

President Speaks

The Sri Lankan Corporate community welcomed the much awaited new Companies Act in early May 2007 after a long and painful period of deliberations spanning for nearly over a decade. Undoubtedly this legislation was received by the public with much interest and enthusiasm and of course the areas that lacked clarity were many. The ICASL could have contributed more effectively had it been represented in the Company Law Reform Commission in the latter years. However the dust seems to be settling now with better understanding of the provisions of the Act consequent to a number of public seminars being arranged by many institutions including the ICASL. The new concepts of solvency test and fair valuation are an entirely a new feature that will cast heavy responsibility on Auditors, similarly directors duties too have been expanded. The ICASL has already released the prescribed format of the new Auditors Report consequent to the new Act coming into force and is in the process of issuing guidance notes to members on Solvency certificates, Accounting for Buy-Back of Shares. Etc.

Another piece of legislation that caught the eye of the Accountancy profession was the Inland Revenue Amendment Act that gave legality to the budget proposals of 2007. A significant amendment was the enforcement of a new tax effective on resident companies at 15% on “deemed dividends” where such companies having distributable profits and 25% of such profits had not been distributed. This issue will attract a lot of attention as companies who paid lower dividends with abundance of distributable profits will now be compelled to give priority for distribution, while on the other hand companies that require profit retention for expansion of activities will be burdened with additional taxation.

In keeping with its policy of improving the quality of study programs, the ICASL is now progressing with a major syllabus revision programme. This goes beyond a mere updating of contents and we have retained the services of a leading university academic to carry out the task. He would benchmark our syllabi with other comparative study programs to ensure the high quality of the Chartered Accountancy study programme. The twin objective for upgrading the syllabi is for the ICASL qualification to be recognised as equivalent to degree which is pre-requisite if ICASL is focus on reciprocal arrangements with related professional bodies.

I am also happy to state after more than a decade, the Institute has reviewed the Business Communication syllabi and come up with an entirely new syllabus with a modern outlook with a specific “English for Accountants emphasis.” This assignment too is being undertaken by a leading university academic and the revised Business Communication Study Packs will be released soon.

The ICASL qualification is widely accepted both at home and abroad for its strength in technical competence and we are now taking steps to add further strength through an effective programme to enhance the soft skills of students from an early stage of their studentship.

Soft skills such as presentation, public speaking & effective communication are now indispensable tools for career progress. Given this trend the current communication skills course for Final Year students will be reviewed to provide better value. The English Communication Lab funded by the IRQUE program is now nearing completion of its physical setting up and is expected to be operational soon. We hope to use this facility to its full potential to improve the English language

skills of students at all levels. This is a major step we are embarking on to enrich our qualification in keeping with market demands.

The aforesaid together with the strategic initiatives planned no doubt gives us positive confidence that our vision for the ICASL will be a reality in the near future.

Yohan Perera
President