



BRITISH COLUMBIA CHAPTER OF ICAI
E-Newsletter
October 2022- December 2022 edition

Happy New Year

2023

2023



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.



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For feedback write at info@icaivancouver.com

MESSAGE FROM THE EDITOR



I am delighted to have another opportunity to talk to you! Hope you had a great holiday break and were able to spend time with friends and family.

We had an eventful quarter this fall with various events and PD seminars. Annual Gala and the World Congress of Accountants were the highlights. It was a pleasure to meet so many of you in person at the Annual Gala.

I would like to thank the authors CA Shiv Shukla and Mr. Gaurav Singh for contributing articles for this edition. Hope you enjoy reading them and find them insightful.

Lastly, please feel free to reach out to me or any of the committee members or write to us at info@icaivancouver.com with feedback, concerns or ideas.

Wishing you more success and prosperity in coming year.

HAPPY NEW YEAR

Best Wishes,
CA Poonam Mandhana

MESSAGE FROM THE CHAIRMAN



Dear Professional Colleagues,

Hope you are doing well and staying healthy. Wish you all a very Happy New Year. I would also like to congratulate you on another successful year of the Chapter – this was possible only because of your support and participation.

Riding on the success of World Congress of Accountants held in November 2022 at Mumbai, India, I wish to bring you some highlights. The theme for the World Congress this time was based on “Building Trust Enabling Sustainability”, emphasizing the important role accountancy profession has been playing as protector of public interest and how it can continue to play an instrumental role to enable sustainable economies for the future.

The Chapter continues its efforts to bring Indian CA’s in GVA together, under the Chapter’s umbrella, to make our voice stronger and to better serve the ICAI community in Canada. I look forward for your continued support.



Lastly, I wish to extend my congratulations to all the successful CFE writers of September 2022 attempt.

Stay safe and stay healthy.

Best Wishes,
CA Deepak Arora, CPA, CGA; FCA(India), FCS (India)
Chairman - British Columbia Chapter of ICAI

*Looking forward to seeing you
in the New Year*

HOW THE IPO MARKET WENT FROM BOOM TO BUST

By CA Shiv Shukla




2022's IPO DROUGHT

The single driving factor in terms of whether it's an active IPO year is the strength of the overall stock market. When stocks are going up, when the indexes are making new records, it means that the public is excited about stocks. Valuations are going up. That means private companies want to capture those higher valuations by selling stock to the public. All those things reinforce one another on the way up. On the way down, it's quite the

opposite. Roughly nine months into 2022, it's been the slowest start in over 13 years around IPOs. We've got just over 70 IPOs completed so far, 70 SPAC IPOs, a combined \$16 billion in proceeds raised. So, there's been a really remarkable slowdown in the markets.


The Fed has become aggressive in raising interest rates, one of the most aggressive rate hiking campaigns in generations. And it also hit the stock market at a time when it was very concentrated in large tech and growth companies, where you have a lot of high expectations for future earnings.



The companies that we're seeing go public so far in 22, the number are still largely driven off the sectors that we would expect. Tech and life science are really still continuing to drive the volume. What we're seeing, though, is an increase in just the microcap IPOs. So microcap being precede raise of less than 50 million. 80% of the IPOs so far to date have really been microcap IPOs.

While IPOs raised a record amount in 2021, so did the private markets. And tech unicorns especially are sitting on massive war chests, and that's allowed them to just wait out the storm in 2022


Growth Stocks Fall to Earth



An IPO is the company's first and probably the best opportunity to assemble a following on Wall Street, to assemble a shareholder base, to kind of tell your story in a very focused way. And then if it performs well, clearly you have somewhat of the loyalties of the street. You can pay your employees more. You can attract more employees. So it does feed general kind of corporate objectives, aside from just getting the money form the investors.

Companies that IPO'd in 2021, their performance hasn't been well. If we look at the Renaissance IPO ETF, that's underperformed broader stock market indices year to date. Looking at last year's IPO class 2021, only one in six IPOs are now trading above issue.

Investors are really risk averse at this moment, and that's what's really impacting the lack of activity that we're seeing. They're looking for companies that are focused more on growth and profitability as opposed to the growth at all costs that we were seeing in 2021.



The tech boom last year was largely driven by the very high valuations that public and private markets were giving to high growth companies, where the price to sales ratio for a lot of these rapidly growing young companies was much higher than historical norms. And a lot of companies took the opportunity to tap public markets.


Rise and Fall of SPAC's

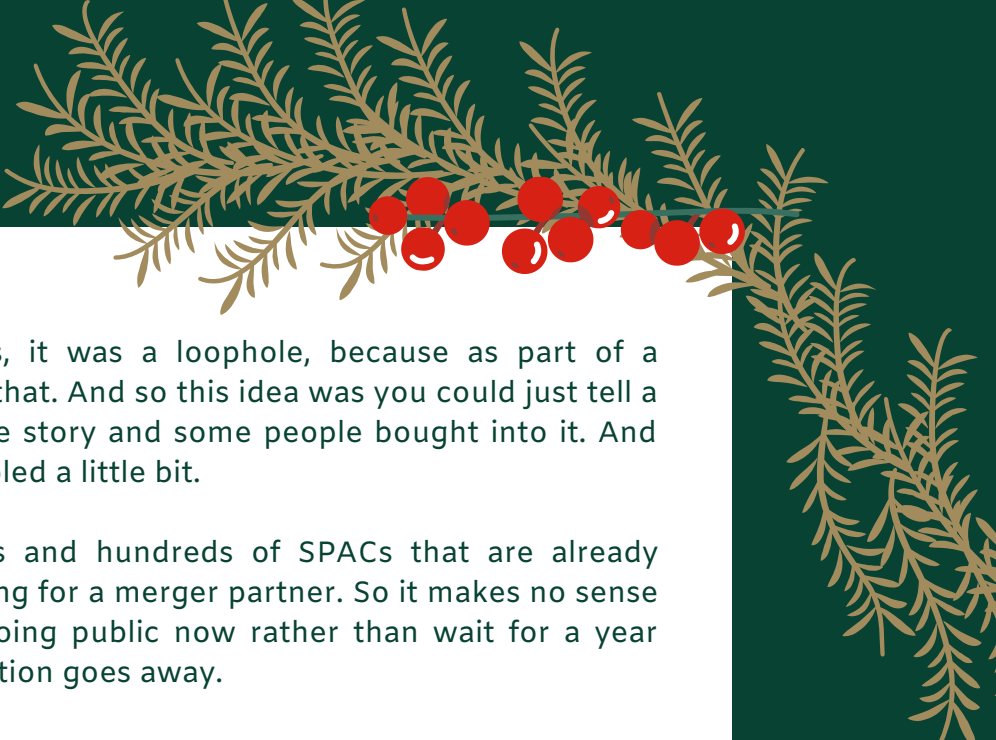
SPACs are special purpose acquisition companies which are created by a sponsor where the sponsor then takes a cut of the action and then takes the SPACs public and raises cash in that IPO. But the cash is put in an escrow account in a trust fund and the SPAC sponsor then has a period of time, typically 18 months or two years, to come up with a merger with an operational company and a private operating company. And in the process, if the merger occurs, that private operating company then becomes a publicly traded operating company.

Now, SPACs have been pretty terrible performer as a group. In part, people have lost interest, and want to wait around for a deal to happen. But also it's by definition a lot of these deals that were going to be done were from companies that themselves may not have been the best candidates to just go public on their own.

SPACs have actually been around since the mid-2000s, but they really did explode in popularity in 2020. There were a few high profile successes, specifically DraftKings and Virgin Galactic. Beyond that, I think people viewed them as a sort of an equalizer, especially retail traders who saw that they could buy the stock for \$10, the same as the institutional investors.

If you're doing a formal IPO, you can't actually issue projections saying how your earnings are going to grow or your profits are going to grow in a very specific way.





Whereas for SPACs, it was a loophole, because as part of a merger, you can do that. And so this idea was you could just tell a very, very aggressive story and some people bought into it. And now, that's been cooled a little bit.

There are hundreds and hundreds of SPACs that are already public that are looking for a merger partner. So it makes no sense for a SPAC to be going public now rather than wait for a year until all this competition goes away.

What's next?


We've definitely seen organizations that were really gearing up in 21, targeting 22, anticipating that continued momentum and hit the pause button. That interest of going public is still there. It's how they're using this time to be ready.

I would expect that a low level of activity is going to continue, atleast for a while. But if the stock market starts going back up again, then we'll see a rebound in IPO activity, although probably not to the levels of 2021.

About the author:

Shiv Shukla, B.Com (H), FCA, CS, CPA (USA)

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.



HOW TO IMPROVE EFFICIENCY AND RUN YOUR BUSINESS ON AUTOPILOT

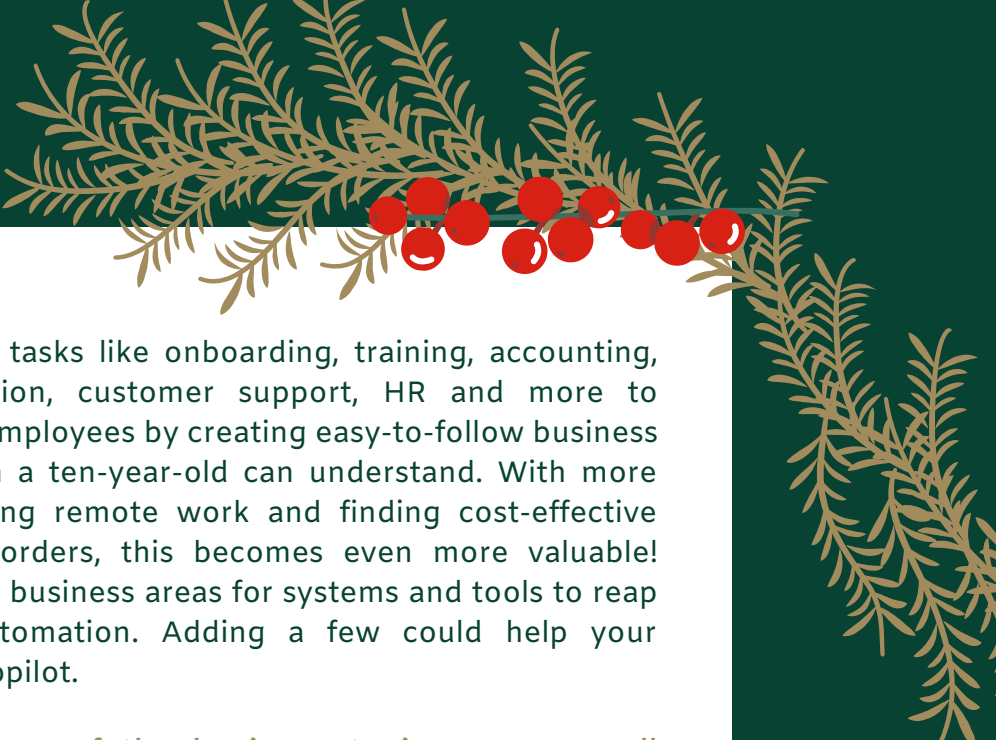
By Gaurav Singh



Business owners struggle to find enough daily hours to manage everything and still have loose ends. More than having the vision to grow, owners need help delegating tasks and ensuring they have the same results irrespective of the experience or position of team members. In the early days of a business launch, one may have to invest, manage, train, recruit and be the face of the company.

The Canadian government is here to help in this age of small business automation and provide planned and professional solutions with their partner Tech Advisors. In addition, the government is helping small businesses with grants and loans to accelerate digitization and expansion. Grants cover 90 percent of the costs of hiring a professional. Small and medium-sized businesses can also access zero-interest loans of up to \$100,000.


Expansion and efficiency are only possible when operations and repetitive tasks are automated while owners concentrate on results, revenue and growth.



Delegate your daily tasks like onboarding, training, accounting, billing, communication, customer support, HR and more to business tools and employees by creating easy-to-follow business processes that even a ten-year-old can understand. With more businesses supporting remote work and finding cost-effective workforce across borders, this becomes even more valuable! There are a few vital business areas for systems and tools to reap the benefits of automation. Adding a few could help your business run on autopilot.

The most vital areas of the business to improve overall efficiency

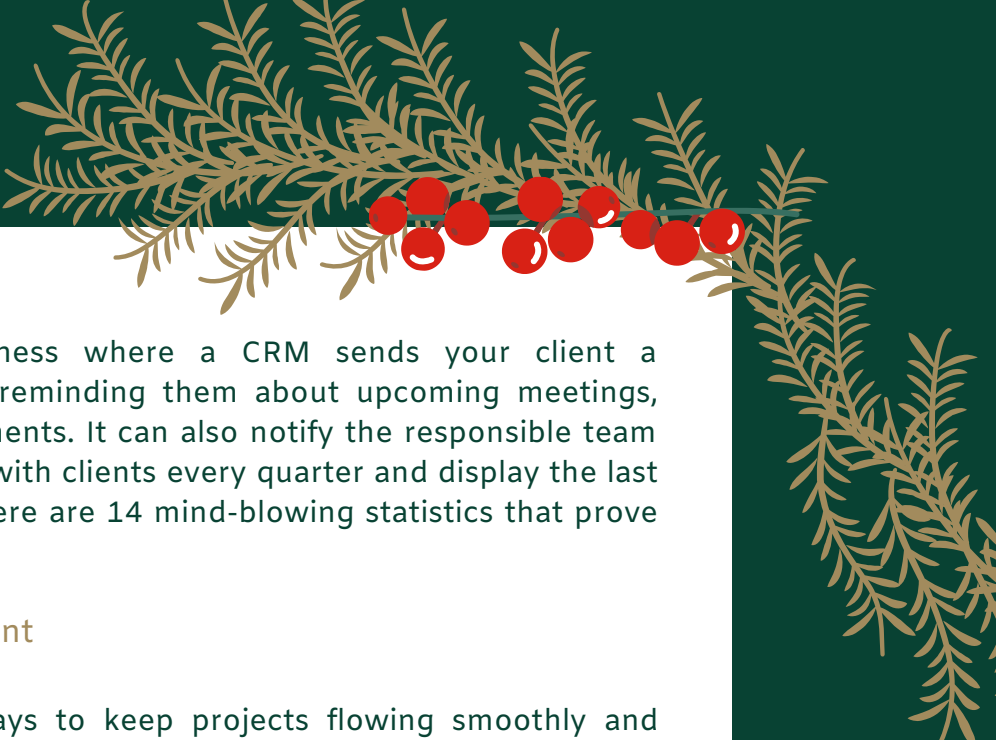
Organization



Forget checking multiple email accounts daily or searching for files from various platforms. Email suits allow directing emails into a single inbox and branding with a company domain. Documents and spreadsheets can be linked and synced to your calendar, so you don't have to search for records for your next meeting. Searching for documents inside a cloud is flawless, reducing time and issues with misplaced documents.

Client Satisfaction

Business promise and intent to provide the best client experience, yet only a few are successful. Companies are either short-staffed, missing information about the last client communication, lacking valuable data on clients, or a team member forgot to add the information on a client file. Solve all these problems with the help of a custom-built Client Relationship Management (CRM) platform suited to your need. Unfortunately, most CRM implementations fail because they are difficult to use and expensive to implement. And this is where Professional help makes a difference.



Imagine your business where a CRM sends your client a personalized email reminding them about upcoming meetings, deadlines, and payments. It can also notify the responsible team member to engage with clients every quarter and display the last meeting minutes. Here are 14 mind-blowing statistics that prove the need for a CRM.

Project Management


There are many ways to keep projects flowing smoothly and meet deadlines using small business systems that are easy to use and affordable. Pick the best-suited system, add employees, and assign tasks and due dates. It can be that simple. In addition, vendors or clients can be added into the loop if needed to consolidate approvals to critical steps in any process. Finally, integrate these project management systems into your CRM to create a streamlined, time-saving workflow.

Workflows

Get more out of systems when hooked together with a workflow management system like Zapier and create processes that allow one event to trigger others. For example, imagine getting an email with an important file, and having that file download to your storage system of choice, alert the next team member of a pending task, and send you a notification - all without even pressing a button. That's what automation can do for small businesses.

Industry Specific Tools

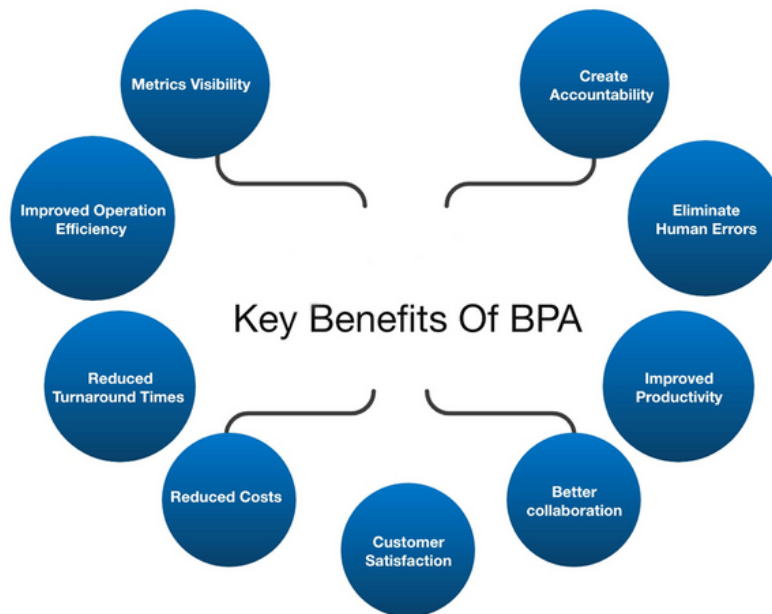
Specific industries require systems explicitly designed for particular needs. For example, DotLoop can help real estate agents simplify transactions for agents and brokers.



Every industry has similar tools, systems, or software designed to organize and facilitate faster, smoother workflows that are almost hands-free. The accounting industry can benefit from accounting industry-specific software and tools. And within those industry-specific tools, there are multiple options to choose from.

Onboarding and Offboarding

Forget papers and enter the modern age of onboarding and offboarding. Take your onboarding to the next level by designing processes that take care of every step of onboarding by notifying the team members responsible. Build processes to guide any user without prior experience to follow quickly and have the same results. These processes help new hires in their training and notify managers and employees for three months and six months of check-in. The result is better employee retention and higher employee satisfaction. And when offboarding employees, imagine a process built in the same way for every click and can be executed by any team members.






About the author:

Mr. Gaurav Singh, MBA, ECBA, PSM

Mr. Gaurav Singh has more than four years of Project Management and Consulting experience in Finance, Insurance and Accounting industries, with expertise in process design and automation. He is currently working at Alterra Accounting and Business Advisors, heading CRM, Time Management, Project management, Budgeting and Accounting software implementation and training.





OCTOBER 2022- DECEMBER 2022 IN REVIEW

- **October 10, 2022** : Annual Gala
 - **October 30, 2022** : Guidance to members for CFE preparation
 - **November 18-21, 2022** : World Congress Conference held in Mumbai, India
 - **December 19, 2022** : Demystifying Data Literacy across finance and Accounting Sector
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HIGHLIGHTS FROM THE 2022 ANNUAL GALA



HIGHLIGHTS FROM THE 21st WORLD CONGRESS OF ACCOUNTANTS





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