



BRITISH COLUMBIA CHAPTER OF ICAI

"Expanding Knowledge & Enhancing Merit"

2022 ANNUAL MAGAZINE – 8th EDITION



**Winner of Best Chapter Award consecutively for 7 years,
since its very first year of establishment**

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For feedback write at info@icaivancouver.com



BC Chapter of ICAI Vancouver

OUR PROUD SPONSORS



FRASERVIEW
BANQUET HALL

WELCOME TO OUR ANNUAL
GALA 2022

We are pleased to be able to count on the support of Chartered Professional Accountants British Columbia (CPABC) and KPMG as the Knowledge Sponsors of our Chapter.



The growing importance of India as an investment destination is increasingly attracting Canadian companies to explore trade and investment opportunities in India. Similarly, Indian companies are keen to explore opportunities in Canada. British Columbia has great potential for International Trade and Investment.



THE EVENT

This year The BC Chapter of ICAI, Vancouver celebrates the 8th Anniversary of its community service. This Annual Gala is known for a great crowd mingling over a great dining atmosphere. Join us over some fabulous gastronomic creations and lively entertainment performances. We are planning on a bigger and better event!

THE BRITISH COLUMBIA CHAPTER OF ICAI

The British Columbia Chapter of ICAI is a not for profit organization incorporated under the BC Societies Act, established for the Alumni of the Institute of Chartered Accountants of India with the primary objective of providing networking and professional development opportunities across British Columbia.

The Chapter intends to play an important role to help British Columbia and Indian businesses negotiate mutually beneficial partnerships.

The British Columbia Chapter of ICAI has a reputable recognition, with leading financial services and professional accounting firms as its sponsors. The Chapter has made significant strides in promoting members' networking and career opportunities. The members of the Chapter are part of the fast-growing South Asian Community in Canada and are integrated within the Canadian mainstream and hold senior positions in federal, provincial or local governments, industry and professional practices.

HIGHLIGHTS



Best Overseas ICAI Chapter



Strategic Knowledge Partnership with CPABC, KPMG, EY, ISACA and IIA



Professional Development Seminars with Big 4 Accounting Firms



Mentoring Support for Students & Professionals



Proudly supporting the BC Oral Cancer Prevention Program



Proudly supporting the BC Cancer Foundation Program

ABOUT ICAI

The Council of Institute of Chartered Accountants of India (ICAI) at its 333rd meeting approved the setting up of the British Columbia Chapter of ICAI in Vancouver. The Chapter was inaugurated on November 23, 2014, by Raghu, the then President of ICAI. Chapter in Vancouver provide a platform to share and disseminate knowledge amongst its members; project the image of ICAI in Canada; and most importantly created a sense of belonging to the Institute.

STRATEGIC VALUE



BRAND

Access to over 1000 members via BC Chapter's communications. Position your company as an employer of choice, and/or promote your products, services to this key target audience, and increase your corporate and brand visibility within the large and growing South Asian Community.



NETWORK

Prepare for the future by communicating with successful business leaders from the Indo-Canadian business community and the next generation of business leaders amongst the BC Chapter members.



NICHE

Opportunity for your Company/Organization to display a subject matter/technical niche amongst your envoys to the British Columbia Chapter members.



COMMUNITY

Showcase your Company as a strong community supporter.

The Chapter intends to play an important role to help British Columbia and Indian businesses negotiate mutually beneficial partnerships.

NATIONAL & GLOBAL REACH

- 250+ members in Western Canada
- 1000+ partner members in all of Canada
- Direct access to ICAI Leadership - 2nd largest accounting body worldwide
- Outreach to over 1 million ICAI accounting professionals globally

KNOWLEDGE & MEDIA PARTNERS



- Inside full page courtesy advertisement in annual magazine.
- Listing on Chapter's website with logo and hyperlink to sponsor's website, banner in social events and PD programs and prominent logo display in email correspondences for 1 year.
- Opportunity to share content on our social media platforms - LinkedIn, Facebook & Twitter.



Bronze \$2,000

- 4 complimentary tickets, exclusive dinner seating, verbal recognition and display of name and logo (1 banner).
- Promotional speaking opportunity at 1 PD Seminar of the Chapter.
- Inside half page courtesy advertisement in annual magazine.
- Listing on Chapter's website with logo and hyperlink to sponsor's website, banner in social events and PD programs and prominent logo display in email correspondences for 1 year.



Table Sponsor \$ 1,000

- Exclusive corporate table of 8 with recognition at the event, table banner and complimentary wine bottle.

LET'S COLLABORATE

Let's chat about how we can make this happen.

Management Committee 2021-22

Deepak Arora	Chairman	deepak@daroracpa.com	604 721 8394
Harjit Bhasin	Vice-Chairman and Past Secretary	harrybh@yahoo.com	604 322 5431
Sonal Goyal	Secretary	sonalgoyal2010.sg@gmail.com	604 771 9900
Sanchita Mehta	Treasurer	Sanchita.mehta2@gmail.com	778 714 4404
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Tarun Bhatia	Director	tarun@cgabb.com	604 728 7689
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Inder Pal Marwah	Director	fca.inder@gmail.com	778 384 1862
Vineet Kochhar	Annual Gala Chair	vineetkochhar@gmail.com	604 803 9963



SPONSORSHIP PACKAGES

We're looking for strategic partners. Our organization has a radical impact on our community and we know that meaningful partnerships make all the difference. This is a unique opportunity to build stronger community ties, promote your business in the process and be intimately associated with one of the largest professional fraternities worldwide.

All our sponsorship levels include year round digital advertisements and promotions at our monthly/bi-monthly Professional Development seminars.

YOUR PARTNERSHIP TRULY MATTERS!



Platinum \$ 10,000

- Presenting Sponsor with Title acknowledgement and verbal recognition at the Event.
- 10 Complimentary Tickets & exclusive dinner seating.
- 5 min promotional speaking opportunity at the Event and at 3 PD Seminars of the Chapter.
- Two full middle pages courtesy advertisement in annual magazine and listing on Chapter's website with logo and hyperlink to sponsor's website, banner in social events and PD programs and prominent logo display in email correspondences for 1 year.
- Opportunity to share content on our social media platforms - LinkedIn, Facebook & Twitter.



Gold \$5,000

- 8 Complimentary Tickets, exclusive dinner seating, verbal recognition and display of name and logo (3 banners).
- 5 min promotional speaking opportunity at the Event and at 3 PD Seminars of the Chapter.
- Full cover page courtesy advertisement in annual magazine.
- Listing on Chapter's website with logo and hyperlink to sponsor's website, banner in social events and PD programs and prominent logo display in email correspondences for 1 year.
- Opportunity to share content on our social media platforms - LinkedIn, Facebook & Twitter.



Silver \$3,000

- 6 complimentary tickets, exclusive dinner seating, verbal recognition and display of name and logo (2 banners).
- Promotional speaking opportunity at 2 PD Seminars of the Chapter.



Vision

To uphold the values and principles of the Indian Chartered Accountancy profession in North America as a trusted finance professional with competencies in managing business risks, corporate governance, assurance and audit and business competitiveness in the fast changing business world.

Mission

To provide Indian Chartered Accountants settled in British Columbia with career development opportunities in a changing global and Canadian economic and business environment. Organize professional development activities for members with a focus on changing business environments, developments in information technology and telecommunication, new global partnerships, collaboration, government specific policies and competitive pressures from global outsourcing. Organize networking events to develop opportunities for members in emerging areas of audit and assurance needs, tax planning services, performance measurement and control services, business risk related services, change management services, strategy management and servicing global organizations. Provide a mentoring forum to Indian Chartered Accountants who are new to Canada.

Key Objectives of the Chapter

HELP

promote and foster a sense of community, loyalty, fellowship, fraternity, partnership, and professionalism among the members of ICAI living in the British Columbia.

PROVIDE

information and guidance to its members through the Mentoring Portfolio Committee.

ADVOCATE

the quality and professional standards of Chartered Accountants who are members of ICAI in the Canadian Society through programs, activities, and events of educational, social, charitable, cultural, recreational, sporting, and professional nature involving members and their families.

ESTABLISH

and maintain close relationship with Chartered Accountants from India, ICAI and its Chapters, and other organizations that have synergies of interests.

CONDUCT

regular meetings involving members for exchange of information on topics of mutual interests, by organizing technical sessions on accounting, auditing, information technology or any other topics which are of interest to the members.

DISSEMINATION

and informal consultation related to the development of accounting profession in different sectors by keeping members informed of the recent changes in accounting profession in Canada, India and at International level (changes in accounting standards and regulations, corporate governance, and taxation or any other topic that is relevant to the members).

LIASE

within the guidelines of ICAI, with the professional bodies in Canada like Chartered Professional Accountants Canada (CPA Canada), Chartered Professional Accountants British Columbia (CPA BC) and others to increase and enhance the awareness of ICAI and its members to eventually achieve full reciprocity.

Message from the Editor



I am excited and honoured to be the editor for the current year's edition of the magazine. In this eighth edition, our authors have shared their well-researched articles on topics such as Cryptocurrency, Bitcoin, Circular economy, Values, ESG and Sustainability accounting. I am sure you will enjoy reading the articles and will find value. These are trending topics that will

shape the present and future of our profession and the business world.

Our chapter has come a long way and set an example of growth and leadership. A 7-year unbreakable streak of Best Chapter awards since 2015 shows that we are under outstanding leadership and have fabulous members who have their heart and soul for the chapter. When your leaders, members and colleagues treat you like a family, things are easier to learn. And this is one of the crucial reasons I have learned so much from everyone in the chapter. So, I encourage every present and future member to get involved, be dedicated, give it back through the chapter to keep learning. I am confident we can achieve even more significant milestones under everyone's guidance and collective effort.

We are incredibly thankful to our sponsors, advertisers and authors who have been at the forefront of making this magazine a success year after year. We strive hard to create value for every member and look forward to more extensive collaborations. Finally, I thank my colleagues and board members who have worked tirelessly to give back to our profession and pass on the legacy to future members.

Happy Thanksgiving to everyone as well as greetings for the upcoming festive season!

Poonam Mandhana, CA, CPA, MBA
Director, BC Chapter of ICAI

Message from the Chairman



I am elated to welcome you all to this in-person Eight Annual Gala Function of the British Columbia Chapter of ICAI. We, the Managing Committee of the BC Chapter of ICAI, wish to thank you all for the overwhelming attendance at this event and for sharing our exhilaration on this special occasion. It is also a privilege to present to you the 2022 annual magazine of BC ICAI. Having the gala after three long years makes the magazine publication event even more special for all of us.

Our steadfast chapter fosters a professional network and our pursuit of support to members in varied forms has helped us earn the coveted accolade of “Best Chapter” award for seven years in a row.

The blessings and best wishes received from the ICAI President & Vice President, CPABC Board Chair, President & CEO & the Consulate General of India on this occasion are very encouraging and motivating for all of us here who are part of ICAI BC chapter.

The upcoming “World Congress” event is another event we all are proud about. The 21st World Congress of Accountants is going to be held for the very first time in India from November 18 to 21, 2022 in Mumbai. Members from more than 100 countries would be participating in this event. Congress’s program is built on the theme of “Building Trust, Enabling Sustainability” and will be conducted in hybrid mode. I invite interested members to enroll and join physically or virtually and be part of this exclusive event. Some of us will be attending the event in person and I will surely share the experiences at a later point.

Canada is the home to 1.6 million Indian diaspora. More than 600 Canadian companies have presence in India and more companies are actively pursuing business in the Indian market. Multiple bilateral MOUs in the fields of Education, space research, agriculture, Information Technology, Energy co-operation, Science, and Technology have been signed from time to time.

Message from the Chairman, contd..

The Government of Canada has recognized India as an important trade partner and set up Trade Commissioner Services (TCS) offices at various locations in India. They have recognized several great opportunity Sectors for Canadian companies and various support services are offered to get started in India at various levels.

The elements of resources, technology, best practices, and innovations enhance capacity building and capital growth. Our fraternity is in a great position to understand the economic situations, supply and demand dynamics, track the changes in compliance and support Indo-Canadian businesses to thrive in dynamic times, and boost investments and growth in collaborative mode.

With so many avenues and opportunities ahead of us, together, we have a lot to achieve in the coming years. I look forward to the professional and personal growth of all our chapter members and extend festival wishes to all.

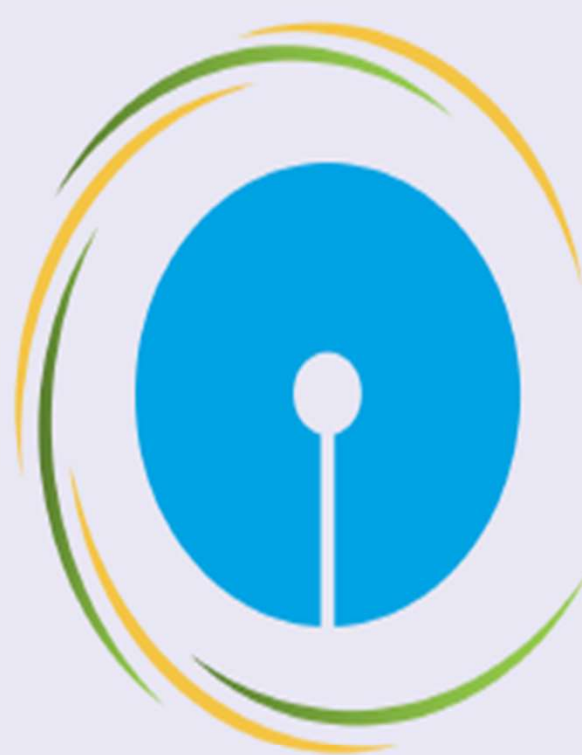
Deepak Arora ACA, ACS, CPA, CGA
Chairman, British Columbia Chapter of ICAI



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



Joseph Selvaraj Savier
President & CEO

With the strong technological support of our parent bank, State Bank of India, and the relentless efforts of our team in Canada, we have been bringing in technological changes that are not only advancing the way we do business but breaking new ground for innovation in banking.

The onset of the pandemic in 2020 further stimulated the need for a complete digital transformation. In the words of Eric Pearson -CIO, IHG- "It's no longer the big beating the small, but the fast beating the slow" and that is our approach in delivering smart & secure banking solutions for our customers. By the end of 2020, most of our services were accessible digitally to all our customers – both new and existing.

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

While we developed the digital interface with our customers, we also transformed our internal processes to be fully equipped to better the overall customer experience. From strengthening our operations to automating our lending platforms, we ensure that the customer journey with us, across all services, is seamless, secure, and convenient.



Celebrating
40 years
in Canada
1982 - 2022

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

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

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




A MESSAGE FROM PREMIER JOHN HORGAN

As Premier of the Province of British Columbia, I'm pleased to congratulate all members of the BC Chapter of the Institute of Chartered Accountants of India (ICAI) on your eighth anniversary.

ICAI is the one of largest accounting bodies in the world, and the BC Chapter in Vancouver provides valuable support and advocacy for Indian migrant chartered accountants in our province. Thanks to the professional development that the members of this organization enjoy, British Columbians benefit from access to services on which they rely. I'm sure tonight's speakers will inspire innovation and excellence among experienced accountants and the next generation of enthusiastic newcomers, alike.

An occasion such as this would not be possible without the dedication of many individuals over the past eight years, and your ongoing contributions to the vitality of our province are greatly appreciated. We are fortunate to have a diverse, inclusive workforce, and I want to thank all those at ICAI for their hard work to strengthen economic and social bonds between Canada and India.

Congratulations, again, and please accept my best wishes for an enjoyable evening of celebration and exchange!


HONOURABLE JOHN HORGAN
PREMIER OF BRITISH COLUMBIA

Message from Vancouver Consulate General of India



सत्यमेव जयते

प्रधान कौंसुल

CONSUL GENERAL

भारत का प्रधान कौंसलावास, वैंकोवर

CONSULATE GENERAL OF INDIA

201-325 HOWE STREET

VANCOUVER, B.C., CANADA V6C 1Z7

TEL: 604-6920554; FAX: 604 6823556

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MESSAGE

I am glad to know that British Columbia Chapter of ICAI (BC-ICAI) is celebrating its Annual Gala in person after three years and that it is also bringing out its annual magazine on this occasion. The pandemic situation prevented all of us from having in person meetings for almost two years and we were forced to organize even our important events either online or in restricted formats. Therefore, it should be somewhat liberating experience for BC-ICAI that it is able to celebrate it's annual gala in person after three years.

On this occasion, I convey my heartiest congratulations to all members of BC-ICAI. The Chapter deserves commendation for providing networking opportunities to all its members resulting in professional association both within India and Canada and also developing a sense of camaraderie among its members. I appreciate BC-ICAI's association with the Consulate and feel that is capable of playing even bigger and important role in promoting business between Canadian and Indian companies. I hope the Chapter would continue to disseminate awareness among stakeholders in British Columbia about the positive developments happening in India, including Government of India's economic, social and ease of doing business initiatives.

I once again extend my felicitations to all members of BC-ICAI and all those associated with this prestigious institution. I hope that BC-ICAI will grow further and achieve even greater success in the years to come.


(Manish)

September 21, 2022

Message from the President, ICAI



It gives me immense pleasure to note that the British Columbia Chapter of the Institute of Chartered Accountants of India (ICAI) is celebrating its Annual Conference on October 10, 2022 and is also coming up with its Annual Magazine to commemorate the event.

The theme chosen by the Chapter *“Ease of doing business and exchange of services between India and Canada”* is very relevant in the current times.

Our profession has always managed to evolve over time by adapting to regulatory, economic and technological changes which has empowered the professionals to face the new normal with confidence, expertise, and excellence.

The efforts of the British Columbia Chapter of ICAI to further enhance the brand value of the Indian Accountancy profession at a global level are really appreciable. I am confident that this event would provide an excellent platform to interact with the experts in the field and understand emerging areas of professional opportunities in the global economic scenario.

I extend my heartiest congratulations to the entire Management Team of the Chapter which is celebrating 8 years of its establishment and has made consistent efforts to make the flag of Indian Chartered Accountants fly high in Vancouver, Canada.

CA. (Dr.) Debashis Mitra
President, ICAI

Message from the Vice-President, ICAI



Sustainable value creation for the stakeholders holds the key to longevity of a profession and any field of study. The reputation and the goodwill that the profession of Chartered Accountancy has earned over the years is an embodiment of the exemplary performance and committed service towards the rise and the growth of the profession. Being a true partner in nation building, the endeavors of the Institute of Chartered Accountants of India (ICAI) are sincerely driven towards cause of the nation.

It gives me immense pride to state that members of ICAI working abroad have always brought great laurels to the profession and have contributed effectively towards the mission and vision of ICAI. They have been instrumental towards creating and establishing Brand CA globally.

I am immensely pleased to note that the **British Columbia Chapter of ICAI** is celebrating eight glorious years of its formation. This occasion symbolizes the commendable efforts put in by the Chapter in terms of world class services being provided to the members for their professional pursuits. The Chapter has been playing an effective role in providing a platform for the exchange of professional insights amongst the members in the region and facilitate constructive networking amongst the fraternity.

The Institute of Chartered Accountants of India (ICAI) has been consistently imparting the requisite knowledge to its members with an aim to develop them as Future Fit Professionals. The Annual conference being organized **on 10th October, 2022** to mark the occasion shall certainly provide an excellent opportunity to witness the deliberations by eminent experts on subject areas of professional relevance and gain insights on key economic developments.

I would like to place on record my sincere appreciation for the entire managing team of the British Columbia Chapter of ICAI for their devoted towards the enrichment of professional knowledge of our members based in the region and versatile growth of the profession.

CA. Aniket Sunil Talati

Vice President, ICAI



October 10, 2022

A Message from the Chartered Professional Accountants of British Columbia

On behalf of the Chartered Professional Accountants of British Columbia (CPABC), we would like to welcome attendees to the BC Chapter of the ICAI's annual gala – the first in person event in three years. We would also like to welcome the ICAI President and Vice President to British Columbia.

CPABC recognizes that diversity, equity, and inclusion makes us stronger and that new Canadians play a pivotal role in strengthening our communities and contributing to our economy. Recognizing the demand for accountants, they also play an important role in the accounting profession's future. Organizations such as the BC Chapter of the ICAI support newcomers in a successful transition into Canadian society and the workforce. One of the key benefits they provide is the opportunity to build a network by making business contacts, engaging in social networking, and meeting mentors, all of which lay the groundwork for a successful career.

To further support the career success of internationally trained accountants, the CPA profession has a number of programs and agreements in place to assist new Canadians in their transition, as well as a variety of networking events and resources.

We look forward to continuing our relationship. Please accept our best wishes for your ongoing success.

A handwritten signature in black ink that reads "Sheila Nelson".

Sheila Nelson, CPA, CA
Board Chair

A handwritten signature in black ink that reads "Lori Mathison".

Lori Mathison, FCPA, FCGA, LLB
President & CEO

Bitcoin

By CA Shankar Roy



What is Bitcoin?

In October 2008 a document was published online by a man calling himself Satoshi Nakamoto. The document, also called a whitepaper, suggested a way of creating a system for a decentralised currency called Bitcoin.

This system claimed to create digital money that solves the double spend problem without the need for a central authority. At its core Bitcoin is a transparent ledger without a central authority, but what does this confusing phrase even mean?

Well, let's compare Bitcoin to the bank. Since most money today is already digital, the bank basically manages its own ledger of balances and transactions. However the bank's ledger is not transparent and it is stored on the bank's main computer. You can't sneak a peek into the bank's ledger, and only the bank has complete control over it. Bitcoin on the other hand is a transparent ledger. At any point in time I can sneak a peek into the ledger and see all of the transactions and balances that are taking place. The only thing you can't figure out is who owns these balances and who is behind each transaction. This means Bitcoin is pseudo-anonymous – everything is open, transparent and trackable but you still can't tell who is sending what to whom.

The first purchase that was ever made with Bitcoin and it was used to buy 2 pizzas by a guy named Laszlo. Laszlo published a post back in 2010 asking for someone to sell him 2 pizzas in exchange for 10,000 Bitcoins.

Well, someone did, and now the price of these two Pizzas is worth well over 100 million dollars today. Bitcoin is decentralized there's no one computer that holds the ledger. With Bitcoin, every computer that participates in the system is also keeping a copy of the ledger, also known as the Blockchain.

So if you want to take down the system or hack the ledger you'll have to take down thousands of computers which are keeping a copy of it and constantly updating it. *Bitcoin is digital This means there's nothing physical that you can touch in Bitcoin. There are no actual coins, there are only rows of transactions and balances. When you "own" Bitcoin it means you own the right to access a specific Bitcoin address record in the ledger and send funds from it to a different address.*

Why is Bitcoin such big news? Well for the first time since digital money came into existence we now have an alternative to the current system. Bitcoin is a form of money that no government or bank can control. Think about the time before the Internet, how centralized the flow of information was. Basically if you wanted information you could get it from a few major players like the New York Times, The Washington Post and others like them. Today, thanks to the Internet, information is decentralized and you can communicate and consume knowledge from around the world with the click of a button. Bitcoin is the Internet of money – it's offering a decentralized solution to money.

Bitcoin Compared to Banks : Here is why Bitcoin is different than the current banking system. Complete control over your money With Bitcoin, you and you alone can access your funds (how you actually do this will be explained in a later video). No government or bank can decide to freeze your account or confiscate your holdings. Cutting the middlemen This means that in many cases Bitcoin is cheaper to use than traditional wire transfers or money orders. Also, unlike fiat currencies Bitcoin was designed to be digital by nature, this means you can add additional layers of programming on top of it and turn it into "smart money".

Free for all Bitcoin opens up digital commerce to 2.5 billion people around the world who don't have access to the current banking system. These people are unbanked or underbanked because of where they live and the reality they have been born into. However today, with a mobile phone and a click of a button they can start trading using Bitcoin, no permission needed.

Frequently Asked Questions:

Who accepts Bitcoin?

Today there are several merchants online and offline that accept Bitcoin. You can order a flight or book a hotel with Bitcoin if you like. There are even Bitcoin debit cards that allow you to pay at almost any store with your Bitcoin balance. However the road toward acceptance by the majority of the public is still a long one. How does Bitcoin Work? In a nutshell, Bitcoin works through updating a ledger of transactions (aka the Blockchain). Each computer that participates in the Bitcoin network holds a copy of this ledger and verifies every transaction going through it. It's like we're keeping tabs on each other and each new transaction is announced to everyone so they can update their own copy of the ledger. If you want a detailed explanation with examples about how Bitcoin works under the hood check out my post about Bitcoin mining.

What is Bitcoin Mining and How Does it Work?

If you've heard about Bitcoin then you've probably heard about Bitcoin mining as well – the concept of “creating” Bitcoins from your computer. The following post will give you a complete overview of what Bitcoin mining is and how it actually works.

What is the bitcoin mining math puzzle?

At the heart of bitcoin mining is a math puzzle that miners are supposed to solve in order to earn bitcoin rewards. The puzzle is called [proof of work \(PoW\)](#), a reference to the computational work expended by miners to mine bitcoin. Though it is often referred to as complex, the mining puzzle is actually fairly simple and can be described as guesswork.

The miners in Bitcoin's network try to come up with a 64-digit hexadecimal number, called a hash, that is less than or equal to a target hash in SHA256, Bitcoin's PoW algorithm. A miner's systems use considerable brute force in the form of multiple processing units stacked together and spit out hashes at different rates—megahashes per second (MH/s), gigahashes per second (GH/s), or terahashes per second (TH/s)—depending on the unit, guessing all possible 64-digit combinations until they arrive at a solution.

The systems that guess a number less than or equal to the hash are rewarded with bitcoin. Here's an example to explain the process. Say you ask friends to guess a number between 1 and 100 that you have thought of and written down on a piece of paper. Your friends don't have to guess the exact number; they just have to be the first person to guess a number less than or equal to your number.

If you are thinking of the number 19 and a friend comes up with 21, they lose because 21 is greater than 19. But if someone guesses 16 and another friend guesses 18, then the latter wins because 18 is closer to 19 than 16. In very simple terms, the bitcoin mining math puzzle is the same situation described above except with 64-digit hexadecimal numbers and thousands of computing systems.

[Cryptocurrencies such as Bitcoin use huge amounts of electricity. In 2021, the Bitcoin network consumed upwards of 100 terawatt-hours, more than the typical annual energy budget of Finland.](#)

What is SHA-256?

The SHA-256 algorithm is one flavor of SHA-2 (Secure Hash Algorithm 2), which was created by the National Security Agency in 2001 as a successor to SHA-1. SHA-256 is a patented cryptographic hash function that outputs a value that is 256 bits long.

What is hashing? In encryption, data is transformed into a secure format that is unreadable unless the recipient has a key. In its encrypted form, the data may be of unlimited size, often just as long as when unencrypted. In hashing, by contrast, data of arbitrary size is mapped to data of fixed size. For example, a 512-bit string of data would be transformed into a 256-bit string through SHA-256 hashing.

In cryptographic hashing, the hashed data is modified in a way that makes it completely unreadable. It would be virtually impossible to convert the 256-bit hash mentioned above back to its original 512-bit form. So why would you want to create a scrambled message that can't be recovered? The most common reason is to verify the content of data that must be kept secret. For example, hashing is used to verify the integrity of secure messages and files.

The hash code of a secure file can be posted publicly so users who download the file can confirm they have an authentic version without the contents of the file being revealed. Hashes are similarly used to verify digital signatures.

Password verification is a particularly important application for cryptographic hashing. Storing users' passwords in a plain-text document is a recipe for disaster; any hacker that manages to access the document would discover a treasure trove of unprotected passwords. That's why it's more secure to store the hash values of passwords instead. When a user enters a password, the hash value is calculated and then compared with the table. If it matches one of the saved hashes, it's a valid password and the user can be permitted access.

What role does SHA-256 hashing play in cybersecurity?

SHA-256 is used in some of the most popular authentication and encryption protocols, including SSL, TLS, IPsec, SSH, and PGP. In Unix and Linux, SHA-256 is used for secure password hashing. Cryptocurrencies such as Bitcoin use SHA-256 for verifying transactions.

How secure is SHA-256?

SHA-256 is one of the most secure hashing functions on the market. The US government requires its agencies to protect certain sensitive information using SHA-256. While the exact details of how SHA-256 works are classified, we know that it is built with a Merkle-Damgård structure derived from a one-way compression function itself created with the Davies-Meyer structure from a specialized block cipher.

Three properties make SHA-256 this secure. First, it is almost impossible to reconstruct the initial data from the hash value. A brute-force attack would need to make 2^{256} attempts to generate the initial data. Second, having two messages with the same hash value (called a collision) is extremely unlikely. With 2^{256} possible hash values (more than the number of atoms in the known universe), the likelihood of two being the same is infinitesimally, unimaginably small. Finally, a minor change to the original data alters the hash value so much that it's not apparent the new hash value is derived from similar data; this is known as the avalanche effect.

Why is there so much hype around blockchain technology?

There have been many attempts to create digital money in the past, but they have always failed. The prevailing issue is trust. If someone creates a new currency called the X dollar, how can we trust that they won't give themselves a million X dollars, or steal your X dollars for themselves?

Bitcoin was designed to solve this problem by using a specific type of database called a blockchain. Most normal databases, such as an SQL database, have someone in charge who can change the entries (e.g. giving themselves a million X dollars). Blockchain is different because nobody is in charge; it's run by the people who use it. What's more, bitcoins can't be faked, hacked or double spent – so people that own this money can trust that it has some value. (euro money)

About the author:

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Shankar Roy qualified as a Chartered Accountant from the Institute of Chartered Accountants and obtained his FCA designation. He has completed the Certificate of Fraud Examiners, Senior Lead in ISO Systems. He is a summa cum laude, having earned a Gold Medal and other National Scholarships for his Graduation and was a Common-wealth Scholar. He was the President of Alliance Funds Management, specializing in Mergers and Acquisitions. He supports the Union Gospel Mission and is an active board member or founder member of other Spiritual or Non- Profit organizations in Vancouver. He has been the President of Maritime Services Ltd., Vancouver, with offices in Singapore and India.

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Cryptocurrency

By CA Shiv Shukla



Crypto-currency, a digital financial asset, is used by many for trading and many for saving purposes. The crypto market has been on a steady fall since the month of March, with people losing loads of money. The crypto market is driven by the market forces of demand and supply, and with a majority of the investors looking to liquidate their assets; the supply has overwhelmed the demand in the market, driving

down their value. The May crash, witnessed an obnoxious \$200 billion of wealth being drained out of the market within a span of 24 hours. The market, not being properly monitored and regulated by financial bodies, has seen huge dips in its curves. Some of the so called trusted currencies such as Terra Luna, which was believed to continue to hold a definite value, such as the USD, had catastrophically crashed and is now pretty much worthless. Celsius laid off 1100 employees in the month of June, during its restructuring.

External forces have definitely played their fair share in the situation of the market we see today; some of which could be the not so friendly between Russia and Ukraine or the rising inflation in the global economy. Such stimuli have embedded the fear of losing their entire savings in the mind of investors, pushing them to liquidate their assets.

Economists say that due to the hard hit hopes of the investors and the current market situations, the recovery may never be possible. While, others believe that this might just be something similar to the Lehman's Brother Crash (2008). However, this devastating crash has pretty much shattered the belief of a lot of investors. Young and grooming investors which happened to believe that crypto was the future, are barely left with flickering flames of hope left. The crash has made the unreliability of crypto-currencies evident to the public.

NFTs or Non-Fungible Tokens too gained popularity in the recent years. They had gained quite a reputation in the market, with investors cashing out large amounts of money; thus earning a good reputation amongst the potential investors. However, over the past few months, NFTs just like the Crypto market has finally taken the hit. Even companies, such as Tech companies, have been impacted after flourishing throughout the Covid-19 period. Some still believe that this might just be another situation of a bull and bear market.

With the global inflation a rise, the mortgage rates have soared, lowering the demand in the market. Reliable currencies have fallen by 30-35%, while many became obsolete. Moreover, people still fear to invest in the market because of the unending list of uncertainties. This has been a matter of concern for a number of large financial institutions who have tried gaining control over the market to provide stability to the market.

As for the potential investors that are hesitant to invest their money, now should be a really good moment to capitalize. With the crypto-market being down, now should be a reasonable time for people to invest in “good quality” currencies (the ones that have still maintained a decent position), and could even be a decent time to gamble in low end currencies.

The crypto-market will surely recover and regain its positions as the economy recovers, but hope amongst the investors and potential investors could help in a quicker recovery. To sum it up, people should measure the risk-reward ratio and invest in the current market, making sure of their own capability to handle loses, if any; although, if done effectively, individuals shall reap their rewards.

About the author:

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Shiv Shukla has more than 20 years of global experience that include working as a financial controller for NASDAQ listed Canadian and US corporations. He is currently at Global Management consultancy involved with services related to internal control process, financing, Indian and international taxation, due diligence and internal as well as statutory audits.

An update on ESG: What you should know

By Andrew Sweeney, CPA, CA, CFA

Given the steady stream of coverage on various platforms—from national newspapers to CPABC’s online Newsroom—you’re probably well versed on environmental, social, and governance (ESG) issues by now.¹ In fact, you might be sick of hearing about ESG. Maybe you even agree with some of the backlash.² Nevertheless, you would be wise to stay current on ongoing developments in this area, because the factors that are driving the focus on ESG—including public concerns about climate change, social justice issues, and equality—aren’t going to disappear.

The term ESG is often used interchangeably with sustainability, and ESG- or sustainability-focused investments have played an important role in public markets for many years now, with global sustainable investments reaching US\$35.3 trillion in 2020—an increase of 15% from 2018—according to the Global Sustainable Investment Alliance (GSIA).³ The GSIA also identified Canada as the market with the “highest proportion of responsible investment assets at 62%.”⁴

In addition, ESG issues are increasingly being taken into account by other providers of capital, including banks and credit unions, and by insurers.

Just as CPAs have an important role to play in managing our organizations’ financial risks and staying up to date on new developments, it is now equally important that we stay apprised of the impact of the evolving world of ESG management and reporting on our organizations. An organization’s approach to ESG could, for example, have a bearing on its ability to secure a loan or insurance coverage, meet reporting requirements to trade on stock exchanges, or get approval for projects.

1. Lori Mathison, “The Importance of Having an ESG Strategy,” bccpa.ca/newsroom, March 17, 2022.

2. Jeffrey Jones, “ESG is facing a political and market backlash. Will it survive?” *Globe & Mail*, July 9, 2022.

3. Global Sustainable Investment Alliance, *Global Sustainable Investment Review 2020*, gsi-alliance.org, July 18, 2021.

4. *Ibid.*

Global reporting standards are being developed

The increased focus on ESG has created a growing appetite for high-quality, reliable, and comparable ESG data. Unfortunately, it has also led to a proliferation of standards for reporting on performance, and this “alphabet soup” of standards has made it challenging for reporting companies, their providers of capital, and other stakeholders to compare organizations and consistently measure performance. Needless to say, this has led to considerable confusion and frustration. But there is good news.

In 2021, the International Financial Reporting Standards Foundation created the International Sustainability Standards Board (ISSB) and tasked it with developing a set of common ESG reporting standards to be used globally. The ISSB will use a similar approach to that of the International Accounting Standards Board, which sets global accounting standards. This is a major step forward. Furthermore, Canada will play an important role, as the ISSB has set up a regional hub for the Americas in Montreal.

The ISSB recently published two exposure drafts: one for general sustainability reporting requirements and the other focused specifically on climate-related reporting. Final versions of the standards are expected to be published by the end of 2022. The ISSB is currently working closely with different jurisdictions to encourage them to include these global requirements as part of their own standards. Ultimately, however, it will be up to the regulators in each jurisdiction to determine how the ISSB standards are implemented once they are finalized.⁵

Proposed disclosure requirements could affect both public and private companies

As it relates to public markets, the Canadian Securities Administrators (CSA) and the US Securities and Exchange Commission (SEC) have also made recommendations on ESG disclosures. In Canada, the CSA has provided guidance to improve ESG-related disclosures for public issuers.

5. IFRS, “ISSB Establishes Working Group to Enhance Compatibility Between Global Baseline and Jurisdictional Initiatives,” [ifrs.org/news-and-events](https://www.ifrs.org/news-and-events), April 27, 2022.

In the United States, the SEC has proposed requiring their registrants to provide specific climate-related disclosures, as well as regular reports on matters including governance of identified climate-related risks and risk management strategies; material impacts on the registrant's business and financial impacts over various time horizons; the impact of climate-related risks on business strategy, model, and outlook; and climate-related scenario planning and transition plans.⁶

Although the proposed changes to the CSA and SEC rules would apply only to public companies, demands for ESG reporting will likely have an impact on private companies as well, because many private companies are part of the value chain of public companies that are subject to the CSA or SEC rules. For example, if a public company is required to disclose their Scope 3 emissions (which include greenhouse gas emissions from all companies within their value chain), their vendors—which may very well include private companies—will need to co-operate and report on their own metrics.

Banks, credit unions, and insurers are taking ESG into account

We're also starting to see banks and credit unions make more climate-related commitments and develop more defined reporting standards. One industry-led initiative is the Net-Zero Banking Alliance, which unites banks around the globe that are committed to aligning their lending and investment portfolios with net-zero emissions by 2050. Using science-based targets, this alliance, which represents 40% of the world's banking assets, aspires to promote a standardized framework and implement de-carbonization strategies and peer learning.

Insurers are also starting to take ESG issues into account, especially as these issues relate to climate risks that have very direct impacts on their industry.⁷ Some Canadian insurers have taken significant losses from climate-related natural disasters like forest fires and floods, for example, and some global insurers have stepped back from insuring Canadian projects related to fossil fuels.

6. US Securities and Exchange Commission, "SEC Proposes Rules to Enhance and Standardize Climate-Related Disclosures for Investors," [sec.gov](https://www.sec.gov), March 21, 2022.

7. Tim Quinson, "Insurers Risk Financial Harm By Covering Oil and Gas Firms: Green Insight," [bloomberg.com](https://www.bloomberg.com), August 25, 2021.

Moreover, the financial industry is facing increasing regulatory pressure. Earlier this year, it was announced in Canada's 2022 Federal Budget that banks and insurers will be required to publish climate disclosures starting in 2024, and that the Office of the Superintendent of Financial Institutions "will also expect financial institutions to collect and assess information on climate risks and emissions from their clients."⁸ In short, companies of all sizes may soon need to demonstrate their management of ESG risks in order to access capital.

Managing ESG factors supports more than the bottom line

In keeping with the adage that "What gets measured gets managed," measuring ESG-related risks often leads to better management of both financial and non-financial risks. Indeed, even though ESG factors are commonly referred to as "non-financial factors," they can ultimately have a material financial impact on a company.

Consider, for example, a company that needs an environmental permit to build a mine, expand a port, or start a real estate project. In each of these scenarios, the company's ability to secure the environmental permit will require reporting on the potential ESG impacts of the project on both the local communities and the environment. And the company's success in obtaining the environmental permit will have a significant financial impact on its bottom line, even though the permit itself may not appear in the company's financial statements.

Accordingly, companies that recognize the risks and opportunities of ESG factors and manage them appropriately stand a much stronger chance of getting their projects approved. This will help them generate greater value for shareholders while also providing positive benefits to a range of stakeholders that may include employees, the local community, suppliers, and customers.

⁸ Department of Finance Canada, 2022 Budget: A Plan to Grow Our Economy and Make Life More Affordable, Chapter 3: "Climate Disclosures for Federally Regulated Institutions" (106).

Considerations continue to evolve

The last decade has seen a meaningful rise in the importance of ESG factors, and the push for sustainability will likely continue, regardless of its detractors. The creation of new standardized sustainability reporting benchmarks creates an excellent opportunity for CPAs, as our profession is well positioned to play an important role in this rapidly evolving area.

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Promotion of World Congress Conference to be held from November 18-21, 2022 at Mumbai, India



Meeting with Consulate General



Sustainability Accounting & Reporting



Dr. Vivek Sharma



CA. Praveen Kaushik

There is global harmony but several things happening in this world are problematic and we need actions to address such conditions. To address such situations, the United Nations undertook a meeting of all national governments and based on such recommendations formulated the Sustainable Development Goals. United Nations Sustainable Development Goals (SDGs), 2030 are a group of interrelated and complex challenges the world is facing, and which require global teamwork and partnership to achieve such goals. With the increase in sustainable development aims and mitigation of climate change issues, sustainability reporting is being amended around the globe. This movement has further gained momentum due to the increased demand from investors and other stakeholders. This movement has made it obligatory for companies to disclose their sustainability performance to their stakeholders in a fair and transparent manner. The framework of sustainability reporting has evolved immensely over the past years and global organizations have started using this approach for proper monitoring, analyzing, and disclosure of performance on social, environmental, and governance parameters.

In the current scenario, the organizations are transitioning from 'shareholder-oriented' to 'stakeholder-oriented' and are realizing the need to move towards 'overall systems value orientation' for creating value in long-term. The SDGs encourage organizations to promote sustainability in their operations and to motivate all their value chain partners in creating sustainable value.

Organizations need to re-think their policies, and their impacts on the society and environment and to formulate policies and procedures that create a sustainable world. As more and more investors demand investments as per ESG parameters and the increased demand for accountability on part of the organizations, the entities face challenges about governance and accountability. To address such challenges, the organizations must follow a fair and transparent way of accounting for their investments and report their activities that are contributing to the realization of SDGs.

The SDGs emphasize companies to form a transparent system of reporting their policies, goals, and activities to help enhance the relationship, loyalty, and transparency among the key stakeholders of the organization. The significance of accounting in properly reporting the SDGs achievements of an organization has been recognized by various reputed international and national organizations in our nation and as well as in the other parts of the world viz., International Federation of Accountants (IFAC), the Association of Chartered Certified Accountants (ACCA), Securities and Exchange Board of India (SEBI), the Institute of Chartered Accountant of India (ICAI), World Business Forum etc.

Sustainability Accounting refers to the reporting of sustainable development through the disclosure of three aspects of sustainability viz., strategic, operational, and reporting. It involves disclosures of such activities that have a direct or indirect impact on the society, environment, and economy of the organization to the company's various stakeholders viz., investors, creditors, suppliers etc. To enhance the value of the company for long-term period, it is important to integrate all types of capital, internal and external information, and decision-making processes. The information provided must be material, reliable, accurate, comparable, and complete in all respects and that shall be confirmed by the auditors of the company.

The organizations shall ensure strategic decision-making for the overall development and shall assure its accounting. At an operational level, the company shall adopt accounting activities to ensure the delivery of high-quality and reliable information and shall adopt such accounting practices that disclose all relevant environmental, social and financial information that is required in decision making.

In the reporting stage, the company shall develop strategies related to reporting and disclosure that help in providing a complete idea of the company's performance, application of reconciling approaches, external audits and feedback that improves the creditability of the disclosures made.

In the present scenario, businesses around the world shall no longer prefer short-term achievements over sustainable strategies to realize a sustainable economy. Accountants act as strategic partners for organizations to achieve a sustainable future. They help the companies to build a strong relationship with their stakeholders through innovative and engaging reporting approaches such as by disclosing all relevant information on how the public fund is being utilized towards the achievement of sustainability goals as per the ESG parameters. Accountants help in transparently assessing the real cost and benefit of business activities by considering the social and environmental impacts and disclosing the actual benefit and cost due to business activity. To standardize sustainability accounting, the authorities need to formulate standard approaches and formats.

Suggestions to promote and enhance the significance of the accounting profession and sustainability accounting in alignment with Sustainable Development Goals:

- Introduce initiatives to enhance the pool of accounting professionals.
- Try to increase awareness of SDGs among accountants and enhance the important contribution of the accounting profession to economic development.
- Globally accepted standards of financial reporting shall be followed for framing a standard accounting system of sustainable development.
- Accountants shall integrate Environmental, Social and Governance (ESG) parameters along with the financial and non-financial disclosures.
- Practical leadership shall be provided to promote transparency in the reporting system.
- Companies shall be supported to adopt sustainable practices in alignment with sustainability issues and opportunities in their management, governance and accounting.

- Carbon pricing shall be promoted to encourage investment in new technologies as per the efficiency gains of such technology.
- Such services shall be provided to the accountants that enable them to integrate sustainable development into their operations, policies, and strategies.
- The importance of consistency, reliability, easy accessibility and importance of sustainability disclosures and reporting shall be promoted.
- The accountants' capacity shall be enhanced to reduce corruption, and money laundering and to control and monitor any financial frauds.
- The significance of accounting sustainable development shall be promoted on how they help in tracking the national efforts towards the realization of SDGs.
- The authorities shall integrate important social and environmental issues into decision-making processes.
- Introduction of such tools that help in determining the cost of depletion of natural capital assets, the intensity of pressure on the ecosystem etc.

In the present business world, there is an increased requirement for more reader-friendly reports consisting of the most significant and relevant financial and non-financial aspects of the company. In order to promote such reporting system, the Government of India can adopt Europe's 'Core and More concept' for a smarter way of reporting an organization's information. It consists of two main elements viz., the 'core' report and 'more' reports. A core report refers to an executive summary of the most important and relevant information and 'more reports' refers to an additional report on detailed information. This concept helps in organizing the different parts of a report in a more structured, logical, and connected manner. The core report aims at providing a holistic view of an organization for all stakeholders in general. Whereas, more reports target specific audiences and include detailed financial and non-financial disclosures, complete governance reports, full sustainability information etc. The concept of Core & More could support organizations in effectively and efficiently communicating relevant information to wide groups of stakeholders. It helps in creating a coherent structure of reporting by linking the related information in a comprehensive and logical manner.

The following aspects are covered under the core and more report:-

Core Report	More Report
Model and Strategy of the Company	Internal control and reporting on risk management
Key information on financial statements and their analysis	Corporate Governance
Key information on non-financial matters including Environmental, Social, and Governance (ESG) parameters, performance metrics and their proper analysis	Other relevant details on financial disclosures
Key issues, risks, and the company's mitigating strategies	Information of Sustainability matters viz., climate change, environment, diversity policies, human rights issues and opportunities, social responsibility.
Corporate governance matters	Other relevant intangible assets
	Tax reporting
	Information related to employees and detailed reports on remuneration

About the authors:

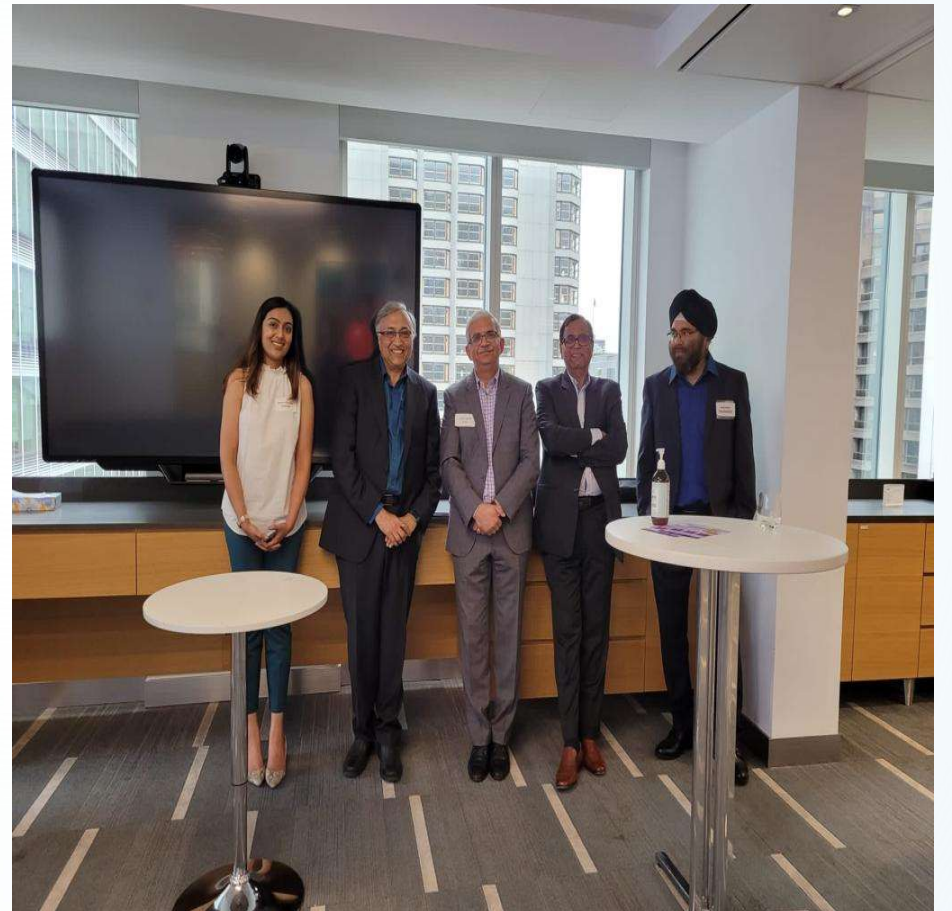
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Dr. Vivek is a former member of Central Board of Studies of CG Govt. Besides having Post-Graduation in Accountancy and Business Statistics and Doctorate in Economics and Financial Management. He has done FDP from IIM Bangalore and IIT Bombay in Financial Accounting domain. Dr. Vivek Sharma is currently working as Assistant Professor with CG Govt and previously worked with Mohan Lal Sukhadia University, Udaipur, Central University of Haryana and GGU Central University, Bilaspur. Being a prolific speaker and author, he has presented and published research papers in National & International conferences as well as in reputed journals and magazines, and authored books for professionals and students.

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In person networking event held at KPMG



A Paradigm Shift to Circular Economy



CA. Dr. Dheeraj KS Sharma



CA. Sanjay Singh Panwar

We are entering the doors of the radically disruptive 4th Industrial Revolution; we are also facing a major environmental challenge derived from the outcomes of earlier Industrial Revolutions and the effects of globalization: climate change. From minerals, metal, fuels, organic materials from plants and animals etc. over 100 billion tons of resources enter the economy every year, and less than 10% get recycled and used again. The use of these resources has tripled in the last 50 years and could double next two decades if the process continues as usual.

Despite its exceptionally positive perception among the public, recycling comes with- intrinsic limits that cannot be overcome. Infinite 100% recycling is merely a myth and making recycling the cornerstone of our waste management systems means that we are doomed to fail to manage our waste properly.

Every year, around 350 million tons of plastic waste are globally generated, and shamefully, less than 16% of this waste is recycled. If we believe a 2018 McKinsey report, it will take just one decade for our plastic waste to rise to an alarming 460 million tons per year. Despite the best of intentions and numerous debates and discussions, the global recycling rate has been declining over the last few years and will continue to do so into next year.

The production of prime plastics (virgin plastics produced from petrochemicals) has seen a growth of 3% per annum over the last few years.

However, it is disheartening to know that the recycling rate had been growing by less than 2% and is now on a negative trend. At this rate, there would be 12 billion tons of plastic waste on this earth by 2050. Is this the legacy we want to leave for future generations? Do we want our children and grandchildren to grow up with mountains of plastic in their backyards? In a Linear economy or traditional economy, products are traditionally manufactured, consumed, and disposed of without the slightest inkling of their use beyond their expected lifetime value.

Rampant consumption has devastating effects on life and the planet. It is high time to shift from a linear economy's 'use-it-up-and-throw-it-away model' to a circular economy, where waste and pollution are designed out, products and materials are kept in use for longer, and natural systems can regenerate. The United Nations Environment Programme defines Circular Economy and Green Economy as two different economic systems entirely. The Report of the World Circular Economic Forum in association with the UNEP emphasizes Value Retention Processes (VRP) as the key solution to a circular and greener economy by the end of the day which involves repair, refurbishment, and using the same old material thus leading to lesser industrial waste and lesser carbon footprints.

Value Retention Processes (VRPs)

Value Retention Processes (VRPs) are the processes that involve refurbishing or recycling a product and completely retain back its full material value and continuing to keep up the product in a functional state by facilitating it to reach its original expected lifetime value or even to the extent of extending its useable value for a prolonged period of time.

Remanufacturing

In 2017, the American National Standards Institute (ANSI) approved an industry standard that defined remanufacturing as "a comprehensive and rigorous industrial process by which a previously sold, leased, used, worn or non-functional product or part is returned to 'like new' or 'better than new' condition, from both a quality and performance perspective, through a controlled, reproducible and sustainable process".

Linear Economy ~ Green Economy ~ Circular Economy

S.No.	Basis of Distinction	Linear Economy	Green Economy	Circular Economy
1	Meaning	A straight economic system in which products are manufactured, consumed and disposed of without realizing the risks it poses to the environment or to the society	An economic system that consists of all activities like manufacturing and consumption that focuses on mitigating the impacts of the same on the environment	An economic system that focuses on activities that lead to making use of the same resources available and prolonging the expected life value of products and improving their service life.
2	Focus	Economic activity	Environmental risk mitigation	Optimum usage of resources and economic development
3	Problems	No proper usage of resources causes spillover effect	Lack of awareness and battle between being green and being societal	Lack of skilled personnel and consistent standards for reuse and refurbishment
4	Measures	Adopting ESG disclosures compulsorily	Moving towards sustainability	International cooperation and Value chain partnerships
5	Outcome	Reduced wastage	Improved standards of living for all	Guilt-free economic development and growth

Opportunities in a Circular Economy:

1. Better use of resources

The circular economy concept is all about making better use of natural resources. Creating a circular economy for the industry means shifting to recycled and recyclable materials to reduce the amount of land, water, and fossil fuels used. It means changing consumption patterns to reduce new purchases and keep the products in use for longer.

2. Safeguarding Biodiversity

The world produces around 300 million tons of plastic waste every year, nearly equivalent to the weight of the entire human population. This waste becomes hazardous for human health and for biodiversity when it is mismanaged, either leaking into the natural environment or disposed of through open burning, landfills, or substandard recycling. Every year, around 10 million deaths occur due to air, water, and soil pollution. This pollution threatens biodiversity also. The circular economy model helps to protect human health and biodiversity in several ways, such as making better use of natural resources, mitigating the climate crisis etc.

3. Create Employment

New employment opportunities will be created in fields such as recycling, repair, rental, innovative use of secondary materials etc. Transitioning to a circular economy could create a net increase of 6 million jobs by 2030. Making the most of this opportunity will require a clear focus on social and environmental justice. Around 15 million people worldwide work as “waste pickers,” salvaging reusable or recyclable materials from the garbage. Bringing these informal waste pickers into formal work in collection or recycling is a major opportunity to offer safer, more secure employment.

4. Boost Economies

Recent research shows that the circular economy offers around \$5 trillion in economic opportunity by reducing waste, stimulating innovation, and creating employment. New business models focused on reuse, repair, remanufacturing, and sharing models offer significant innovation opportunities. For example, a circular economy for plastics offers considerable economic benefits. Less plastic waste in the ocean would help industries like fishing and tourism. Reducing the pollution and toxic emissions that come from the open burning of plastic waste would lower healthcare costs while reducing fossil fuel use for plastic production would help mitigate climate change and its associated costs.

Way Forward

There are always trade-offs to be considered and managed when working towards large-scale, systemic change. It's also important to recognize the interconnected nature of the global economy. Many of the minerals and metals used in electronics are by-products from the mining of aluminium, copper, lead, and zinc, which are used across industries. Going circular in the electronics industry alone would therefore not do much to reduce dependence on these resources. Multiple industries must shift to create systemic change. We'll need to ensure that economic benefits are equitably distributed to maximize the opportunity of a circular economy.

The opportunities in the circular economy show some of the social, environmental, and economic benefits of a circular economy, but realizing these benefits will require ambitious action.

- Keep all waste management considerations in the framework of the **“big picture”** of our societal economic model to truly understand the core challenges and waste management issues.
 - Fight for the immediate and strict ban on **disposable products** (both single-use and short lifespan items).
 - Push all industries to systematically switch to **reusable** packaging and organize reusable packaging **take-back**.
 - Use **extensive sorting** not only for direct recycling but also to produce data to better understand what non-recycled products and brands currently make up.
 - Be **transparent** about the limits and drawbacks of recycling to avoid counterproductive disincentive effects on waste reduction/reusing.
-

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CA Dheeraj Sharma is an alumnus of IIM-Bangalore and a fellow member of ICAI, possessing a Doctorate in Management and various certifications in Emotional Intelligence, Forensic Science, Financial Accounting, and Sustainable Development from ICAI, IIT-Bombay, and IIT Kharagpur. He is Co-founder & CEO of Devalaya eLearn and an ex-employee of Deloitte Haskins & Sells and Sankalp & Associates. Dr. Sharma is a prolific speaker, author, poet, and leader. Also, he served as Chairman of the Gurugram Branch of NIRC of ICAI for 2020-21.

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Values in Life

By CA Gyan Prakash Sharma



One of the most difficult ideas to describe in ethics is value, which can be defined from a variety of angles, including philosophical, sociological, psychological, and so on. An organization's or an individual's behaviour is governed by a set of moral principles or standards of behaviour called ethics. Values may be indefinable, but they are not incomprehensible. It can be described by citing an

example, or it can be in reference to an object of interest; it can be viewed as a realization process, or it can be viewed as judgments about objects that can be verified by experience.

Values are typically learned through the process of socialization beginning in childhood, and while internalization of values occurs throughout one's life, it is more rapid in the early years. One's experience is transformed into values. Values are significant because a person's behaviour is heavily influenced by the values he or she has internalized. Values can be proved by seeing whether a person is happy about their work and their workplace, which may lead to more profits, employee satisfaction, and positive team management.

Different types of Values:

Personal Values: Both in terms of possession and use, anything is personal to an individual. Regardless of his social relationships, the individual cherishes and wishes them. These principles enable one to do well by oneself. Examples include aspiration, orderliness, and discipline.

Family Values: The foundation of the family as a social entity is a collection of universally recognized values that are fostered and developed within a family system. These values are mostly the result of the family's head, usually the father, who instills them in their offspring.

Social values: These are specific behaviors and viewpoints that are held in common by particular social and cultural groupings. These ideals are beneficial to society and serve as the cornerstone of a person's interactions with other members of the community. Among these include decency, altruism, civic responsibility, etc.

Moral values: These attitudes and behaviors are what a society considers to be necessary for peace, order, and overall well-being. It lets someone distinguish between good and bad, right and wrong, etc. Fairness, justice, human dignity, etc. are a few examples.

Ethical Values - A set of moral guidelines that are relevant to a particular population, line of work, or mode of behaviour are known as ethical values. These ideals demand moral fortitude and the ability to follow one's moral principles even when doing so puts one's finances, emotional stability, or social security in danger. These have to do with how we interact with other people on a personal level. Ethical ideals encompass all moral principles as well.

Spiritual values are the act of contemplating life's non-material aspects and learning from one's own experiences. They influence a person's relationships with themselves and are focused on realizing one's "Self" and uniting with their "Divinity." Examples include goodness, truth, and beauty.

Cultural Values - Cultural values are the norms that decide what is right or wrong, important or unimportant, in a culture. It emphasizes the need to protect cultural customs, rituals, and traditions that the materialistic culture of the modern era may harm. Examples include civility, social order, and tolerance, among others.

Intrinsic Values: They are ends in and of themselves, not just a means to an end. These ideals are at the top of the hierarchy of human values and are better than all other principles of life. Examples include kindness, beauty, joy, and ecstasy.

Instrumental Values -Values that are useful in gaining some other advantage, such as financial gain or a rise in prestige, are referred to as instrumental values. When a subject is pursued purposes other than its own, it is said to have instrumental value. Examples include education for career success, political influence for charitable work, etc.

Democratic Values - These values emphasize respect for diversity, and equality for all, guaranteeing that everyone has access to social, political, and religious freedoms, objectivity, and social justice.

Importance of Values:

An individual's core character is shaped by his or her values. It influences one's decisions, encourages one to succeed, and assists in decision-making. Values determine the path we choose in life, as well as our behaviour and attitude. Individuals' attitudes and actions are also influenced by their values. Political consideration, career, social engagement, ecological sensibility, and so on are all influenced by one's values. Almost every decision a person makes is influenced by an underlying value that may or may not be recognized. As a result, values play a crucial influence in shaping social and environmental challenges in society.

How do Values affect Behaviour?

Each value represents a distinct behaviour. Being a spendthrift indicates that one's worth is founded on hedonism, whereas celebrating Independence Day indicates patriotism. As a result, each action is motivated by a value. However, this value-based behaviour does not always go hand in hand. There are distinctions between one's worth and one's activities. One may call for cleanliness and environmental preservation, but one may litter in public, use plastics, and so on. It can also be evident after witnessing an accident; while altruism may be strong, people may not always act to assist a person in distress. Failure to recognize a value's relevance.

Competition may arise between two values, one of which is more strongly held or one that appears to be relevant in each scenario. Individual control of the problem is possible. It is possible that one's actions will extend outside one's sphere of influence at times. As a result, there are several barriers in society that may prohibit a person from expressing his or her values. As a result of situational limitation, people are pushed to acquire applicable values. Furthermore, media outlets, education, expertise, and societal pressure all have a significant impact on the values that are chosen.

How do Values help in making Judgements?

Even though other circumstances have a role, assessments are mostly based on one's value system, such as affiliation with a political party. When confronted with a particular scenario, value dilemmas are also likely to arise. The recent situation of government data collection elicited varied reactions; here, the values of "national security" and "individual privacy" came into play. As a result, conflicting values lead to confusion, with people struggling to connect with one of the ideals. This can be clear in elections, religious meetings, and other situations where two opposed values elicit conflicting feelings, making judgment difficult. As a result, people identify with individuals who have values like their own. Even if held by someone close to the individual, opposing ideals cause perplexity. As a result, people tend to join groups with people who share similar or almost comparable ideals to create a safe haven.

Ethics, Morals and Laws

The law enforces and reflects a society's morality and ethical standards. Morality and ethics ought to be kept apart from the law as a result. Just because it may be legal does not automatically make it morally or ethically right.

This is the main contention in debates on a range of subjects, including abortion, medical marijuana, child labour, and others. Illegality does not entail immorality, just as legality does not imply morality. The actions in the centre are both legal and moral, while those on the left and right are either legal but not moral, or moral but not legal. At both the local and global levels, moral and ethical difficulties arise. At both levels, laws and other legal instruments have been devised and developed to implement moral and ethical principles. Law can be seen of as a type of language that reflects a society's ideals and goals.

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