

# MONTHLY TECHNICAL UPDATES

ON ACCOUNTING, TAXATION & LAWS

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## Message from the Chairman:

I am delighted to present the Monthly Technical Updates by TSPD Committee for the month of April, 2021. This issue covers a variety of topics related to Stock Market, Corporate Sector and money market. I believe that members will find it informative and helpful in discharging their professional assignments/ responsibilities.

Moreover, Members are requested to frequently visit the website of the Institute to keep themselves abreast with the latest developments in the AML/ CFT regime. I also want to request all members to share their valuable suggestions for further improvement in the Monthly Technical Update and identify topics of technical interest, which the Committee may consider for arranging seminars, workshops and training programs beneficial for the practicing members in terms of their capacity building and value addition.

Please do share your comments on [tspd@icmap.com.pk](mailto:tspd@icmap.com.pk)



**Shehzad Ahmed Malik, FCMA**

Vice President & Chairman  
TSPD Committee ICMA Pakistan

# Committee Activities

## Review & Finalization of Pre-Budget Proposals

Technical Support & Practice Development (TSPD) Committee, finalized the Pre-Budget Proposals on Income Tax, Sales Tax, Custom Duty and Federal Excise as well as Industry-specific matters. The proposals were forwarded to the Research and Publication Department of ICMA Pakistan for incorporation in the Pre-Budget Proposals Booklet 2021-22.

## Sindh Budget Proposals for Fiscal Year 2021-22

In order to achieve the astronomic fiscal targets, Government of Sindh requested ICMA Pakistan to provide inputs/ suggestions/ ideas to generate revenue from existing sources and identifying new areas for levy of taxes, granting subsidies and exemptions to get additional funds to provide necessary support to non-performing or underperforming sectors of the provincial economy.

In the above perspective, Technical Support & Practice Development (TSPD) Committee prepared and forwarded the required proposals to the Finance Division, Government of Sindh.

## Technical Updates

The Institute continuously updated its members through the circulation of regular Technical Updates. The members are now being immediately updated with latest SROs, Rules, Circulars, Notifications, etc. During the month, technical updates on more than twenty topics were circulated amongst the members covering updates on taxation, monetary and corporate sectors.

## TSPD News at Glance

In order to keep the practicing members of the Institute abreast with the daily National and International News related to the business, economy and profession, TSPD continued to circulate the exclusive daily issue of News at Glance on the TSPD Forum. In addition to the daily news updates, the document also provides a glimpse of daily stock market, bullion rates and currency exchange rates.

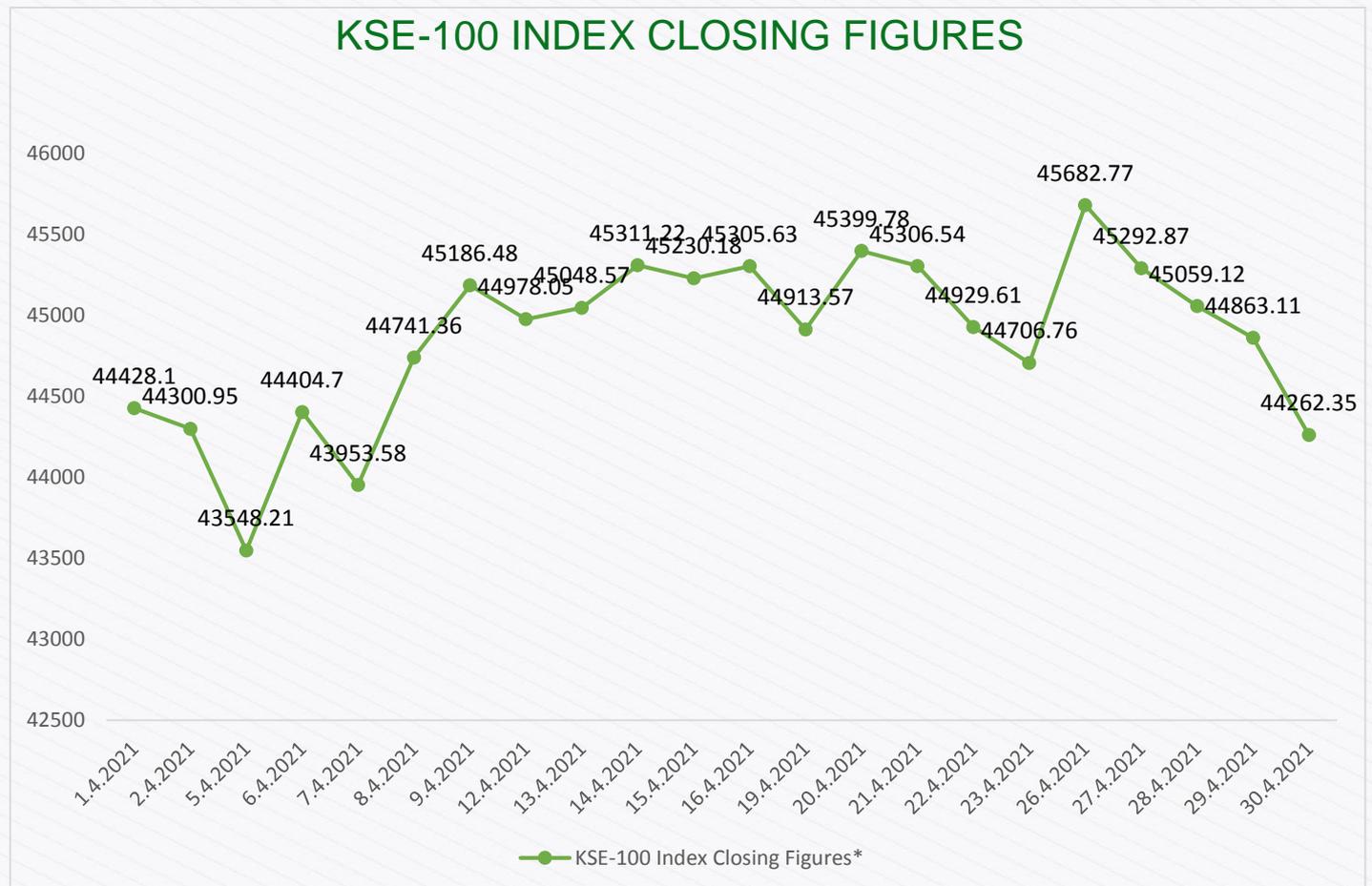
# Pakistan Stock Market

## Pakistan Stock Market – KSE-100 Index Fluctuations during April, 2021

Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*
1.4.2021	44428.10	13.4.2021	45048.57	23.4.2021	44706.76
2.4.2021	44300.95	14.4.2021	45311.22	26.4.2021	45682.77
5.4.2021	43548.21	15.4.2021	45230.18	27.4.2021	45292.87
6.4.2021	44404.70	16.4.2021	45305.63	28.4.2021	45059.12
7.4.2021	43953.58	19.4.2021	44913.57	29.4.2021	44863.11
8.4.2021	44741.36	20.4.2021	45399.78	30.4.2021	44262.35
9.4.2021	45186.48	21.4.2021	45306.54		
12.4.2021	44978.05	22.4.2021	44929.61		

\*As published in Daily Dawn

### KSE-100 INDEX CLOSING FIGURES



# Rupee-Dollar Parity

Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*
1.4.2021	152.95	153.4	13.4.2021	153.2	153.4	23.4.2021	154.1	154.5
2.4.2021	153.85	154.2	14.4.2021	153.2	153.5	26.4.2021	154.2	155.2
5.4.2021	153.9	154.4	15.4.2021	153.1	153.4	27.4.2021	154.2	154.2
6.4.2021	154.0	154.0	16.4.2021	153.1	153.5	28.4.2021	154.2	155.4
7.4.2021	153.2	153.8	19.4.2021	153.1	153.5	29.4.2021	153.6	154.4
8.4.2021	153.2	153.5	20.4.2021	153.1	153.5	30.4.2021	153.6	154.4
9.4.2021	153.2	153.4	21.4.2021	153.2	153.8			
12.4.2021	153.2	153.6	22.4.2021	153.6	154.0			

\*forex.pk

## RUPEE-DOLLAR PARITY DURING APRIL, 2021



# Corporate Updates

## 1. GRANT OF REGISTRATION TO POSTAL LIFE INSURANCE COMPANY LIMITED

Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 507(I)/2021 granted Registration to Postal Life Insurance Company Limited.

Pursuant to sub-section (1) of section 10 of the Insurance Ordinance, 2000, the SECP, in exercise of powers conferred under sub-section (1) of section 7 of the Ordinance, has registered "Postal Life Insurance Company Limited" to carry on life insurance business as provided under clause (a) of sub-section (1) of section 4 of the Ordinance, except the classes of life insurance business as provided under clause (b), (c) and (d) of sub-section (1) of section 4 of the Ordinance, with effect from August 26, 2020 and allowed commencement of business with effect from January 20, 2021.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/s-r-o-507i-2021-grant-of-registration-to-postal-life-insurance-company-limited/?wpdmdl=42270&refresh=608a3abf1133b1619671743>

## 2. NOTICE UNDER SECTION 66 OF THE COMPANIES ACT, 2017

SECP vide S. R. O. 492(I)/2021, in exercise of the powers conferred under section 510 read with section 66 of the Companies Act, 2017 (XIX of 2017), notified that the following persons to whom any instrument in the nature of "redeemable capital" may be issued by a company, subject to the terms and conditions as provided under section 66 of the Act:-

- i) mutual funds, Voluntary Pension Schemes and Private fund being managed by NBFC;
- ii) insurer registered under the Insurance Ordinance, 2000 (XXXIX of 2000);
- iii) a Securities Broker;
- iv) a Fund and Trust as defined in the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018;
- v) a company and body corporate as defined in the Companies Act, 2017(XIX of 2017);
- vi) all individual investors including accredited individual investors, in case of Government Debt Securities, and debt securities whose debt servicing is guaranteed by the Government;
- vii) accredited individual investors, in case of corporate debt instruments:

Provided that the company shall ensure the following:

- a) instrument is not placed to more than fifty (50) accredited individual investors;
- b) information memorandum contains all applicable information/disclosures as prescribed under the Public Offering regulations, 2017; and
- c) instrument is not sold to non-accredited investors in secondary market.

Explanation: - for the purposes of this notification the expressions:-

- "accredited individual investor" means an individual investor registered with National Clearing Company of Pakistan Limited and having net assets of Rs. 5 million or more; and
- "Government Debt Securities" means a debt security such as Treasury Bill (T-Bill), Pakistan Investment Bond (PIB), Government of Pakistan (GoP) Ijarah Sukuk and any other debt instrument issued by the Federal Government, Provisional Government, Local Government/Authority, and any other statutory body.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/notice-under-section-66-of-the-companies-act-2017-april-19-2021/?wpdmdl=42218&refresh=608a3abf149b11619671743>

# International Updates

## 1. IPSASB ISSUES PACKAGE OF MEASUREMENT RELATED EXPOSURE DRAFTS

The International Public Sector Accounting Standards Board (IPSASB) released four Exposure Drafts (EDs) for public comments which are titled as:-

- Exposure Draft (ED) 76, Conceptual Framework Update: Chapter 7, Measurement of Assets and Liabilities in Financial Statements;
- ED 77, Measurement;
- ED 78, Property, Plant, and Equipment; and
- ED 79, Non-Current Assets Held for Sale and Discontinued Operations.

The above four EDs are published together to highlight for respondents the common measurement principles proposed and the ways they are applied consistently throughout the draft guidance. The four EDs address several key conceptual challenges and practical implementation issues identified by the public sector community by introducing:-

- Straight-forward measurement principles, by way of a measurement hierarchy, that apply throughout IPSAS and align with the Conceptual Framework;
- Enhanced guidance clarifying the recognition and measurement of infrastructure and heritage assets that are Property, Plant, and Equipment; and
- A standard that fills a gap for assets held for sale and discontinued operations.

ED 76 streamlines the measurement principles in the Conceptual Framework by eliminating unused measurement bases and enhancing focus on those that are commonly used. The ED proposes a clear measurement hierarchy to help stakeholders apply the principles in practice and aligns measurement concepts with the guidance provided in IPSAS.

ED 77 proposes new guidance in a single standard which addresses how commonly used measurement bases are applied in practice. It brings in generic guidance on fair value for the first time, and it proposes a public sector specific current value measurement basis to respond to stakeholder views that a new measurement basis is required as an alternative to fair value for assets held for their operational capacity.

ED 78 updates IPSAS 17, Property, Plant, and Equipment by adding general measurement guidance and measurement options when accounting for assets within its scope, identifying the characteristics of and heritage and infrastructure assets, and proposing new guidance on how these important types of public sector assets should be recognized and measured.

ED 79 is aligned with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations and proposes new guidance how to account for non-current assets that are classified as held for sale, when they meet specific criteria.

The Exposure Drafts can be accessed through the following link:-

<https://www.ipsasb.org/publications/exposure-draft-ed-76-conceptual-framework-update-chapter-7-measurement-assets-and-liabilities>

<https://www.ipsasb.org/publications/exposure-draft-ed-77-measurement>

<https://www.ipsasb.org/publications/exposure-draft-ed-78-property-plant-and-equipment>

<https://www.ipsasb.org/publications/exposure-draft-ed-79-non-current-assets-held-sale-and-discontinued-operations>

IPSASB has sought public comments on the above drafts. Worthy Members are requested to kindly forward your comments/ inputs/ feedbacks on the above drafts to [tspd@icmap.com.pk](mailto:tspd@icmap.com.pk) latest by **October 25, 2021** for onward submission to IPSASB.

## 2. IASB PROPOSES CHANGES TO THE IFRS TAXONOMY 2021 FOR DISCLOSURE OF ACCOUNTING POLICIES AND DEFINITION OF ACCOUNTING ESTIMATES

The International Accounting Standards Board (Board) published a proposed update to the IFRS Taxonomy 2021 for the following amendments to IFRS Standards:

- Disclosure of Accounting Policies, which amended IAS 1 and IFRS Practice Statement 2; and
- Definition of Accounting Estimates, which amended IAS 8.

The Proposed IFRS Taxonomy Update includes changes to the IFRS Taxonomy elements to reflect the new and amended disclosure requirements introduced by the amendments, issued by the Board in February 2021.

The proposed update can be accessed through the following link:-

<https://www.ifrs.org/content/dam/ifrs/project/ifrs-taxonomy-update-amendments-to-ias-1-ias-8-and-ifrs-practice-statement-2/ptu2021-1-disclosure-of-accounting-policies-and-definition-of-accounting-estimates.pdf>

IASB has sought public comments on the above drafts. Worthy Members are requested to kindly forward your comments/ inputs/ feedbacks on the above drafts to [tspd@icmap.com.pk](mailto:tspd@icmap.com.pk) latest by June 21, 2021 for onward submission to IASB. The International Public Sector Accounting Standards Board (IPSASB) vide their notification dated January 15, 2021 released an Exposure Draft (ED) 75 "Leases" and a Request for Information "Concessionary Leases and Other Arrangements Similar to Leases".

The Exposure draft proposes an IFRS 16, Leases aligned model for lease accounting in the public sector. For lessees, as with the IPSASB's previous proposals in ED 64, ED 75 proposes a right-of-use model that will replace the risks and rewards incidental to ownership model in International Public Sector Accounting Standard (IPSAS) 13, Leases. For lessors, ED 75 proposes to substantially carry forward the risks and rewards incidental to ownership model in IPSAS 13 in response to ED 64 comments and practical IFRS 16 implementation experience.

Issued alongside ED 75, the Request for Information will provide the IPSASB with further information on the issues that need to be considered in accounting for concessionary leases and other arrangements similar to leases that are quite common in the public sector. This will then allow the IPSASB to determine the nature and extent of the additional guidance required in phase two of the Leases project.

Both the Exposure Draft and Request for Information may be accessed through the following links:-

<https://www.ipsasb.org/publications/exposure-draft-75-leases>

<https://www.ipsasb.org/publications/request-information-concessionary-leases-and-other-arrangements-similar-leases>

IPSASB has sought public suggestions on the above drafts. Worthy Members are requested to kindly review the draft and forward valuable comments/ suggestions/ feedback to [tspd@icmap.com.pk](mailto:tspd@icmap.com.pk) latest by **May 10, 2021** for onward submission to IPSASB.

# Legal Privileges Available to Cost and Management Accountants\*

Sr.	Description	Legal Statute	Relevant Section / Rule
1	To act as an <b>Auditor</b>	Companies Act, 2017	Section 247(b)
2	Appointment as <b>Special Auditors</b> by FBR for Income Tax Audit	Income Tax Ordinance, 2001	Section 177 (10) Income Tax Ordinance, 2001
3	Appointment as <b>Special Auditors</b> by FBR Sales Tax Audit	Sales Act, 1990	Section 32-A of Sales Act, 1990, & SRO 539(1)/2006 dated 5th June, 2006
4	To perform <b>Audit of Cost Accounts</b> as an Auditor	Companies Act, 2017	Section 250(1)
5	<b>Audit &amp; Certification of Accounts</b> of Non Profit Organizations	Income Tax Rules, 2002	Income Tax Rules, 2002 Rule 211
6	Audit of Financial Statements for Agricultural Borrowers	Prudential Regulations for Agriculture Financing 2014	Part C, Regulations R-20
7	<b>Audit</b> of Financial Statements of SMEs	Prudential Regulations for Small and Medium Enterprises Financing 2013	Chapter No. 3, Regulation ME R-4
8	<b>Audit</b> of Financial Statements of Corporate and Commercial Banks	Prudential Regulations for Corporate / Commercial Banking 2011	Part B, Regulations R-3
9	To Act as <b>Legal Representative</b> of Taxpayer	Income Tax Ordinance, 2001 Income Tax Rules, 2002	Sec 223 Income Tax Ordinance, 2001 Rules 84-90 Chp XIV if Income Tax Rules, 2002
10	<b>Delegation of Function</b> by Assets Management Companies	SECP Circular, 2013	No.24/2013 dated December 06, 2013
11	Declaration for <b>Registration of Memorandum</b>	Companies Act, 2017	Section 16
12	Appointment as <b>Accountant Member/ Legal representative</b> of the Appellate Tribunal	Anti-Dumping Duties Ordinance, 2015	Rule 65(1)(a), No.2((1)/2015-Pub dated February 26, 2015
13	To Act as <b>Member</b> of Small Dispute Resolution Committee	Small Dispute Resolution Committees (Constitution and Procedure) Rules, 2015	Section 4(1)(b)
14	To act as an <b>Expert</b> in the Companies Act, 2017	Companies Act, 2017	Section 2(30)
15	To act as <b>Certifier</b> in the memorandum and articles	Companies Act, 2017	Section 17(3)
16	To act as <b>Auditor</b> for making report in case of return as to allotments	Companies Act, 2017	Section 70(b)
17	To act as an <b>Intermediary</b> in terms of Section 455 of the Companies Act, 2017	Intermediaries (Registration) Regulations, 2017	Section 3(i)(b)
18	To act as an <b>Internal Auditor</b> in the listed companies	Code of Corporate Governance	Code of Corporate Governance
19	To carry out the <b>Audit of Separated Accounts</b>	PTA Accounting Separation Guidelines, 2007	Sub-Clause 9(1)
20	To act as an <b>Expert in the Panel of Insolvency Experts</b>	Corporate Rehabilitation Regulations, 2019	Sub-Clause 4(ii)
21	To act as a <b>Provisional Manager and Official Liquidator</b>	Panel of Provisional Managers and Official Liquidators Regulations, 2019	Sub-Clause 4(a)
22	To act as a <b>member of ADRC</b>	Income Tax Ordinance ,2001	Section 134 A
23	To act as a <b>member of ADRC</b>	Sales Tax Act, 1990	Section 47 A
24	To act as a <b>member of ADRC</b>	Federal Excise Act, 2005	Section 38 A

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