how he overcame his struggle to give his daughter breath for life and how his daughter made him proud by being successful in academics and sports.

- Our Table Topic Master, Amit Narang, then led the discussion with a few interesting questions relating to different aspects of new year resolutions that people have made, broke or learned from. The intriguing discussion also benefited from insights from Gaurav Kumar CPA,CA, PMP(guest), Muralidhar Kommajosula, ACA (India), CGA (pace level) (Mentor) and Sandeep Patkar (the Chapter chair).

- In the meantime, Rajani Asari, CA, ACA, CS, MCom (who is the club's time-keeper) made sure the meeting was conducted in a timely manner

Guest observers also participated in the event. These meetings will remain open for all members if they would like to join and observe these meetings and learn/provide insights that would benefit us all.





## 13th Feb - Valentine's Week

Sunday, February 13, 2022, the club celebrated the theme Valentine's Week. Here is a short glimpse of what has happened during the recent meeting.

- Azhar Sakriwala, CPA, CA, toastmaster of the day managed the flow of the meeting and introduced roles such as quote master, grammarian, timer, and evaluator.
- Shambhavi Sharma, the grammarian introduced the Word of the Day – "Celebration" synchronizing with the theme of the Day.
- The speaker, Rajani Asari, CA, ACA, CS, MCom speech was titled "HELP". She narrated 4 incidents from her personal life (2 from India and 2 from Canada) with a strong message to spread "Helping one person might not change the world, but it could change the world for one person"
- The club's coach, Minard Tapawan, CISSP, CCSP, CISM, CISA, CRISC, MCSE, DTM, presented the toastmaster's pathways and resources around it. What is the toastmaster's pathway? Pathways are the Toastmasters International education system. It is designed to help you grow as a speaker and leader. You begin by logging onto Toastmasters International and completing an assessment. This assessment will give you a suggested Path for you to follow.
- Our Table Topic Master Shambhavi Sharma introduced two innovative punches.

(1) To select table topic speakers, she used an online resource "SPIN THE WHEEL" which was exciting and fun to be part of it.

(2) Who doesn't like the game "TRUTH OR DARE"? Yes, you heard right – a game as a medium to frame questions and make it interactive not just for the participants but for all the attendees.

- Muralidhar Kommajosula, ACA (India), CGA (pace level), the meeting's evaluator summarized what went right and what went wrong in the entire meeting, which definitely provides constructive feedback. On the other hand, Mustafa Ali Kadri fairly played his role as speech evaluator to provide feedback to the speaker of the day and help the speaker towards attaining success in completing his/her Pathway.
- Valuable feedback and insights from Janet (the Club's Coach), Minard Tapawan, CISSP, CCSP, CISM, CISA, CRISC, MCSE, DTM (the Club's Coach), and Sandeep Patkar (the Chapter Chair) kept the learning going on for all the attendees and provide a true essence to the reason for Toastmaster's meeting.
- In the meantime, Muralidhar Kommajosula, ACA (India), CGA (pace level) (who played a dual role as a club's time-keeper too) made sure the meeting was conducted in a timely manner.

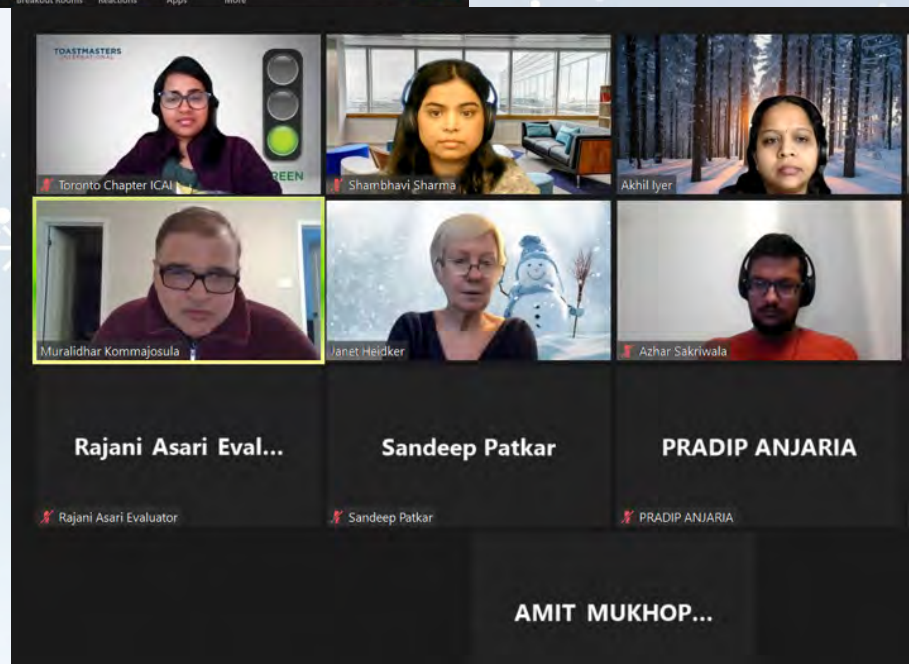
The event was also witnessed by a few guest observers. These meetings will remain open for all members if they would like to join and observe these meetings and learn/provide insights that would benefit us all.

It's all about learning from sharing of experience and feeling motivated!!!





## 27th Feb - The Last Month of Winter, Frosty



MEMBER NAME	ROLE
CA Shambhavi Sharma	President
CA Akhil Iyer	VP Education
CA Rajani Asari	ViP Public Relations

MEMBER NAME	ROLE
CA Azhar Sakriwala	VP Membership
CA Amit Narang	Secretary

**New Timings: Sunday – 5 pm to 6 pm (Bi-weekly)**



# Professional Circles

## Toronto Professional Circle ("Toronto Circle")

Total members as on date: **39**

Circle Leads:

**Jithin Ajith Kumar and Rutwik Tambe**



## Brampton Professional Circle

Total members as on date: **21**

Circle Leads:

**Limcy Thomas and Sinthia**



## Halton Professional Circle

Total members as on date: **13**

Circle Leads:

**Aarti Deshmukh and Harsh Khiara**



## Mississauga Professional Circle

Total members as on date: **19**

Circle Leads:

**Mohan Damle and Newton Deniese**

(subject to change as we are looking for new circle leads)



## Durham Circle

Total members as on date: **4**

Circle Leads: **Harsh Khiara**



*Highlights shared by CA Akhil Kapoor*



# Talent Share Program



The Institute of Chartered Accountants of India  
**TORONTO CHAPTER**

## Talent Share Program

The program is an opportunity to access database of qualified experienced Chartered Accountants from the Institute of Chartered Accountants of India (ICAI) who have gone through one of the most rigorous CA / CPA examinations and training requirements and are well equipped to succeed in accounting, auditing, taxation, and finance roles.

### Highlights

- ✓ 24 hours access to a database of qualified, experienced Chartered Accountants
- ✓ Most of the candidates have CPA designation or are pursuing CPA designation
- ✓ Opportunity to hire permanent or contract basis
- ✓ Flexibility on hiring terms / roles
- ✓ The Chapter will mentor the candidates to succeed at their work
- ✓ The Chapter will work with a Talent Share Partner's Program Champion to monitor success of the program

#### **Contact us at:**

info@icaitoronto.com

#### **Address:**

Toronto Chapter of the Institute of Chartered Accountants of India,  
PO Box 1069, 66 Wellington Street West,  
Toronto ON M5K 1P2

[www.icaitoronto.com](http://www.icaitoronto.com)





## The spirit of the Season



*Photo Courtesy: CA Bhikhu Bhatt*



*Photo Courtesy: CA Heer Gajjar*

## Xmas & New Year Celebration



*Photo Courtesy: CA Dimple Gupta*



*Photo Courtesy: CA Heer Gajjar*





Photo Courtesy: CA Shaija Thayil



CA. Dweep Mehta, Spouse: Radhika Mehta,  
Kid: Nivaan Mehta



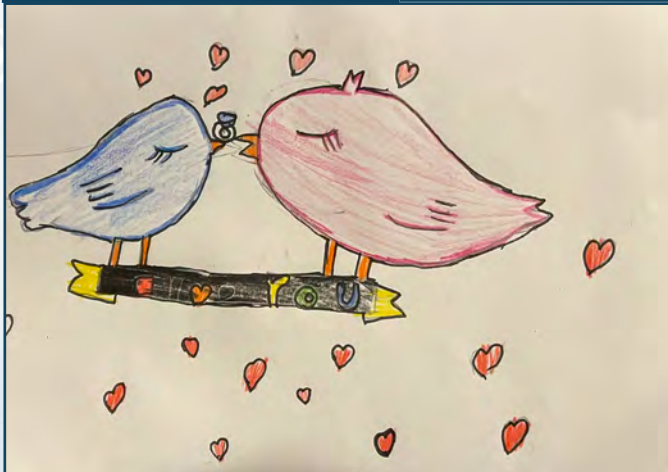
CA Kienzle Mody & Family



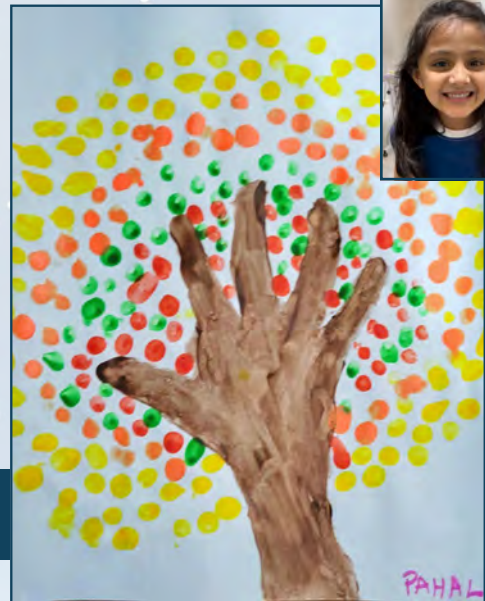
# ART SECTION



Dhruhi Tulsani - 6 years, CA Samma Tulsani, Pickering



Pahal Patel - 4 years  
CA Iti Patel, Brampton



Ian Thayil - 7 years  
CA Shaija Thayil, Whitby



# ART SECTION



**Kimaya Kapoor - 8 years**  
CA Vivek Kapoor  
Brampton



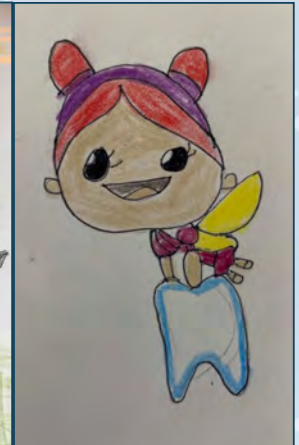
**Ria Desai - 4 years, CA Ritesh Desai, Halton Region**



**Riddham Sisupalan - 7 years**  
CA Rajani Asari, Markham



**Shanaya Gupta - 5 years**  
CA Dimple Gupta, Mississauga



**Samarth Desai - 7 years**  
CA Ritesh Desai, Halton Region

# Management Committee



**Sandeep Patkar**  
Chairperson  
spatkar@icaitoronto.com



**Ritesh Desai**  
Secretary  
ridesai@icaitoronto.com



**Vivek Kapoor**  
Vice-Chairperson  
vivekkapoor7@yahoo.com



**Dr. Rajender Mantra**  
Past Chairperson  
& Treasurer  
rmantra@icaitoronto.com



**Akash Lakhotia**  
Director  
alakhotia@icaitoronto.com



**Dimple Gupta**  
Director  
dgupta@icaitoronto.com



**Tanmay Kelkar**  
Director  
tkelkar@icaitoronto.com



**Udit Gupta**  
Director  
ugupta@icaitoronto.com

## Useful Links

For any further inquiries, please contact us at the following email address:

**Member Services and IT Support:** Member\_services@icaitoronto.com

**Toastmasters TCCA Speakers Club information:** tccaspeakersclub@gmail.com, [LinkedIn](#), [Video](#)

**Mentorship Services, Career & Canadian, CPA related information:** mentoring@icaitoronto.com

**Professional Circles:** akapoor@icaitoronto.com

**PD events:** pd@icaitoronto.com

**Submission of articles to be published in the e-Newsletter:** ssharma@icaitoronto.com

**Other Useful links :** <http://www.icaitoronto.com/useful-links.php>



## Thank you Sponsors!

### Premier Talent Sponsor



### Corporate Sponsor



POWER OF SIMPLICITY

### Platinum



### Gold



### Silver



### Bronze

