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Hyderabad CIRCUIT

A News Magazine from
the Hyderabad Chapter of
The Institute of Cost Accountants of India

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The Chairperson writes to you

"Imagination should be used, not to escape reality, but to create it."

– Colin Wilson

Dear Professional Colleagues,

"Learn from yesterday, life for today and hope for tomorrow" -Albert Einstein

The fear and the spread of COVID -19 has sent shock waves throughout the world. A few experts say that we are in a mega-recession. Some say that the economy will shrink by 5 -10% . Our sovereign rating has been downgraded to Baa3 with a negative outlook on the pretext of prolonged period of slower growth, rising debt and stress in financial system. The challenges before the government are numerous, ensuring balance in all directions. In this scenario, we may expect a gradual return of economic activity, but the land scape will be different. With the right resolve and priorities, we can fight the virus and establish a stage for a brighter tomorrow. Building investor confidence could see an improvement in the exchange rates and helps in fiscal rectitude to an extent.

On the Chapter front, we were active in organizing technical programs and the program on "The Challenge of Corona Virus – Economic and Financial issues" by Sri Duvvuri Subba Rao garu, former Governor of RBI , jointly organized by the Chapter and the Institute, is a notable one. Our members got an opportunity of listening the views of a core economist directly. Classes for students are running on online platforms for their preparation for cracking the July examination.

The time has come for me to leave the office of Chairmanship of the prestigious Chapter. I am privileged to be getting the opportunity to serve this institution with the support of other Managing Committee members, staff, CMA members, faculty and other stakeholders. I truly feel that the last one year has been fulfilling and has given me the opportunity to gain valuable experience through lessons learnt. Will be rendering my services as I was in the last one year in the days to come.

Warm Regards,
CMA KVN Lavanya

From the Edit Room...

Dear Member,

It is time we take stock of our adapting to post Covid-19 world. . Yes Corona virus is spreading. We mourn the death of lakhs of people and martyrs who passed away in serving the victims of that pandemic. We salute the medical community and personnel of allied services.

However there is light at the end of the tunnel. Percentage of recoveries is around 50% in our country and, hopefully, likely to go up in other nations too , sooner than later. Most importantly, economic activity has resumed all over the world while balancing with containment of virus. That`s where Innovation comes from ,including our profession Of Management Accounting. In this scenario, there are several Finance professionals who are evolving new Finance Models based on Data Analytics grounded on strong I T Networks . They are attempting analytics on the impact of various safety measures (for countering the virus spread) and other evolving actions across the Industries and nations , on Business Revenues and Costs . Well this would lead to generating path breaking Business Metrics which drive Business of Future. I am sure you see the Connect. We must seize the opportunities and create post Covid USP for the profession . Let`s have a look on some interesting write-ups in this edition of Circuit of June-2020

This is an extract from a very interesting article on future work environment: `The future of work will be more remote, digital, healthier and safer. Covid-19 is the gasoline that has fuelled the workplace programmes, policies and procedures that exist but weren't widely adopted such as remote work, employee assistance and virtual learning. How do you build teams, culture and camaraderie in a virtually-driven workplace where teams work remotely?`

Other one is about reaching to create alignment between finance and Marketing through brand valuation .

`A strong brand has value to the consumer and accordingly can be expected to generate financial value to the company over time. Thus, the brand is an intangible financial asset for the business that controls it. Accountants have long resisted treating brand, as well as other intangibles, as an asset because of the difficulty of relying on the "fair value" of a market transaction. In the case of an acquisition, the price of the acquired company can be used for brand valuation...Once viewed in a right way, finance and marketing can achieve strategic alignment.`

As I said earlier , in this article we discuss elaborately on `connect to Data Analytics...

`Today's data environment differs from that of the past in the immediacy and availability of data and the ability to access it. The deployment of this data and the technologies that exploit it present both opportunities and threats to the management accounting profession. In order to stay relevant, finance professionals must take advantage of opportunities to create value around Big Data `

A little later you are expected to explore into our laterals-

- *Freeing Up the Innovation Space*
- *Managing Strategy*

As usual , we have quality up dates through ` cma update, Finance Clips and GST ` coming from our senior members to keep you abreast with latest developments.

Let me take this opportunity in Congratulating our Chairperson Smt Lavanya (& her team) on her able steering of our HCCA to great heights organising several programmes having both range and depth , not leaving out some innovations during her tenure- 2019-20.

I strongly feel that it is time a younger team takes over edit of both Circuits and I am sure there will be great many changes with new ideas that will further enhance the image of our `circuit(s) ` in the days to come.

That is how I am leaving you ending with this edition of Both Circuits. Along with you, perhaps I will be reading a New Edit from Edit Room from July`2020 onwards. Let me thank you and Management Committee and Staff of HCCA for my association with HCCA in this assignment which I enjoyed throughout

- Anand Satchit Jammalamadaka

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ACTIVITIES SCORE BOARD

Professional Development Sub-Committee, Practitioners' Forum Sub-Committee Programs organised by Professional Development Sub-Committee

Month (2019-20)	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Year-to-date
No. of Programs	3	4	0	0	0	0	0	0	0	0	0	0	7
CEP Hours	11	4	0	0	0	0	0	0	0	0	0	0	15

Performance Track

05th May, 2020 – Practical issues in Real Estate Sector under GST + Impact of Covid 19 on Real Estate Sector

GST in real estate has been a debatable issue in India facing a tough time over the last few years, for issues like GST on sale of flats to owners, sale after occupancy certificate etc., avoiding input tax credit, purchase from unregistered dealers etc. In this programme CA Subba Reddy has dealt with major issues mentioned above and explained well with suitable examples.

13th May, 2020 – CMA's role in creating Customer Value

Knowing what customers value, and why, is the foundation of a sound business. CMA A.N. Raman, Former President of SAFA emphasized the role of CMAs role in creating customer value. He explained what global CMA bodies have done about customer value, Role of a CMA in Monitoring CV, Tools and Techniques of CV Monitoring, Cost Management Tools to align with Business Strategy, Target Costing Characteristics, Cross-Functional Team, Target Costing Process, Establishing the Target Cost, Achieving the Target Cost.

17th May, 2020 – Agencies for Specialized Monitoring –Emerging Opportunity for CMA

This is an emerging opportunity for CMAs. CMA P.S. R. Prasad detailed about Empanelment of Agencies for specialized Monitoring(ASM),Eligibility criteria, submission of documents, approval stage, post approval stage, termination, Confidentiality and Non-disclosure agreement, fee, terms and conditions, expectations from ASM, Scope of work for ASM, in case of Working capital, in case of Term Loan(Project Monitoring), General Parameters for monitoring, general terms and conditions.

22nd May, 2020- The Challenge of Corona Virus – Economic and Financial Issues

This event was initiated by our Chapter and organized by our Institute on online platform. This event was attended by CMA Balwinder Singh – President, Central Council Members CMA Dr. K. Ch. A.V.S.N. Murthy, CMA H. Padmanabhan and CMA Chittaranjan Chatopadyaya

Dr. Subba Rao garu, Past Governor of RBI has elaborated on 10 issues i.e The Rs. 20 trillion stimulus package - and what it accomplishes, The time for reforms, the government's fiscal problem, RBI support , RBI's monetary easing policies, Bank NPAs, Steps to restart the economy , Atmanirbhar Bharat, Crisis management of example of co-operative federalism, India's long term growth story in tact

FINANCE CLIPS

FINANCE CLIPS

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- **Filing of NFRA-21 Return:** MCA decided that the time limit for filing of Form NFRA-21 for the reporting period Financial Year 2018-19, will be 210 days from the date of deployment of this form on the website of National Financial Reporting Authority (NFRA) and for details refer to www.mca.gov.in

- **Communicating with retiring Auditors:** ICAI has decided that the members may communicate with the Retiring Auditor vide E-mail, provided an acknowledgement of such communication is received from the Retiring Auditor's E-mail address registered with the Institute or his last known official E-mail address. Such acknowledgement of communication would be deemed as valid evidence of positive delivery of communication and for details refer to www.icai.org

- **ICAI concept paper on Fair Value:** ICAI issued "ICAI Valuation Standards-2018" which were formulated on the basis of "Fair Value principles" as per Ind AS 113 as notified by the Ministry of Corporate Affairs. ICAI Valuation Standards, 2018 have been adopted by ICAI Registered Valuers Organization (ICAI RVO) and for details refer to www.icai.org

- **CA Qualified students:** In view of the ongoing spurt of the COVID-19 virus pandemic and subsequent suspension of IT and Soft Skill classes all across the country, the Council at its 392nd Meeting, decided that students who have passed Final Examination in November, 2019 and the students whose result is withheld for November, 2019 Final Exam as one time measure can undergo MCS and Advanced IT Course through virtual mode https://virtualmcs.icai.org/ and for details refer to www.icai.org

- **Addressing Bank Audit queries:** The Auditing and Assurance Standards Board (AASB) of ICAI is offering an Online support to ICAI members from May 02, 2020 for the bank branch audits for the year ended 31st March 2020. The queries can be sent at email id: bankauditfaq@icai.in and for details refer to www.icai.org

- **Bank Audit:** ICAI has issued Addendum to Guidance Note on Bank Audits -2020 and for details refer to www.icai.org

- **ICAI waives 75% students Registration fees:** Candidates/Students from newly formed Union Territories of Jammu and Kashmir, Ladakh and 8 North-East States, namely, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura may note that with effect from from 20th September, 2019, ICAI has waived off 75% fee for the students registering from these Union Territories and States for all levels of CA Course i.e. Foundation, Intermediate and Final. The said concession will be permissible for the candidates/ students who will be enrolling till 31st March, 2022 and for details refer to www.icai.org

- **Charitable Trusts & Charitable Institutions:** In view of the unprecedented humanitarian and economic crisis, the CBDT has decided that the implementation of new procedure for approval/ registration/notification of certain entities shall be deferred to 1st October, 2020. Accordingly, the entities approved/ registered/ notified under section 10(23C), 12AA, 35 and 80G of the Income-tax Act, 1961 (the Act) would be required to file intimation within three months from 1st October, 2020, i.e, by 31st December, 2020. Further, the amended procedure for approval/ registration/ notification of new entities shall also apply from 1st October, 2020.

- **Audit fee from client:** ICAI has issued clarifications on Audit Fee to be received from Client and for details refer to www.icai.org

- **100 crore corpus for CA students:** a Corpus fund of Rs.100 crore has been created and earmarked by ICAI to provide scholarships for the students who are pursuing Chartered Accountancy Course and increase the beneficiaries gradually and for details refer to www.icai.org

- **Mock Test schedule for CA students:** Board of Studies of ICAI is commencing the Mock Test Papers (Series-1) from May 11 till 27, for July 2020 CA Foundation, IIPC & Intermediate; Final Old & New examination. Complete schedule of these mock tests can be accessed/viewed at: https://www.icai.org/post.html?post_id=16495.

FINANCE CLIPS

- **ACCA to introduce Remote Exam taking:** ACCA (the Association of Chartered Certified Accountants) is introducing new flexibility for ACCA students around the world to enable them to take their exams at home or in another location in circumstances where centre-based exam sittings are disrupted.

- **Reduction in TDS/TCS:** In order to provide more funds at the disposal of the taxpayers for dealing with the economic situation arising out of COVID-19 pandemic, the rates of Tax Deduction at Source (TDS) for the following non-salaried specified payments made to residents has been reduced by 25% for the period from 14th May, 2020 to 31st March, 2021.

- **Definition of MSME changed in FM Proposals:** Definition of MSME will be revised by raising the Investment limit. An additional criterion of turnover also being introduced. The distinction between manufacturing and service sector will also be eliminated and for details refer to www.mf.gov.in

- **Electronic signing of Audit Reports:** AASB of ICAI has announced regarding use of Electronic signature for signing Audit Reports and Certificates and for details refer to www.icai.org

- **Extension of period of Articleship of CA students:** ICAI has announced that due to extension of lockdown till 31st May, 2020 in the county on account of COVID-19, as a one-time measure Students are hereby allowed to commence their Practical Training on or before 31st July, 2020 and complete Orientation Course and IT Training on or before 31st October, 2020 then are allowed to appear in their Final examination to be held in November, 2022 and for details refer to www.icai.org

- **Disclosure of impact of COVID-19:** The regulator SEBI and accounting Institutes ICAI-CMA and ICAI have come up with advisories/circulars/other documents to guide the business houses for reporting of COVID-19 expenses/its impact on businesses/companies. SEBI has recently issued circular no SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 which has made it mandatory for all the listed companies to make available the various parameters relating to the working of the company and impact of COVID-19 on business to all investors. This exercise has been undertaken to boost the confidence of the investors and for details refer to www.sebi.gov.in

- **Virtual mode MCS course of ICAI:** In view of the ongoing spurt of COVID-19 virus pandemic and subsequent suspension of IT and Soft Skills Classes all across the country, the competent authority has decided that the students of Final course exam (July, 2020 & November,2020) as one time measure can undergo MCS and Advanced IT Course through Virtual Mode https://virtualmcs.icai.org as

- **Centre for Audit Quality:** The Institute has decided to open Centre for Audit Quality at ICAI's Centre of Excellence , Jaipur which would enable the Institute to make available conducive environment for research and develop a systematic audit quality framework and for details refer to www.icai.org • Disciplinary Mechanism: ICAI has launched website on Disciplinary Mechanism for its members and for details refer to www.icai.org

- **Exemption of section 14(3) of FCRA-2010:** After considering the lock down situation arising due to COVID-19 pandemic, it has been decided that period of 60 days granted to the Associations/NGOs vide this Ministry Public Notice of even number dated 18.3.2020 to enable them to apply for fresh registration after electronic submission of missing Annual Returns on the Portal along with the prescribed penalty, has been further extended for another 60 days and for details refer to Ministry of Home Affairs notification dated 26th May, 2020.

- **Advisory on use of Trademark "ICAI":** ICAI has issued an Advisory on 29-5-2020 which indicate that any unauthorized/illegal use of the acronym 'ICAI' by any person/entity amounts to infringement of Trademarks vested in The Institute of Chartered Accountants. of India (ICAI) as also contravention of Section 24A of the Chartered Accountants Act 1949 and for details refer to www.icai.org

- **Validity of Peer Review Certificates:** ICAI has announced extension of Peer Review Certificates for one year from the date of validity of the last issued certificate subject to certain compliances to be made by the members and for details refer to www.icai.org

CMA UPDATE

CMA UPDATE

CMA R. SATYANARAYANA,
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GENERAL

- **PPF Interest rate notified:** Ministry of Finance notified that in respect of the deposits made in the Public Provident Fund account between 12th December, 2019 to 31 st March, 2020 (both days inclusive) and the balances at the credit of the account shall bear interest at the rate of 7.9 per cent and for the deposits made in the account on or after the 1st day of April, 2020 based on lowest balance at the credit of an account between the close of the fifth day and the end of the month shall be eligible for interest and for details refer to www.mf.gov.in

- **IT Return filing date extended:** The Finance Minister, Nirmala Sitharaman in her press conference announced the "Due date for all income-tax return for FY 2019-20 will be extended from July 31, 2020, and 31 October 31, 2020, to November 30, 2020, and tax audit from September 30, 2020, to 31st October 2020," the FM stated.

- **Instant PAN:** CBDT has launched on 28-5-2020 which will be paperless exercise where an applicant will be issued e-PAN instantly if UID linked with phone number is made available on line and for details refer to www.cbdt.gov.in LABOUR

- **Filing of ECR:** EPFO to ease the compliance procedure under EPF & MP Act, 1952, the filing of monthly Electronic-Challan cum Return (ECR) has separated from Payment of the statutory contributions reported in the ECR. The ECR can now onwards be filed by an employer without the need of simultaneous payment of contributions and contributions may be paid later by the employer after filing the ECR vide Notification dated 30th April, 2020 issued by EPFO and for details refer to www.epfo.gov.in

- **EPF subscription rate reduced:** The reduction in statutory rate of contributions from 12% to 10% for wage months May, 2020, June, 2020 and July, 2020 for all class of establishments covered under the EPF & MP Act, 1952 announced on 13.05.2020 by the Central Govt. as part of Atma-Nirbhar Bharat package has been notified vide SO 1513 (E) dated 18.05.2020 published in the Gazette of India. The notification is available under the TAB- COVID-19 on the home page of EPFO website. Government Sector, their PSEs and establishment whose subscription is being borne by Union Government under PMGKY continue to have subscription at old rates of 12%. GST

- **Form GST PMT-09:** CBIC notified 21st day of April, 2020 as the date from which Rule 87(13) of CGST Rules & Form GST PMT-09 will comes into effect. After this rule comes into effect a registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for integrated tax, central tax, State tax or Union territory tax or cess in FORM GST PMT-09 and for details refer to www.cbic.gov.in

- **GST Annual Return:** CBIC has notified that the time limit for furnishing of the annual return specified under section 44 of the said Act read with rule 80 of the said rules, electronically through the common portal, for the financial year 2018-2019 till the 30th September 2020 vide CBIC dated 5th May,2020 and for details refer to www.cbic.gov.in

- **E-way Bill period extended:** CBIC notified that the where an e-way bill has been generated under rule 138 of the Central Goods and Services Tax Rules, 2017 on or before the 24th day of March, 2020 and its period of validity expires during the period 20th day of March, 2020 to the 15th day of April, 2020, the validity period of such e-way bill shall be deemed to have been extended till the 31st day of May, 2020 vide CBIC Notification No.40/2020-Centra Tax dated 5th May,2020.

- **GSTR-3B Nil Return filing:** CBIC has issued Notification for a registered person who is required to furnish a Nil return under section 39 in FORM GSTR-3B for a tax period, any reference to electronic furnishing shall include furnishing of the said return through a short messaging service using the registered mobile number and the said return shall be verified by a registered mobile number based One Time Password facility.

- **GST relating to supplies to Merchant Bankers:** CBIC has issued clarifications on issues related to IBC, GST ITC-04 & supply to Merchant exporters and for details refer to www.cbic.gov.in

CMA UPDATE

- **GSTR 3B through EVC:** The taxpayers who are required to mandatorily use DSC to file Form GSTR-3B, now have an option to file it using EVC. This is applicable to for all categories of Companies (including Limited Liability Partnerships and PSUs), registered under Companies Act, 2013.This option is available for returns filed in Form GSTR-3B during the period starting from 21-04-2020 to 30-06-2020 and for details refer to www.cbic.gov.in

- **GSTR-6:** The persons registered as ISD can distribute ITC among its Units by filing Form GSTR-6, every month and for details refer to www.cbic.gov.in

- **Creation of electronic cash ledger & Liability for UIN holders:** A cash ledger and a Liability Register, for UIN holders, has now been created on the GST portal. A facility to make payment through challan has also been created in the Payment module for UIN holders. The UIN would now be able to make payment of the amount of excess refund claimed, on voluntary basis, through Form GST DRC-03. It would also be possible for the Tax Officer to post the liability in Liability Register (Part-II), if the UIN holder does not pay the excess amount voluntarily and for details refer to www.cbic.gov.in

- **GST Registration:** All incomes should be aggregated and considered for GST Registration vide Anil Kumar Agrawaal (GST AAR Karnataka) in the Appeal Number Advance Ruling No. KAR ADRG 30/2020.

- **Attachment of Bank Accounts:** Any amount payable by a taxable person or any other person on account of tax, interest or penalty which he is liable to pay to the Government shall be a first charge on the property of such taxable person or such person vide RCI Industries & Technologies Ltd. Vs Directorate General of GST Intelligence (Punjab & Haryana High Court) in the Appeal Number : CWP No. 18523 of 2019 in respect of a case filed under Insolvency Bankruptcy Code 2016.

- **Retrospective amendments in CGST Law:** The Finance Ministry has notified retrospective amendment in the Central Goods and Services Act (CGST Act 2017). With this amendment in Section 140 of the Central Goods and Services Tax Act relating to transitional arrangements for input tax credit has formally been made effective, so as to prescribe the time limit and the manner for availing input tax credit against certain unavailed credit under the existing law. This amendment shall take effect retrospectively from July 1, 2017 and for details refer to www.cbic.gov.in

RBI

- **Hedging of Foreign Exchange Risk:** RBI has extended the date of coming into effect of the the directions on Hedging of Foreign Exchange Risk issued vide A.P. (DIR Series) Circular No. 29 dated April 7, 2020 which were to come into effect from June 1, 2020, shall now be given effect wef 1st Sept, 2020 and for details refer to Circular No.31 dated 18th May, 2020 issued by it and refer to www.rbi.gov.in

- **Reporting Platform for OTC Derivatives:** All foreign exchange non-deliverable derivative contracts (involving Rupee or otherwise) undertaken by banks in India through their IBUs or through their branches in India or through their foreign branches (in case of foreign banks operating in India, through any branch of the parent bank), shall be reported to CCIL's reporting platform with effect from June 1, 2020 vide letter dated 18th May, 2020 issued by RBI to all Authorised Dealer and the same can be referred on www.rbi.gov.in

- **Moratorium on loans & other relaxations:** RBI extends moratorium on loans by three months ie., till Aug 2020. Further, the Reverse Repo rate has been reduced to 4.0% and the Export Credit Period has been extended to 15 months from 1 year and for details refer to www.rbi.gov.in

- **Foreign Portfolio Investors:** RBI has issued a circular No.32 dated 22nd May, 2020 indicating that Foreign Portfolio Investors (FPIs) shall invest at least 75% of their 'Committed Portfolio Size' (CPS) within three months from the date of allotment. In view of the disruptions caused by COVID-19, it has been decided to allow FPIs that have been allotted investment limits, between January 24, 2020 (the date of reopening of allotment of investment limits) and April 30, 2020, an additional time of three months to invest 75% of their CPS. For FPIs availing the additional time, the retention period for the investments (committed by them at the time of allotment of investment limit) would be reset to commence from the date that the FPI invests 75% of CPS and for details refer to www.rbi.gov.in

- **Major announcements made by RBI on 22-5-2020:** The major announcements which were made by the RBI Governor during his Press conference on 22.5.2020 are: 1. The moratorium on loan

C M A U P D A T E

repayments has been further extended by three months that is till August 2020. 2. The Repo rates have reduced by 40 bps from 4.4% to 4% 3. The reverse repo rate to be maintained at 3.35% 4. The Export Credit Period has been extended to 15 months from 1 year and for details refer to www.icai.org CUSTOMS

- **Provisional clearance of goods for export:** CBIC keeping in view the restrictions imposed globally, which may lead to a situation wherein an exporter in unable to communicate original CoO to the importer or submits a CoO which is not as per the prescribed format (digitally signed/unsigned). In this regard where original hard copy of CoO has not been submitted or only digitally signed copy or unsigned copy of CoO is submitted, same may be treated at par with category as listed at serial no. 5(c) of the Circular 38/2016-Customs, provided that the matter is not covered under 5(a), wherein there is reasonable belief that the it involves mis-declaration of origin/value addition and for details refer to CBIC instructions No.04/2020 dated 4th May,2020.

- **CESTAT Procedure Rules:** CESTAT vide Notification dated 11.05.2020 announced the Amendments to CESTAT Procedure Rules 1982 and for details refer to CESTAT Notification No. 1/2020 dated 11th May, 2020 on www.cbic.gov.in

- **Electronic sealing:** CBIC issued comprehensive circular on Electronic sealing vide Circular No.25/2020-Customs dated 18-05-2020 and for details refer to www.cbic.gov.in INCOME TAX

- **Amendments to Mutual Agreement Procedure:** CBDT has notified procedure for amending the Mutual Agreement Procedure laid down under IT Act 1962 and made amendments to Rule 44G & Form 34F-application to give effect to DTAA and for details refer to Notification No.23/2020-Incoeme Tax dated 6th May, 2020 on www.cbdt.gov.in

- **Residential status:** In view of COVID-19 CBDT has issued Circular No.11 of 2020 on 8th May, 2020 in respect of Residential status for AY 2020-21 and for details refer to www.cbdt.gov.in

- **Deferment for Approval/Registration of Charitable Trusts & Exempt Institutions:** As per the existing provisions Charitable trusts and exempt institution which were already registered under section 12A or section 12AA of Income Tax Act, 1961 will now be required to reapply online for registration and approval by August 31, 2020. Provisions of registration under section 12AA or section 12A will become redundant from 01st June 2020 and a new section 12AB will come into force with effect from 01st June 2020. All the existing registered trusts under the erstwhile section 12A or section 12AA would move to new provision section 12AB. Hence, seeing the present situation, the CBDT has decided to give relief and therefore The new compliances under the mentioned section which were made applicable from June 1, 2020 and should have been completed by August 31, 2020 now changed to October 1, 2020 and shall continue till December 31, 2020 and necessary circular in this regard is expected as per the announcement by FM on 13th May, 2020.

- **E-Payments under section 269SU:** CBDT clarified that clarified that the provisions of section 269SU of the Act shall not be applicable to a specified person having only B2B transactions (i.e. no transaction with retail customer/consumer) if at least 95% of aggregate of all amounts received during the previous year, including amount received for sales, turnover or gross receipts, are by made other than cash vide Circular No.12/2020 dated 20th May, 2020 and for details refer to www.cbdt.gov.in

- **Trust can accumulate 25% of income derived from property:** ITAT Ahmedabad held that charitable or religious trust is entitled to accumulate twenty-five per cent, of its income derived from property held under trust. The donations the assessee received, would constitute its property and it is entitled to accumulate twenty-five per cent of that income and not the 25% of income left after application. Therefore, assessee was entitled for carry forward of deficit @ 15% vide decision given in the case of Indian Medical Association Vs ITO (ITAT Ahmedabad) Appeal Number ITA. Nos: 611 & 2186/AHD/2018

- **Remuneration to Fund Manager:** CBDT has vide notification dated 27th may 2020 amended Guidelines for application of section 9A. Section 9A contains provisions related to Certain activities not to constitute business connection in India.

- **Revised Form 26AS Notified:** CBDT vide Notification dated 28th May, 2020 has notified Revised Annual information statement in Form No. 26AS and for details refer to www.cbdt.gov.in

- **Revised ITR Forms for AY 2020-21:** CBDT vide Notification dated 29th May, 2020 has Notified Revised Income Tax Forms for FY 2020-21 and the same can be accessed on www.cbdt.gov.in

CMA UPDATE

DGFT/FEMA

- **Revised differential rate of assistance under TMA:** Central Government had introduced a Scheme titled Transport and Marketing Assistance (TMA) for Specified Agriculture Products. In this scheme it is now provided that Assistance for products exported by air would be based on per kilogram freight charges on net weight of the export cargo, calculated on full kilogram basis, ignoring any fraction thereof. It further revises Differential rate of assistance under TMA (Amount in Indian Rupees). The above modifications will be applicable only for the fresh applications, submitted after the date of this notification i.e. 28-03-2020. The applications already submitted cannot be modified and for details refer to letter dated 27th April, 2020 on www.mc.gov.in
- **Export Performance Certificate extended:** CBIC extended the period of validity of existing Export Performance Certificates for FY 2019-20 up to 30.09.2020- vide Notification No. 23/2020-Customs Dated- 14th May, 2020 and for details refer to www.dgft.gov.in SEBI
- **Payment of Annual Listing fee extended:** NSE has decided to extend the due date of payment for the Annual Listing Fees for FY 2020-21 from 30th April 2020 to 30th June 2020 and for details refer to www.nse.gov.in
- **INR-USD Futures & Options:** Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitaraman launched INR-USD Futures and Options contracts on the two International Exchanges, viz BSE's India INX and NSE's NSE-IFSC, at GIFT International Financial Services Centre at Gandhinagar on 8th May, 2020 through video conference.
- **e-KYC Aadhaar Authentication:** SEBI has issued a circular on 12.05.2020 indicating the list of entities who are authorised to undertake e-KYC Aadhaar authentication service of UIDAI in securities Market and for details refer to www.sebi.gov.in

INSURANCE

- **Actuary Regulations:** IRDA has released updated Actuary Regulations as amended upto 14th May, 2020 and for details refer to www.irda.gov.in INSOLVENCY & BANKRUPTCY BOARD/NCLA
- **Registration of IRP/RP:** CBIC has Notified that IRP/RP to take new GST Registration post-appointment by 30th June, 2020 vide Notification No. 39/2020–Central Tax dated 5th May, 2020 and for details refer to www.cbic.gov.in

COMPANIES ACT

- Appointment of Independent Directors: MCA has issued Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2020 which are applicable from 29th April 2020 and by this Registration of details of Independent Directors in Independent Directors Data Bank who were director on 1st December 2019 is been allowed till 30th June 2020 and for details refer to MCA's Notification date 29th April, 2020 on www.mca.gov.in
- **Research studies on corporate Governance:** MCA issued guidelines for funding of Research studies on corporate Governance and for details refer to www.mca.gov.in
- **Companies AGM:** MCA vide circular dated 5th May, 2020 clarified that Companies can hold Annual General Meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM) during the calendar year 2020. The framework for issuing notices and conducting meeting provided in EGM Circulars shall be applicable mutatis mutandis for conducting the AGM and for details refer to www.mca.gov.in
- **Right issue procedural relaxation:** SEBI has issued Circular dated 6th May, 2020 relating to Rights issue procedural matters and for details refer to www.sebi.gov.in
- **Right issue clarifications:** MCA clarified that for rights issues opening upto 31stJuly, 2020, in case of listed companies, which comply with the aforementioned SEBI Circular dated 6th May 2020, inability to dispatch the notice referred in para 1 of this Circular to their shareholders through registered post or speed post or courier would not be viewed as violation of section 62(2) of the Act and for details refer to General Circular No.21/2020 dated 11-05-2020.
- **Clarification on issue of Notice for Rights issue:** MCA clarified on 11th May, 2020 that inability to dispatch the Notice by Listed companies to their Shareholders through registered post or courier would not be viewed as violation of the Act provided the company complies with the Circular issued by SEBI on 6th May, 2020 and for details refer to www.mca.gov.in
- **MCA extends period for name reserved & resubmission of Forms:** MCA has announced extension of period for name reserved & resubmission of Forms and for details refer to www.mca.gov.in
- **CSR:** MCA includes Vide Notification dated 26th May, 2020-PM Cares Fund in Schedule VII of Companies Act 2013 extending the benefit of CSR provisions to Donors and for details refer to www.mca.gov.in

GOODS AND SERVICES TAX

From the GST Sub-committee

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It is a common practice among certain sections of trade and industry, such as, pharmaceutical companies which often provide drug samples to their stockists, dealers, medical practitioners, etc. without charging any consideration.In accordance with Circular No. 92/11/2019-GSTthe goods or services or both which are supplied free of cost without any consideration shall not be treated as „supply under GST

Accordingly, it is clarified that samples which are supplied free of cost, without any consideration, do not qualify as „supply under GST, except where the activity falls within the ambit of Schedule I of the said Act. Further, clause (h) of sub-section (5) of section 17 of the said Act provides that ITC shall not be available in respect of goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.

Thus, it is clarified that input tax credit shall not be available to the supplier on the inputs, input services and capital goods to the extent they are used in relation to the gifts or free samples distributed without any consideration. **However, where the activity of distribution of gifts or free samples falls within the scope of „supply on account of the provisions contained in Schedule I of the said Act, the supplier would be eligible to avail of the ITC.**

Section 17 (5) (h) (1) provides for blocked of Input Tax credits where in Inputs, Inputs Services and Capital goods are used for goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and

The aspect of goods lost, stolen, destroyed, written off, can be understood verbatim as Input Tax credit is required to be reversed and Insurance claim towards the same is claimable hence Input Tax credit needs to be reversed.

However the issue that would come is on the following items disposed off, Gifts and Free Samples.

Disposed off:

The word disposal under commercial terminology means getting rid of.The same is covered under the definition of Section 7 of CGST Act,2017. Meaning when Goods are disposed of without consideration would get qualified under this provision and hence reversal is mandated.

However in reality Goods would get disposed of in response toregulations like for example Press mud in Sugar industry, Empty Plastic Bottles left over by customers at petrol Banks after filling up 2T Oil in their vehicles. The disposal of the same is mandated by PCB Norms and hence would come under the purview of Section 7 even though the same does not carry Monetary value.

GIFTS:

The word gift covered under this provision is not defined under the CGST ACT, 2017. However CBIC in its Press release had clarified the term GIFT used in the Act and is used in general parlance as under:

1. **Gift is made without consideration,**

2. **It has to be voluntary in nature and**

3. It is to be made occasionally.

4. It cannot be demanded as a matter of right and cannot move a court of law for obtaining the same.

Section 2 Subsection (31)defines "consideration" in relation to the supply of goods or services or both includes—

a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;

b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government: Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply;

Based upon the verbatim reading of above Paras provided in Section 2(31) it can be deduced that there is no requirement that consideration is always required to be in the form of Money but also the following

1. the monetary value of any act or forbearance, in respect of, in response to, or

2. for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person

3. but shall not include any subsidy given by the Central Government or a State Government:

4. Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply;

Further As per subclause (a) of sub-section (1) of section 7 of the said Act, the expression "supply" includes all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business.

Hence Gifts or Free supplies along with Supply of goods or services is Taxable under Section 7 of CGST Act, 2017 as the same can be said is for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person.

Example: Samples given to Doctors so as to have the same recommendedas medication to the patients as prescription can be treated as Consideration having impact of Levy of GST.

Similarly, Offers given by Retail market in as part of Sales Promotions Mobiles, Electronics goods, Diwali offers, ETCwill also be treated as Supply under Section 7 of CGST Act,2017 **becuase for the inducement of the public to purchase goods and to increase the market penetration of the business.**

In view of the same Sales Promotion offers, or free samples given by FMCG, Pharma for penetration into market would come under the definition of supply even though the same does not provide monetary effect. Hence Inward supplies of goods and services even though comes under the generic terminology used in the Provision of Section 17(5) (1) (h) Input Tax credit reversal is not mandated and outPut Tax is required to be paid on out ward supply of the same.

COMPLIANCE CALENDAR

JULY, 2020

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7th July, 2020	June, 2020	Deposit of Tax Deducted	Non-government deductors
10th July, 2020	June, 2020	File GSTR 1	Taxpayers with Annual Turnover more than INR 1.5 Cr
15th July, 2020	May, 2020	Issue of TDS certificate u/s 194IA and 194IB	All deductors
15th July, 2020	April to June, 2020	Quarterly statement of TCS Deposited	TCS collectors
30th July, 2020	June, 2020	Challan-cum-statement for TDS u/s 194IA and 194IB	All deductors
31st July, 2020	April to June, 2020	Quarterly statement of TDS deposited	All deductors
31st July, 2020	F.Y. 2019-20	Income Tax Return Filing	All taxpayers other than companies or those not liable for a tax audit
31st July, 2020	April to June, 2020	File GSTR 1	Taxpayers with Annual Turnover up to INR 1.5 Cr

THE FINANCIAL VALUE OF BRAND

From Strategic Finance Magazine of IMA as compiled by CMA J.S. Anand

Intangible assets are the major driver of business long-term value creation in today's competitive, interconnected, and fast-moving environment. One of the challenges for CFOs, chief marketing officers (CMOs), management teams, and boards of directors is understanding the value of intangibles in decision making, resource (capital) allocation, corporate governance, and financial reporting. One intangible asset that is particularly valuable to companies and at the same time very difficult to measure is brand.

What is the financial value of a brand? How can companies find better ways to measure and manage this financial value? How does a brand create value for both its customers and for the company? These are important questions CFOs and management accounting professionals can address by understanding the latest thought leadership about the financial value of brand.

BRAND AS A BUSINESS ASSET

There's a move underway to change how companies treat the financial value of brand. Several organizations, including the International Organization for Standardization (ISO), the Marketing Accountability Standards Board (MASB), the International Trademark Association (INTA), the Licensing Executives Society International (LES), the American National Standards Institute (ANSI), and, to a lesser extent, accounting and regulatory bodies, are all seeking to address a long-standing need: to better understand and measure the financial value of brand.

The strategic role of the finance organization is to deploy assets and resources for the best business returns and to manage risk. Marketing strives to make the case for an increasing array of marketing activities. These have grown from traditional functions such as sales, distribution, advertising, and sales promotion to also include social media, content marketing, partnerships, customer relationship management (CRM) systems, websites, mobile apps, and more.

It's the responsibility of the finance department to bring a skeptical eye to marketing expenditures and to question their value for the enterprise. This can sometimes result in a somewhat adversarial relationship. Finance and marketing don't speak the same language. Whereas a marketer might point to a "Net Promoter Score," finance is more concerned with cash flow, return on investment (ROI), margins, and asset turns. CEOs are left suspecting that half their marketing funds are unnecessary, but as the old John Wanamaker quote goes, they just don't know which half. So they become frustrated with the marketing function.

MARKETING'S STRATEGIC ROLE

As much as marketers try to justify expenditures with things like marketing mix and multi-attribution models, trying to determine financial returns is inherently difficult. It may be time to try another approach. Rather than treating marketing only as a set of functional activities to be justified separately, we should view some of these activities in terms of their strategic and financial contribution to the value of the business as a whole. The strategic role of marketing is to create brands that add value for consumers.

Finance should recognize that brand is about value creation. Brands exist in the minds of targeted customers. They aren't something a company owns. A brand is the value that a customer adds to the intrinsic value of a product. Any product will have some intrinsic value due to the quality of the product. This can be thought of as the product's objective or productive value. But the way consumers perceive the product and think about the product can add subjective value to this intrinsic value. A diamond is a rock, but for consumers it can be a symbol that a relationship is "forever." This added value translates into a price premium above what the consumer would pay for an unbranded product.

Marketers often speak of brand value as "brand equity." This can be misleading, however, in that it might be taken to imply that the "equity" belongs to the company. But the equity is the consumer's idea of the product, their associations with it, the story they tell themselves about the product, and their experience of engagement with it. Marketing helps the consumer create this equity, but it resides with the consumer. Although marketers can own things like a trademark, the trademark is only a legal protection; it isn't the brand.

BRINGING FINANCE AND MARKETING INTO ALIGNMENT

Although the company doesn't own the brand, it has substantial control over it. And having control of something as a result of past events that leads to the expectation of future economic benefits is the International Accounting Standards Board (IASB) accounting definition of a business asset.

To be sure, a brand is an intangible asset in that it has no physical substance, including not becoming cash in a year. Nonetheless, a strong brand has value to the consumer and accordingly can be expected to generate financial value to the company over time. Thus, the brand is an intangible financial asset for the business that controls it.

Once viewed in this way, finance and marketing can achieve strategic alignment. Yet determining the asset value of the brand is a knotty issue. We shouldn't let this technical difficulty obscure the important insight that viewing brand as a financial asset can give marketing and finance a common strategic focus.

ACCOUNTING TREATMENT OF BRAND

Accountants have long resisted treating brand, as well as other intangibles, as an asset because of the difficulty of relying on the "fair value" of a market transaction. In the case of an acquisition, the price of the acquired company can be used for brand valuation. In the case of a brand created internally, however, valuation becomes difficult. Accountants have preferred to expense marketing activities with the possible exception of trademarks and the ever-nebulous "goodwill."

The ISO 10668 standard in 2010 ("Brand Valuation—Requirements for Monetary Brand Valuation," available at www.iso.org) did outline some accounting-based methods, but in the face of resistance from traditional accounting practices, this standard hasn't received much attention. What is needed is an empirical way of going from the strength of a brand for consumers to the financial value of the brand to a company. Marketers have many metrics to assess brand (awareness, etc.), but these don't fully indicate how strong the brand is in affecting consumer choice. Performing well on these metrics doesn't necessarily translate into a brand that performs as an economic resource to the benefit of a company.

BRAND STRENGTH

A number of consulting companies have developed models for going beyond traditional marketing metrics to evaluate brand strength. Kantar Millward Brown, for instance, uses its BrandZ model, which is based on marketing research surveys of consumers, to estimate the percentage of consumers who are highly behaviorally committed to the brand. This "brand contribution" is applied to a forecast of future discounted earnings to determine the value of the brand. As with the models of other companies, such as Interbrand, these models aren't very straightforward and are based only on publicly available data. Nor do the rankings of brands in their different published lists of top brands agree very well.

A new standard, ISO 20671 ("Brand Evaluation—Principles and Fundamentals," available at www.iso.org), provides a simpler framework for evaluating brand. Although a number of specific methods could be used, the key principle is to compare choices between a brand and a comparable unbranded or weakly branded product where the choices also vary on price and possibly other factors. This allows the contribution of brand to be evaluated relative to an unbranded benchmark. Ideally this evaluation would be conducted over time in order to assess change. The vision behind such a straightforward and transparent evaluation process is that it could become part of the movement to integrated reporting (IR).

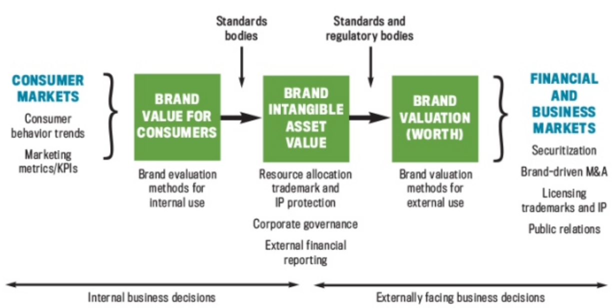
Initially a company could experiment with different methods. After a company settles on a specific method, the contribution of the brand could periodically be publicly reported. Such reporting would have many advantages. First, it could provide marketing and finance with a common focus. Second, treating the brand as a financial asset could play a role in corporate governance without having to be part of any traditionally U.S. Securities & Exchange Commission (SEC)-related reporting.

An increase or decrease in brand value would be a matter of accountability. Evaluating brand value would also be useful for risk management in guarding against brand and reputation risks. Third, investors would have access to an important piece of financial information that they presently can only guess at. This might help both companies and investors move away from earnings calls. Market caps might better reflect identified business assets. Over time, standards could be developed to make it easier for investors to compare companies. As intangible assets become more and more important, this would help investors distinguish leading companies from those not investing in brand as a valuable business asset.

A BRAND VALUE SYSTEM MAP

A brand value system map can be useful in creating an ongoing brand evaluation and valuation process (see Figure 1). Using this approach, brand value should be considered in terms of specific steps in the value creation-value capture process. There are three main steps. The first two are internal and are about running the business. The third is external.

FIGURE 1: BRAND VALUE SYSTEM MAP



Brand value for consumers is created, and marketers assess the health of the brand using metrics and key performance indicators (KPIs) such as awareness, favorability, purchasing intentions, engagement, etc.

Brand intangible asset value is where the consumer brand value needs to be translated into a financial value for the company. This step shouldn't be confused with brand valuation. As called for by ISO 20671, brand evaluation methods are required for this step. There is growing recognition of its importance.

Brand valuation is about establishing the worth of the brand for external purposes such as selling or licensing trademarks and IP. Traditional brand valuation methods are most relevant to this step.

To move forward with systematically organizing a brand evaluation process, discussion of the specific steps in the map could improve understanding and avoid confusion.

THE NECESSITY OF CHANGE

Changing the long-standing culture differences between finance and marketing relative to brand value is challenging. At the same time, the forces compelling change can't be ignored. Brands will only increase in their importance for competitive advantage. Companies can't simply depend on large expenditures for advertising to create strong brands. Ad avoidance and skepticism are decreasing the effectiveness of conventional advertising. Symptomatic of this is increased competition of consulting firms such as Accenture Interactive and Deloitte Digital with traditional ad agencies.

Brian Whipple, CEO of Accenture Interactive, was recently quoted in The Wall Street Journal as saying that Accenture wouldn't pitch advertising to an automobile company, but it would help the company reinvent the car-buying experience. This is precisely because consumers increasingly value brands that engage them with experiences that connect to higher-order social values or life goals rather than merely promising different product-related benefits. It's only by treating brand as a financial asset and investing in it accordingly that companies can meet the true challenge to competitive growth in the future: building a strong brand through meaningful actual and mediated consumer experiences.

KEY TERMS ABOUT BRAND

These key terms can help CFOs and management accountants speak the same language as the marketing department when analyzing the financial value of a brand.

Brand: Distinctive images and associations in the minds of stakeholders that generate economic benefit to an organization.

Brand Equity: The value of the brand in the consumer's mind. There is no universally accepted way to define this, but it can be taken to refer to any (one or more) metrics that marketers use to define the meaning of the brand in the hearts and minds of consumers (e.g., awareness, favorability, purchase intention). As described in ISO 20671, "Brand Evaluation—Principles and Fundamentals," these metrics or indicators can cross a variety of dimensions—consumer, market, consumer financial, legal, and economic/political—all assessing the underlying health of the brand.

Brand Strength: Sometimes referred to as brand preference or brand performance. It's a nonmonetary, point-in-time measure of how brand equity is reflected in the actual choice of branded offerings. It can be taken as a benchmark comparison between the choice of the branded product over an unbranded or weakly branded product in the same category.

Brand Evaluation: A monetary estimate of the contribution of the brand to some aggregate financial metric such as revenue or cash flow. It's intended to reflect the worth of the brand from an internal perspective reflecting the brand's contribution to running the business.

Brand Valuation: A monetary estimate of the worth of the brand from an external perspective often reflecting the market value of the brand.

Brand Value: Any monetary estimate that translates consumer brand equity into the worth of the brand as a financial asset for an organization. It's important to specify whether this is from the internal perspective of operating the business or from the external perspective of market valuation, as with M&A activity or licensing.

A CONVERSATION ABOUT BRAND VALUE

Bobby J. Calder and Mark L. Frigo offer a closer look at the financial value of brand from the marketing and finance/accounting perspectives, respectively.

Strategic Finance (SF): Marketing and finance speak different languages. How can we define key terms that would help with communication between the two functions?

Marketing/Calder: Different marketers use terms differently, and many common terms are often vaguely defined. Starting with some definitions might help (see "Key Terms about Brand" above). These draw on the Common Language in Marketing Project, an effort to promote consistent terminology (available at www.marketing-dictionary.org), and on my own thoughts about using terms in a way that corresponds to the brand value system map.

Finance/Frigo: Understanding the key terms underlying the financial value of brand is a first step for CFOs in this area. Shared terminology would allow CFOs and management accountants to use their financial acumen to work with CMOs in increasing brand value.

SF: There are a number of well-publicized brand rankings published yearly by BrandZ, Interbrand, Brand Finance, Forbes, and others. What are some of the limitations of these rankings that CFOs and management teams should consider when reviewing them?

Marketing/Calder: Rankings are published by a number of organizations besides BrandZ. Interbrand, which is affiliated with Bloomberg, bases its rankings on a number of brand "drivers" such as market share, customer loyalty, share of advertising voice, and level of legal protection. Brand Finance also employs consumer research and considers factors related to marketing investment, stakeholder equity, and business performance.

The European Brand Institute, located in Austria, uses factors such as competition, market position, investment, and potential. Every company has its own proprietary model of brand value, and each one is different. In all, there have been 40 or so of these models developed. On the positive side, the rankings stimulate interest in brand value. Their limitation is that none of the models stand out as more valid than the others.

Finance/Frigo: CFOs are certainly aware of the various brand rankings but are reluctant to use them. From a financial and accounting point of view, it makes more sense to get out ahead of the growing interest in measuring brand value and take the lead in developing this capability internally.

Finance and marketing often act at cross-purposes. Marketing focuses on justifying expenditures, and finance focuses on reducing them. Both should instead focus on increasing the financial value of brands as a key company asset.

–Bobby J. Calder

SF: ISO 10668 "Brand Valuation" presents a number of approaches for valuing brand. How can those be used by CFOs and CMOs?

Marketing/Calder: This standard covers three main approaches to brand valuation. One is the market approach that values a brand against the price of a comparable brand. Another is the income approach that uses the present value of future cash flows that a company would receive due to using the brand. A hybrid approach is royalty relief. It's based on the royalties a company would have to pay if it had to license the brand from another entity (market). The future royalties are discounted to give the present value of the brand (income). Although versions of these methods are used in valuations, the standard itself hasn't received a lot of attention, although a related Austrian standard (A 6800) is used in Europe.

I think the important thing going forward is to tie brand valuations more explicitly to brand evaluations. The income method can be used with measures of brand strength to determine the contribution of the brand.

The main thing to keep in mind is that brand value is important, high-level information about the performance of the company. It isn't a business secret. It should be part of the face of a public company.

– ***Mark L. Frigo***

Finance/Frigo: A 2015 article in Strategic Finance ("Brand Value: 'Hidden' Asset in Plain View") presents royalty relief as a simple approach where the only issues are the choice of royalty rate and discount rate. It should be realized, however, that the value of the brand for a company that licenses the brand isn't the same as the value of the brand for a company's own internal business operations. It's that value, the left side of the brand system value map, that counts in running the business. Companies really need to distinguish brand evaluation methods from brand valuation methods.

SF: The MASB is working to help companies understand the value of their brands. How can this work be used by CFOs and CMOs?

Marketing/Calder: MASB (themasb.org) has been charged by the ANSI with forming a committee to represent the United States before the ISO committee (TC 289) that I chair. The ISO committee is developing standards for brand evaluation and valuation. China and the U.S. are the co-conveners of the international committee. And I might add that China's Council for Brand Development has been very active in serving as the secretariat. It holds a national event, "Brand Day," each year on May 10 to promote this work.

MASB has labeled the recently published standard ISO 20671 as the "golden ticket" for marketers in that it helps marketers to make the case that brand should be treated as a financial asset and not a cost. MASB is actively engaged in providing guidance to companies in implementing a brand evaluation process.

MASB has also conducted original research to demonstrate that brand strength contributes to financial return. A study sponsored by six major corporations found that a choice measure of brand strength explained 75% of the variation in unit shares of brands across multiple brands from diverse categories.

MASB's biannual summit is an important forum for company representatives and academics to hear about and discuss initiatives by companies.

Finance/Frigo: A good idea would be to have both a finance person and a marketing person in your company jointly contact MASB for more information and use this information to co-create a strategy for understanding and measuring the financial value of the company's brands.

SF: IR is an important development in accounting and governance with reports on sustainability and other areas. What would be the advantages of including the financial value of brands in IR?

Marketing/Calder: In my view, it isn't likely that brand value will make it on the balance sheet anytime soon. IR offers a way around this. It certifies that the information is important but doesn't require meeting accounting standards.

Beyond this, IR is predicated on the concept that businesses create different kinds of capital outputs. Some of these are related to sustainability, which is closely identified with IR. But other kinds of capital are relevant. Brands might well be considered social capital in that value is created for consumers. And as brands seek more and more to engage consumers in a sense of shared social purpose, the fit with IR as a reporting vehicle will become even better in my opinion.

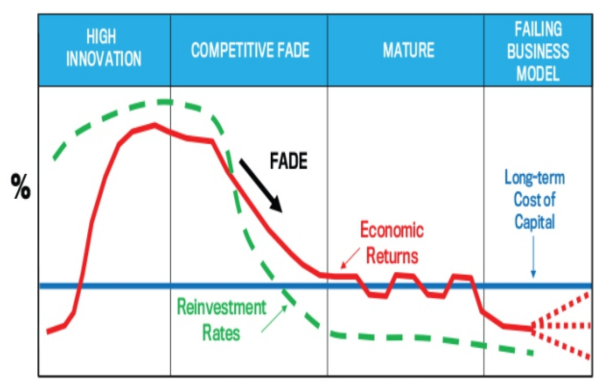
That said, a company could use notes or other reporting vehicles. The main thing to keep in mind is that brand value is important, high-level information about the performance of the company. It isn't a business secret. It should be part of the face of a public company.

Finance/Frigo: IR is an area where the financial value of brands would be particularly useful. One of six capitals in IR is "intellectual capital," which includes brand and reputation. Intellectual capital includes intangible assets based on knowledge, including intangibles associated with the brand and the reputation that the company has developed.

SF: How can CFOs and CMOs determine the best strategy for investments and reinvestments in brands based on a competitive life-cycle (CLC) analysis?

Finance/Frigo: The DePaul Center for Strategy, Execution and Valuation's research on high-performance companies is based in part on identifying companies that have resisted the competitive "fade" phase in the "competitive life-cycle" of a company (as outlined in Bartley J. Madden's 2016 book, Value Creation Thinking) and studying the performance of companies in terms of economic returns (return on net assets, cash flow return on investment, return on capital, etc.), growth in invested capital, and relative total shareholder returns. The competitive life-cycle concept describes a distinct relationship between reinvestment rates in the company and its performance in terms of ROI (economic returns) during four phases: high innovation, competitive fade, maturity, and failing business model. The reinvestment rates are the economic resources invested, and they reflect the innovation and growth strategies of a company. (See Figure 2.)

FIGURE 2: COMPETITIVE LIFE-CYCLE FRAMEWORK



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Companies can resist the tendency to fade by making value-creating reinvestments that build capabilities that extend competitive advantage. The Center for Strategy, Execution and Valuation is experimenting with how CFOs and management teams can use strategic life-cycle reviews to evaluate how investments can help companies resist the competitive fade. According to Madden, "management teams can experiment with tough measurement issues like intangibles (including brands) as part of this life cycle review process."

Marketing/Calder: Brand can of course contribute greatly to the initial growth stage of a company. In many cases, brand strength may increase faster than revenue (Tesla, for example). But brand can be equally important when it comes to life-cycle fade. At some point, the growth resulting from initial investments in innovation plateaus. And this is where competitive fade can set it. New investment is needed, but there is uncertainty as many investments may lie outside the competencies that produced the original growth. Companies often react by buying back stock instead of investing and by cutting costs to increase earnings (Kraft Heinz, for example). This is where many companies are tempted to cut branding expenditures.

A strategic life-cycle review, however, would consider accumulated brand value as a resource that with continuing investment can lead the company to new business opportunities as much as technological innovation can. Brand represents a readiness of consumers to perceive new offerings as valuable. In financial terms, brand has a real options value that can make launching new products or services more profitable.

Finance and marketing often act at cross-purposes. Marketing focuses on justifying expenditures, and finance focuses on reducing them. Both should instead focus on increasing the financial value of brands as a key company asset. Recent advances in brand evaluation and valuation are making it possible for finance and marketing to take the lead in recognizing the potential contribution of brand to financial results.

This article is part of the Creating Long-Term Sustainable Value series begun in the October 2018 issue of Strategic Finance with "Creating Greater Long-Term Sustainable Value" by Mark L. Frigo with Dominic Barton.

The future of work will be more remote, digital, healthier and safer: Dan Schawbel, Workplace Intelligence

From Economic Times as compiled by CMA J.S. Anand

With work from home (WFH) becoming the norm, what is the future of work and what will be the challenges it throws up?

The future of work will be more remote, digital, healthier and safer. Covid-19 is the gasoline that has fuelled the workplace programmes, policies and procedures that exist but weren't widely adopted such as remote work, employee assistance and virtual learning.

First, many remote workers will continue to work remotely in a post-Covid workplace because they prefer it, it saves their company's money, allows for flexibility and shortens commute time. The rise in remote work, combined with the effects of the pandemic and recession, will coincide with people relocating to cheaper, less dense locations. Workers no longer need to be located where the jobs are, no longer need to interview in-person and no longer need to abide by the standard nine-to-five workday.

Second, workplaces will be digitally transformed — from apps and robots that will clean offices, book conference rooms and perform many of the tasks that low-skilled workers did pre-Covid. Companies are investing more money in automation during this pandemic because revenues are down, yet the cost of labour is high. At the same time, there is still a skills gap, with millions of unfilled, high-skilled jobs. In response, there will be a lot of pressure on governments, companies, schools and individuals to invest in learning and development to transition the workers who filled low-skilled jobs into high-skilled jobs.

Third, pre-Covid, hundreds of millions of people globally were suffering from mental health conditions, which have been made worse as a side effect of the pandemic. Social distancing, self-isolation, burnout, reduced hours, furloughs and job loss are severely impacting workers' mental health. People feel anxious and depressed when they don't have human contact, can't provide for themselves or their families and have an uncertain future. The increase in mental health issues has caused companies like Starbucks, Volvo and others to invest more in their employee assistance programmes, offering employees wellness apps and even free access to therapists.

Finally, safety at workplace will be critical. The post-Covid office will have some important features like hand sanitiser, masks, robots that disinfect rooms, virus-testing kits, social distancing in conference rooms and elevators, and closed office plans.

What does all this mean for leaders, managers and executives?

The biggest WFH challenges are that it is harder to create a full employee experience without a physical office space, leaders have to give up control, it is harder to manage and maintain trust and there is lack of socialisation. While remote workers benefit from flexibility and lower commuting costs, they spend slightly more time working, experience burnout and feel like they need to overcommunicate. WFH makes employees feel more isolated, lonely and burnt out, which leads to mental health issues, lower productivity and shorter tenure rates. Other obstacles include time zone differences, interruptions, keeping morale up and effectively managing time and projects.

How do you build teams, culture and camaraderie in a virtually-driven workplace where teams work remotely?

If you want to build teams, culture and camaraderie in a virtually-driven workplace, you need to empower your co-workers to lead meetings, have the appropriate mix of video and audio calls so they don't get burned out, set expectations upfront, overcommunicate, promote a sense of belonging, define goals and accommodate their needs and schedules. What doesn't work well is to only have one scheduled weekly meeting, not trusting your teammates, not involving them in key conversations, failing to recognise their work enough and ignoring their career goals and ambitions.

Socialisation at workplace and water cooler conversations are important to build bonds. How do we do it in a WFH setting?

Side conversations are much harder to replicate when everyone is working remotely, and while Zoom offers 'breakout rooms' to try to encourage these conversations, I believe the best solution is picking up the phone. Calling a co-worker with purpose, meaning and intent is more intimate and can spark new ideas, the kind of ideas that might not be shared in a larger team meeting. My research shows that the best work relationships are formed when employees talk about personal-related interests and activities in a non-work setting. One way managers can capitalise on this is to have a social hour every Friday where you can talk about anything you want with no pressure or penalty. Another thing you can do is to play a virtual game together as a team-building activity.

One of the toughest things about WFH is loneliness. Is there a way to deal with it better?

There are millions of workers right now experiencing loneliness. Despite all the technology tools available, they can't replace face-to-face conversations. All of those dopamine hits from using technology devices don't add up to healthier and stronger relationships. The best way to deal with loneliness is to check in with your co-workers from time to time to ensure they are doing well. Make them feel like you are thinking of them, and that you care without any ulterior motive. Eventually, in a post-Covid workplace, there will be time reserved for in-person meetings, which are critical for loneliness relief.

Freeing Up the Innovation Space

From Economic Times as compiled by CMA J.S. Anand

Agriculture contributes 16.5% of India's GDP, and GoI invests over 2% of GDP annually in defence. While these sectors could not be more different, they have one thing in common: limited impact of entrepreneurship and innovation.

The principal reason for this near-absence has been the legacy regulatory stranglehold and accompanying incentive structure in these two critical national sectors, consigning them to subpar performance over the decades.

Since the Green Revolution, India has made giant strides towards food security and food sufficiency. However, agricultural productivity has been stagnating in India. Farmers have suffered due to the market fragmentation, value capture by intermediaries, and supply chain inefficiencies. In defence, India has consistently ranked among the top arms importers.

GoI's Atmanirbhar Bharat Abhiyan (ABA) stimulus package addresses several long-standing issues in these two key sectors, paving the way for new ventures to play a transformational role. The liberalisation of agri-trade ends the licence-permit raj in agriculture.

The creation of a national market for agriculture will benefit both producers, who will now receive a greater share of the market price, and consumers, who will see a wider product range and better product quality thanks to increased competition.

Combine these structural reforms with the competition driven incentive for technology deployment and digitalisation, and Indian agriculture is poised for a major transformation.

In the defence sector, corporatisation of ordnance factory boards, increase in the automatic FDI limit to 74%, and controls on defence imports — along with previously implemented sectoral reforms in administration, planning and procurement (culminating with the creation of the chief of defence staff post) — will give a major impetus to entrepreneurs. The rise of drones, robotics and artificial intelligence (AI), as well as cybersecurity threats, stand to transform security.

India's innovators now have the opportunity to be commercial partners of GoI in the national quest for defence preparedness and self-reliance.

Given its substantial base of engineering and technical talent, India has the capacity to emerge as a defence technology powerhouse. Such products can be offered to international partners and allies, adding new arrows to our diplomatic quiver, all the while retaining premier talent at home, building a high-value export industry, and creating well-paying jobs.

India has taken the bold step of opening up two more strategic sectors, space and nuclear medicine, to private participation under ABA. The well-spring of talent in these two areas can now take to entrepreneurship. The opening up of these strategic sectors should be seen from the lens of both civilian and defence applications.

In the civilian sphere, space technology is one of the fastest growing industries today. Satellite launch and space-based services, such as geospatial intelligence, are creating new business opportunities in diverse sectors such as agriculture, aquaculture, tourism and financial services. Nuclear medicine and nuclear irradiation technology in private hands opens new avenues for the medical, agriculture and food industries.

In April 2019, India became the fourth space defence power in the world, when it successfully tested an anti-satellite weapon. In November 2019, it operationalised the Defence Space Agency (DSA). While GoI will remain on the frontlines of all such strategic sectors concerning national security, the door is now open for private sector technologists and engineers to partner with the government.

ABA also addresses a crucial capital access challenge faced by startups. Technology businesses typically incur large upfront fixed costs, and profit generation kicks in only upon achieving a certain scale in business, or on the monetisation of intellectual property.

In either case, the business sees losses upfront with the prospect of earning emerging only in the future. The incumbent regulatory regime on initial public offerings (IPOs) made it very difficult for such new-age businesses to list in India, or affected valuation, driving startups to domicile abroad to access growth capital.

In a major liberalisation measure, India-registered companies have been permitted to go for IPOs on specified foreign stock exchanges. This comes as a follow-up of other relaxations provided to startups recently, which include deferment on tax payment for stock options by five years.

The range of measures in ABA opens entirely new industries for entrepreneurship while deepening structural reforms. These are changes that will allow emerging general purpose, frontier technologies to be deployed in combination for addressing national challenges. As science writer Matt Ridley has observed in his new book, How Innovation Works, And Why It Flourishes in Freedom, innovation is the child of freedom and the parent of prosperity.

Enhanced economic freedom creates new possibilities for entrepreneurs. It is now up to our technologists and tinkerers to harness this freedom, and deliver greater prosperity.

Managing Strategy

From Economic Times as compiled by CMA J.S. Anand

What's next? That is the question everyone is asking. The future is not what we thought it would be only a few short months ago.… The all-hands-ondeck ethos of a pandemic can't last. But there are ways to institutionalise what works — and the benefits can be substantial. During and after the 2008 financial crisis, companies that were in the top fifth in performance were about 20 percentage points ahead of their peers.

Eight years later, their lead had grown to 150 percentage points. We define 'agility' as the ability to reconfigure strategy, structure, processes, people and technology quickly toward valuecreating and value-protecting opportunities. Agile companies are more decentralised and depend less on top-down, command-and-control decision-making. They create agile teams, which are allowed to make most dayto-day decisions; senior leaders still make the big-bet ones that can make or break a company. Agile teams aren't out-of-control teams: accountability, in the form of tracking and measuring precisely stated outcomes, is as much a part of their responsibilities as flexibility is.

The overarching idea is for the right people to be in position to make and execute decisions. One principle is that the flatter decision-making structures many companies have adopted in crisis mode are faster and more flexible than traditional ones.… Another is to think of ecosystems (that is, how all the parts fit together) rather than separate units.

From "From Thinking About the Next Normal to Making it Work: What to Stop, Start and Accelerate"

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From "From Thinking About the Next Normal to Making it Work: What to Stop, Start and Accelerate"

THE IMPACT OF BIG DATA ON FINANCE

From Strategic Finance Magazine of IMA as compiled by CMA J.S. Anand

As more organizations take a data-centric approach to managing their business, they're increasingly exploiting the potential of Big Data. The number of companies deploying Big Data is expected to double in the near future, exceeding the implementation rate of other "hot" technologies such as data visualization and process automation.

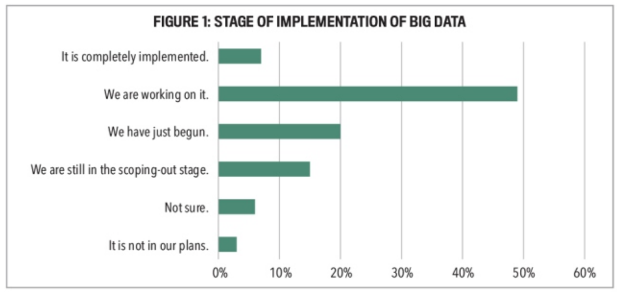
Yet the implementation of Big Data remains a work in progress for most organizations, with most having started but very few having completed implementation. The increased emphasis on data and the work to implement Big Data effectively within an organization provides an opportunity for finance and accounting professionals—who traditionally are proficient at pulling data from a variety of information systems, manipulating that data, and gleaning insights from it—to assume a business partnering role with others in their organizations.

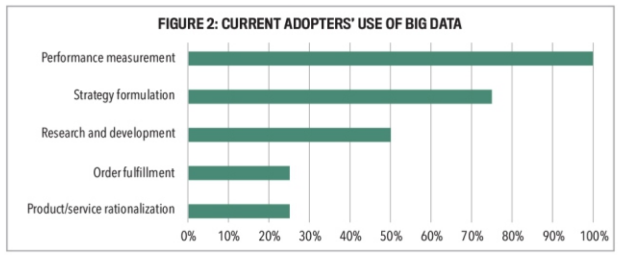
To better understand the implementation of Big Data in companies and its impact on accountants and finance professionals, we conducted a survey of IMA® (Institute of Management Accountants) members to ask about the use of Big Data in their companies, including who and what are driving its use, the areas in which it's being applied, the stage of implementation, and more. Their responses not only help shed insight on the current state of Big Data and the areas in which companies are using it, but they also identify areas of opportunity for the future as companies strive to become data-driven organizations.

USING BIG DATA

The business environment is increasingly competitive, and most organizations are looking for an edge. For many companies, that edge is the implementation of new technology, enabling the mining of vast amounts of data (Big Data) using leading-edge analytical tools.

Most organizations are still in the development stages of mining Big Data (see Figure 1). Very few have completed implementation, but most have started and are on the road to obtaining additional important business insights from their data.





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Key among the areas in which these companies are implementing Big Data is performance management. Organizations face significant challenges in objectively evaluating the performance of their employees, processes, machinery, and so forth. Deploying Big Data capabilities to collect and evaluate the mountain of data needed to make these evaluations "makes sense" for many organizations. All the companies in our study deploying Big Data capabilities are using it as part of their performance evaluation process (see Figure 2).

Strategy formulation and implementation represent another important area where organizations are deploying Big Data capabilities. More than half of the organizations in our study currently employing Big Data are using it for this purpose. This makes sense as incorporating such data in the formulation of their strategies will lead to a more robust process and deliver competitive advantage.

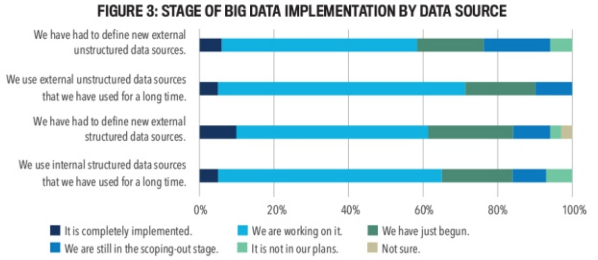
EFFECTIVE IMPLEMENTATION

Like any organizational change initiative, getting Big Data implementation "right" involves paying attention to several key items. One of these is deciding where to start. Organizations may have quite a bit of data but can struggle identifying which of it is useful. In such cases, many experts advise framing useful business questions and focusing the analysis on answering those questions.

Another important consideration is the scope of initial implementation. Often the best way to embark on the Big Data journey is to start small, harvesting "low-hanging fruit" from such projects. By choosing a relatively small, simple example and achieving success, the benefits of Big Data adoption will be clearly demonstrated, facilitating additional, more impactful adoptions. Working with business partners in other functional areas to identify those projects that are more important and impactful is key here.

Consistent with the idea of starting simple and small when implementing Big Data projects, we find companies are more likely to use existing data sources when starting their Big Data journey, although both existing and new data sources are being used (see Figure 3).

FIGURE 3: STAGE OF BIG DATA IMPLEMENTATION BY DATA SOURCE



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The increased emphasis on data provides an opportunity for finance and accounting professionals to build on this core competency. The challenge now is to expand the sources of data used and to explore potential uses not only of data available internally but also of data available externally.

The majority of organizations today understand the importance of using data from new and varied sources. More than 50% of respondents indicated that they consider both internal and external data when developing and executing their strategy. Yet much work remains in this area, as many organizations continue to rely heavily on preexisting internal data structures and relatively few currently employ new external unstructured data sources.

A NEED FOR STRATEGY

An essential factor for establishing a data-driven organizational culture employing Big Data is having strategies for the effective use of leading-edge analytic techniques and technologies. It isn't enough to just buy leading-edge technology for Big Data and analytics. To be truly data-driven, an organization must have strategies in place to ensure everyone is trained on the technology, uses it appropriately, and understands and reports results based on it.

Most importantly, executives and employees must be committed to act on insights based on the data. Without having these strategies in place, purchasing the technology is a waste of money. Even worse, if employees using the technology uncover insights for improvements that get ignored because management isn't prepared for change, it can have a negative and deflating effect on the morale and motivation of employees.

If organizations are to realize the potential of Big Data, much remains to be done in regard to developing strategies. Fifty-three percent of organizations in our survey have developed strategies around the use of Big Data, while 43% haven't. The 4% of respondents indicating "Other" when asked about developing Big Data strategies reinforce the idea that this is an evolving area, providing comments such as "We plan to revisit this in our annual company meeting," "Somewhat—working on a more consistent process," and "Our parent group has a strategy around Big Data analytics; this will percolate to other associate companies."

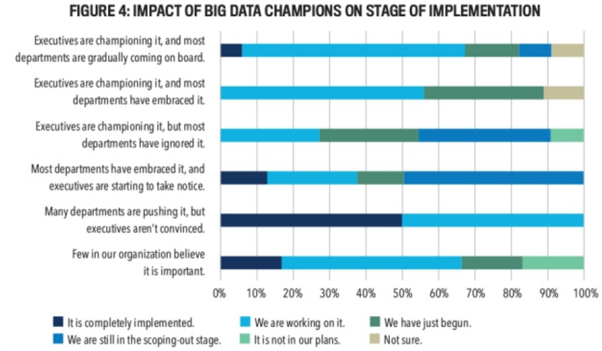
While the number of survey respondents whose organizations have already implemented strategies around Big Data was relatively small, its impact is clear: Of those who have implemented strategies, the vast majority (80%) report improvement in organizational performance, with the remaining organizations indicating it was too early to tell.

Before a Big Data strategy can be developed, however, it's essential to build strong data governance and quality infrastructure. Regardless of the data source, ensuring its integrity and quality is key. But this is still a work in progress for many companies. According to Jenny Okonkwo, founder of Transform Consulting, “The challenge for financial professionals is how to incorporate [Big Data] in sensible way [sic] into current data governance infrastructure, have the business recognize its value and realize the business value to set the stage for analytics and KPI [key performance indicators] development.”

It’s important to have governance around the data selected for analysis. It’s easy to be overwhelmed by the magnitude of data available. Not all data is equally important, and a process must be in place to determine the benefit of various analyses.

When implementing leading-edge analytics, having the right “tone at the top” is essential: Executive buy-in is critical. The story is a bit different when it comes to Big Data. Even though two-thirds of respondents report that executives are championing their organizational Big Data initiatives, the companies that have completely implemented Big Data already are most likely to be those in which the initiative came from the functional departments instead (see Figure 4).

FIGURE 4: IMPACT OF BIG DATA CHAMPIONS ON STAGE OF IMPLEMENTATION



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A possible explanation for this may be that departmental initiatives are narrower in scope than those promoted by executives. It may also reflect the prevalence of the use of Big Data for performance management, with departments needing the more granular data that Big Data can provide.

Nevertheless, buy-in by top executives is critical for the ultimate success of Big Data initiatives, as such initiatives can change the decision-making culture of an entire organization, enabling more real-time decision making and promoting a culture of answering questions and gathering evidence. Such changes across an organization typically require support of the CEO.

THE ROLE OF ACCOUNTING AND FINANCE PROFESSIONALS

Today’s data environment differs from that of the past in the immediacy and availability of data and the ability to access it. The deployment of this data and the technologies that exploit it present both opportunities and threats to the management accounting profession. In order to stay relevant, finance professionals must take advantage of opportunities to create value around Big Data (see “Adding Skills to Meet the Challenge”).

ADDING SKILLS TO MEET THE CHALLENGE

Management accountants will need to be able to explore new ways to manage, analyze, and extract value from data, to apply analytical and critical thinking skills to address strategic issues, and to identify the most useful questions Big Data can answer. For many, this will require developing new skills, including:

- Enhanced abilities to organize, structure, and understand data sets,
- The ability to provide more in-depth, strategic analysis, and
- The ability to collaborate across the enterprise with other functional teams.

Communication and interpersonal and leadership skills will also become even more important for accountants and finance professionals in the new silo-less, Big Data-generating corporate environment. The IMA Management Accounting Competency Framework (bit.ly/309rjw8) provides a good overview of the skills needed by today’s finance professionals.

This includes addressing the areas of data governance, the use of data to gain insight into business trends and an organization’s operations, and the use of Big Data to enhance organizational risk management.

Data governance. Data governance is a critical underpinning for Big Data and is difficult for large, complex organizations to achieve. Given the discipline, rigor, and structure in thinking that finance professionals have around financial data, they should be well placed to take a stronger role in data governance activities.

Linked to data governance is the issue of data privacy. With the extensive use today of personal data in Big Data activities, this is a major concern from regulatory, legal, and customer perspectives. As a result, appropriate governance needs to be in place around the security and use of data, and finance professionals can help ensure that this is the case.

The key to success with Big Data is establishing strong governance over data quality and standards. Finance professionals can help make internal data sets more secure and robust, increasing their value. Consistent with their traditional stewardship role, finance professionals can help build trust in the quality and provenance of data. Working with others, they can ensure the data used in critical decision making is robust and from reliable sources.

Gaining insights. Finance has a unique position that provides a holistic view of the business and enables it to understand the controls and processes in place throughout the organization. As new technologies free up finance resources, they will create opportunities for finance to exploit its unique view of the organization by taking on a more strategic role, enabling finance to move up the value chain.

There's a significant opportunity for finance professionals to support the business-critical use of data. They can work with other business functions to more effectively support planning and decision making. They can provide analysis to help business functions understand the financial implications of their activities or plans. They can help business functions improve the quality of information that goes into financial decision making. Big Data provides opportunities for better analysis and new insights to support these activities.

Risk management. Finance professionals can leverage the resource of Big Data to help organizations anticipate or preempt risks—and protect performance. For example, social media can effectively indicate early warning systems of shifts in consumer sentiment or serious social and political risks. By including diverse sets of data in their calculations, accountants and finance professionals can help better identify and mitigate the risks faced by their organizations.

DATA-DRIVEN ORGANIZATIONS

Technology is rapidly changing the business world. Becoming "data-driven" is increasingly part of many organizations' competitive strategy, and harnessing Big Data is an important part of this. Our study confirms that Big Data is "hot"—it's one of the new technologies most likely to be implemented in the relatively near future by organizations. Yet for most organizations, implementation remains very much a work in progress. The combination of Big Data and leading-edge analytics has the potential to deliver significant organizational value.

Organizations looking to maximize the benefits from mining Big Data should pay attention to several key items, including:

Starting simple and small when first implementing Big Data projects.

Expanding the sources of data used and exploring potential uses not only of data available internally but also of data available externally.

Getting information based on data into the hands of those who need it and on a real-time basis.

Getting buy-in for Big Data and leading-edge analytics initiatives at both the executive and departmental levels.

Developing strategies for the effective use of leading-edge analytic techniques and technologies.

Building strong data governance and quality infrastructure in order to ensure data integrity and quality.

The increased emphasis on data provides an opportunity for finance and accounting professionals, with their traditional proficiency in pulling data from a variety of information systems, manipulating that data, and gleaning insights from that data, to build on this core competency. By doing so, they can enhance their role within the organization and serve as business partners with other areas in the organization.

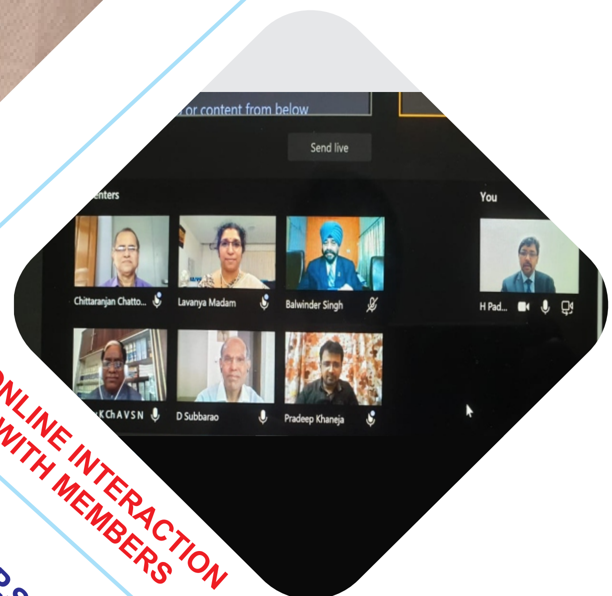
This article has been adapted from the IMA report, The Impact of Big Data on Finance: Now and in the Future, the third in a series of IMA reports on the digital transformation of business and how to become a data-driven organization.

Other reports in the series include How to Embrace Data Analytics to Be Successful and The Data Analytics Implementation Journey in Business and Finance .

"Old Reminiscences"

CA B. SUBBA REDDY

CMA A.N. RAMAN, FORMER PRESIDENT OF SAFA



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