

"The most certain way to succeed is always to try just one more time." —Thomas Edison

From the desk of President ICMA & Chairman TSPD Committee



I am delighted to present the Monthly Technical Updates for the m/o Aug-Sep 2024, highlighting news from economy, Corporate Sector, Taxation; updates from the stock market/ foreign exchange; and a glimpse of TSPD activities held during the month. Worthy Members are encouraged to share their suggestions at tspd@icmap.com.pk for further improvement in the document and identify topics of technical interest, which the Committee may consider for arranging training programs beneficial for the practicing members for their capacity building and value addition.

Shehzad Ahmed Malik, FCMA

President ICMA

Upcoming Events

- Workshop on Ultimate Audit Working Paper
- Seminar jointly by ICMA & SECP - World Investment Week
- Webinar on Issues & Challenges faced by the Management Accounting Firms
- Seminar in collaboration with SECP on Incorporation Process of Specialized Companies
- Webinar on Filing of Income Tax Returns for Companies
- Seminar on the anticipated amendments by FBR
- Webinar in collaboration with SECP on filing of Annual Return of Companies (Form A/B, Form-29, Form-45)
- Webinar on Anti Money Laundering and the role of Accountants

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For suggestions

Technical Support & Practice Development (TSPD) Directorate

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MONTHLY TECHNICAL UPDATES

ON ACCOUNTING, TAXATION & LAWS

Committee Activities

Meeting with ACCA



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Meeting with Public Procurement Regulatory Authority



Seminar on Company/ LLP Incorporation Process and eZfile System

In continuation of its lofty efforts towards the development of the practicing profession and capacity building of the members and students, TSPD Committee of ICMA, in mutual collaboration with the Securities and Exchange Commission of Pakistan (SECP), conducted a Seminar on Company/ LLP Incorporation Process & eZfile System, providing a very lucrative opportunity for the participants to look at and gain an understanding of the company registration process and the new eZfile system.

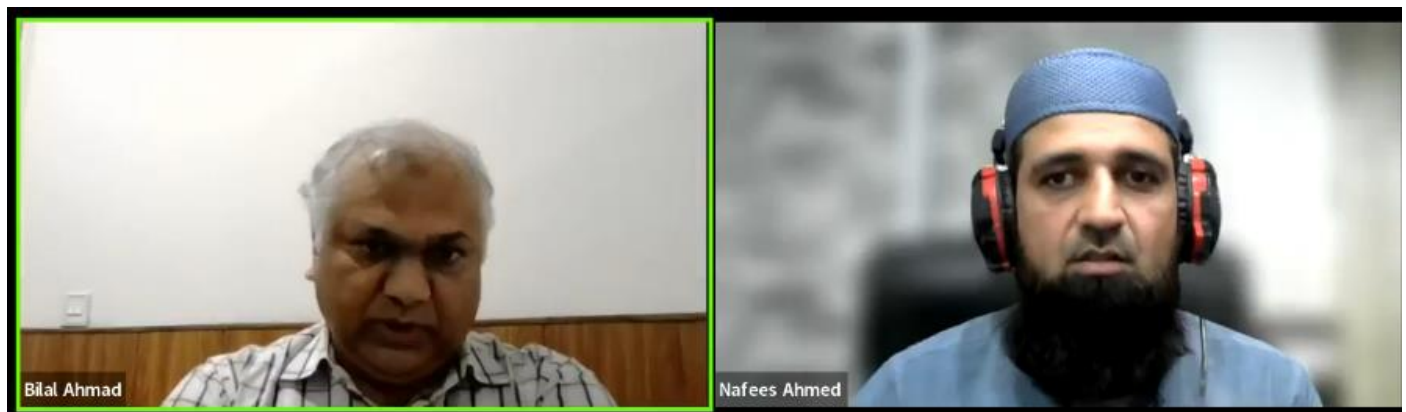
The session was attended by a large number of students, members and other stakeholders. The participants appreciated the speakers for their detailed briefing and valuable inputs.



Webinar on E-Filing of Income Tax Returns for Individuals & AOPs

Under the directive of President Mr. Shehzad Ahmed Malik, the Technical Support & Practice Development (TSPD) Committee of ICMA International, in collaboration with the National CPD Committee organized the Webinar on E-Filing of Income Tax Returns for Individuals & AOPs on August 16, 2024 through ZOOM. The Webinar was aimed to address various queries related to filing of income tax returns for individuals and AOPs.

Mr. Bilal Ahmad, FCMA welcomed the participants in his opening speech. Mr. Nafees Ahmad, ACMA, Chief Executive Nafees Ahmed & Co. was the speaker at the event. The session was attended by a large number of students, members and other stakeholders. The participants appreciated the speaker for his detailed briefing and benefitted from the in-depth presentation of eminent speaker.



Webinar on Income Tax Return filing for Non-Residents

In order to facilitate a number of ICMA Members, Students and Other Stakeholders, residing abroad and want to file their Income Tax Returns, the Technical Support and Practice Development (TSPD) Committee, organized this “Webinar on Income Tax Return filing for Non-Residents”. The Webinar will discover the essentials of taxation for Non-Resident Individuals and the intricacies of filing returns in Pakistan.

A large number of professional from different fields attended the Webinar along with the students and members of the Institute.



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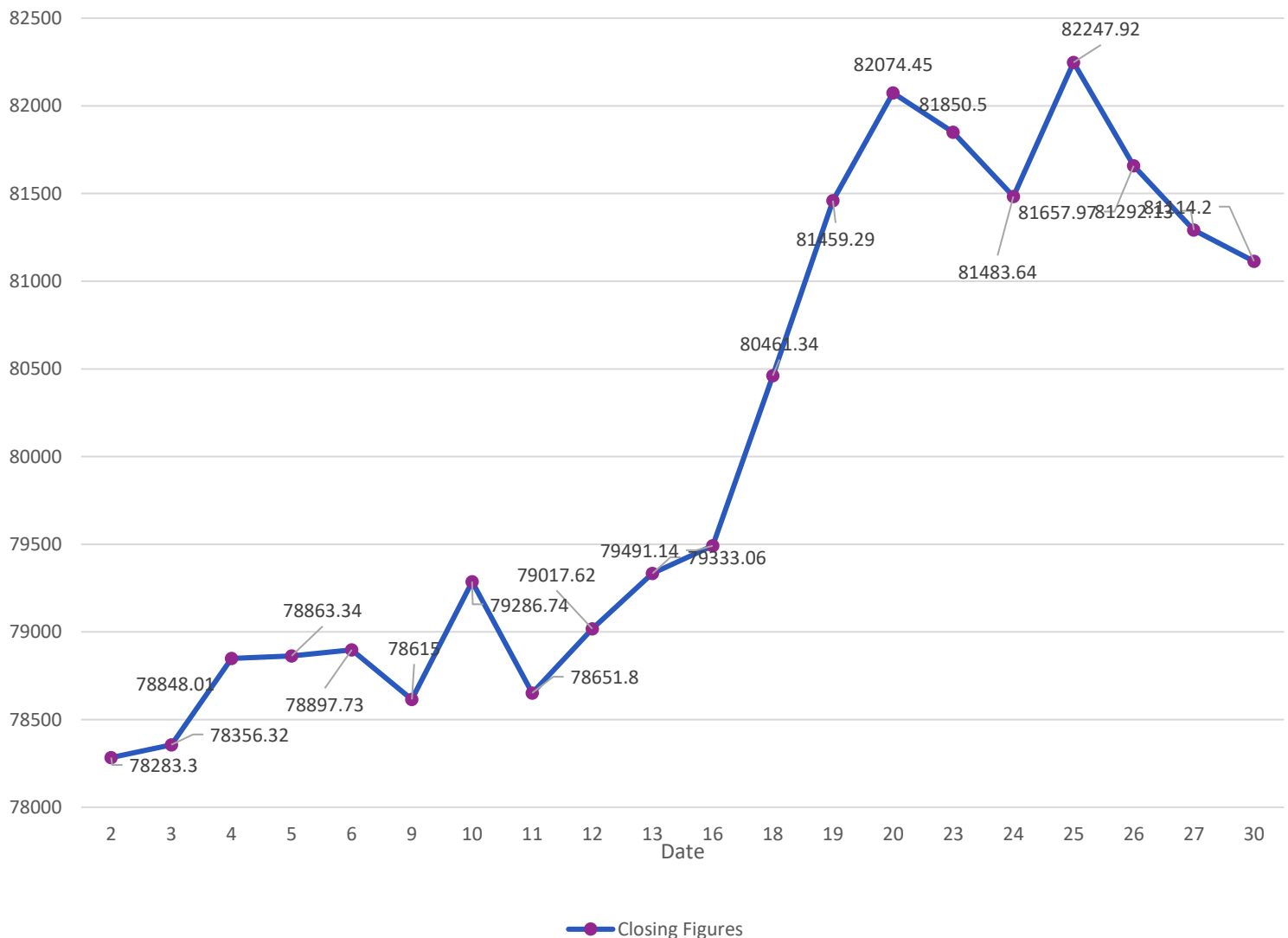
Pakistan Stock Market

KSE-100 Index Fluctuations during September 2024

September 2024					
Date	Index*	Date	Index*	Date	Index*
2	78283.30	11	78651.80	23	81850.50
3	78356.32	12	79017.62	24	81483.64
4	78848.01	13	79333.06	25	82247.92
5	78863.34	16	79491.14	26	81657.97
6	78897.73	18	80461.34	27	81292.13
9	78615.00	19	81459.29	30	81114.20
10	79286.74	20	82074.45		

*As per available data on PSX

KSE-100 INDEX CLOSING FIGURES



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MONTHLY TECHNICAL UPDATES

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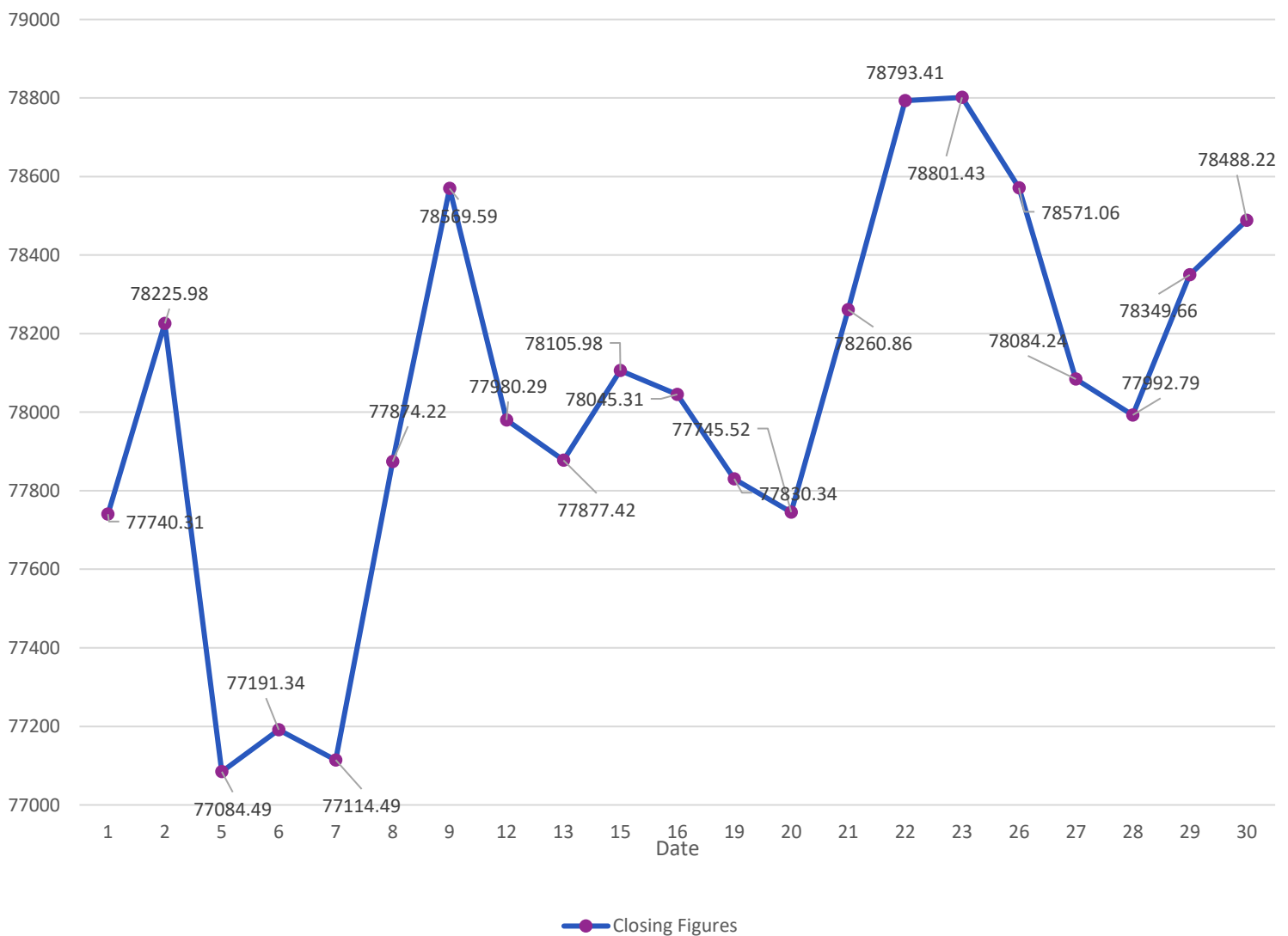
Pakistan Stock Market

KSE-100 Index Fluctuations during August 2024

August 2024					
Date	Index*	Date	Index*	Date	Index*
1	77740.31	12	77980.29	22	78793.41
2	78225.98	13	77877.42	23	78801.43
5	77084.49	15	78105.98	26	78571.06
6	77191.34	16	78045.31	27	78084.24
7	77114.49	19	77830.34	28	77992.79
8	77874.22	20	77745.52	29	78349.66
9	78569.59	21	78260.86	30	78488.22

*As per available data on PSX

KSE-100 INDEX CLOSING FIGURES



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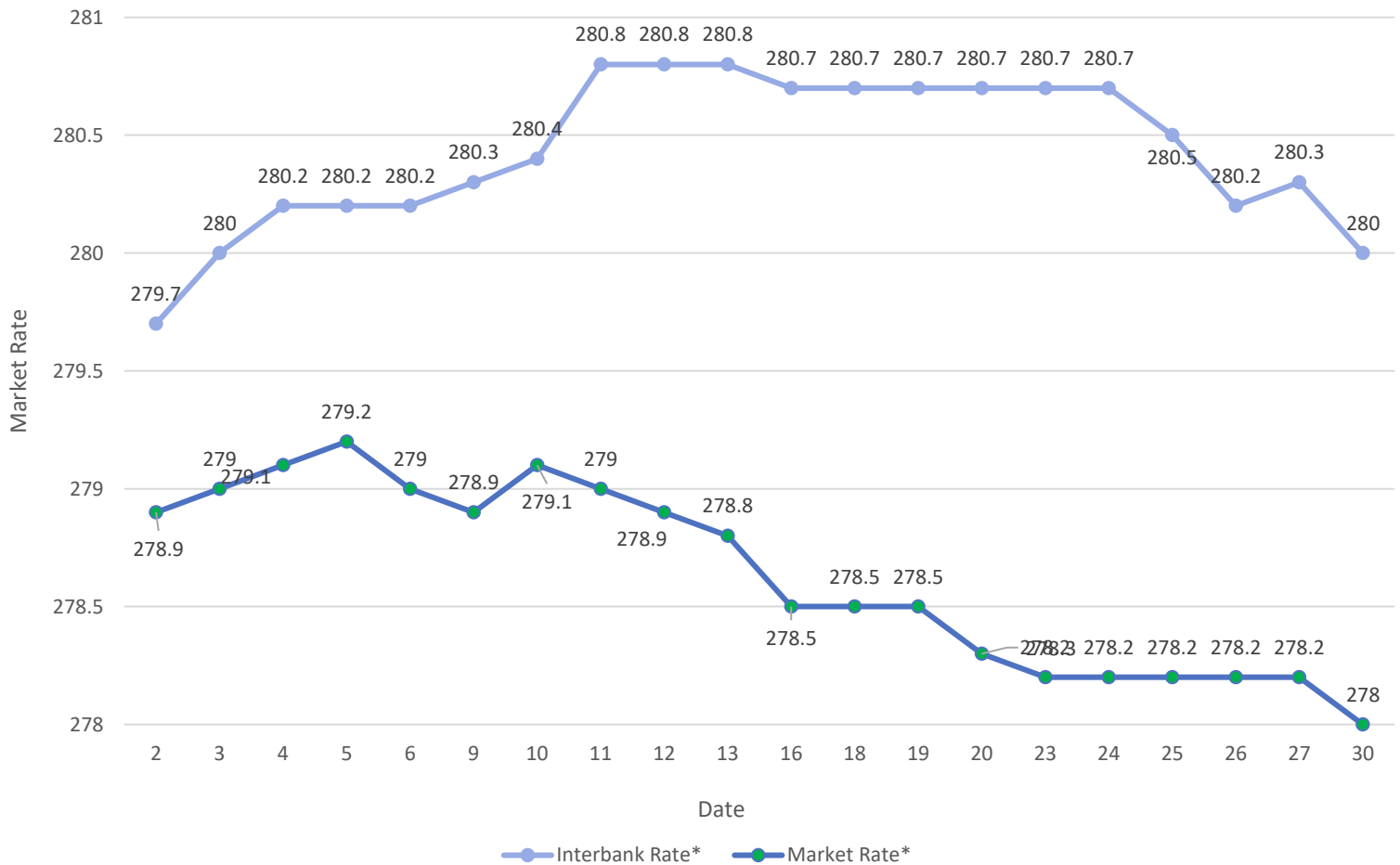
Rupee-Dollar Parity

Rupee-Dollar Parity During September 2024

Date	Market Rate*	Interbank Rate*	Date	Market Rate*	Interbank Rate*	Date	Market Rate*	Interbank Rate*
2	279.7	278.9	11	280.8	279.0	23	280.7	278.2
3	280.0	279.0	12	280.8	278.9	24	280.7	278.2
4	280.2	279.1	13	280.8	278.8	25	280.5	278.2
5	280.2	279.2	16	280.7	278.5	26	280.2	278.2
6	280.2	279.0	18	280.7	278.5	27	280.3	278.2
9	280.3	278.9	19	280.7	278.5	30	280.0	278.0
10	280.4	279.1	20	280.7	278.3			

*forex.pk

Rupee-Dollar Parity During September 2024



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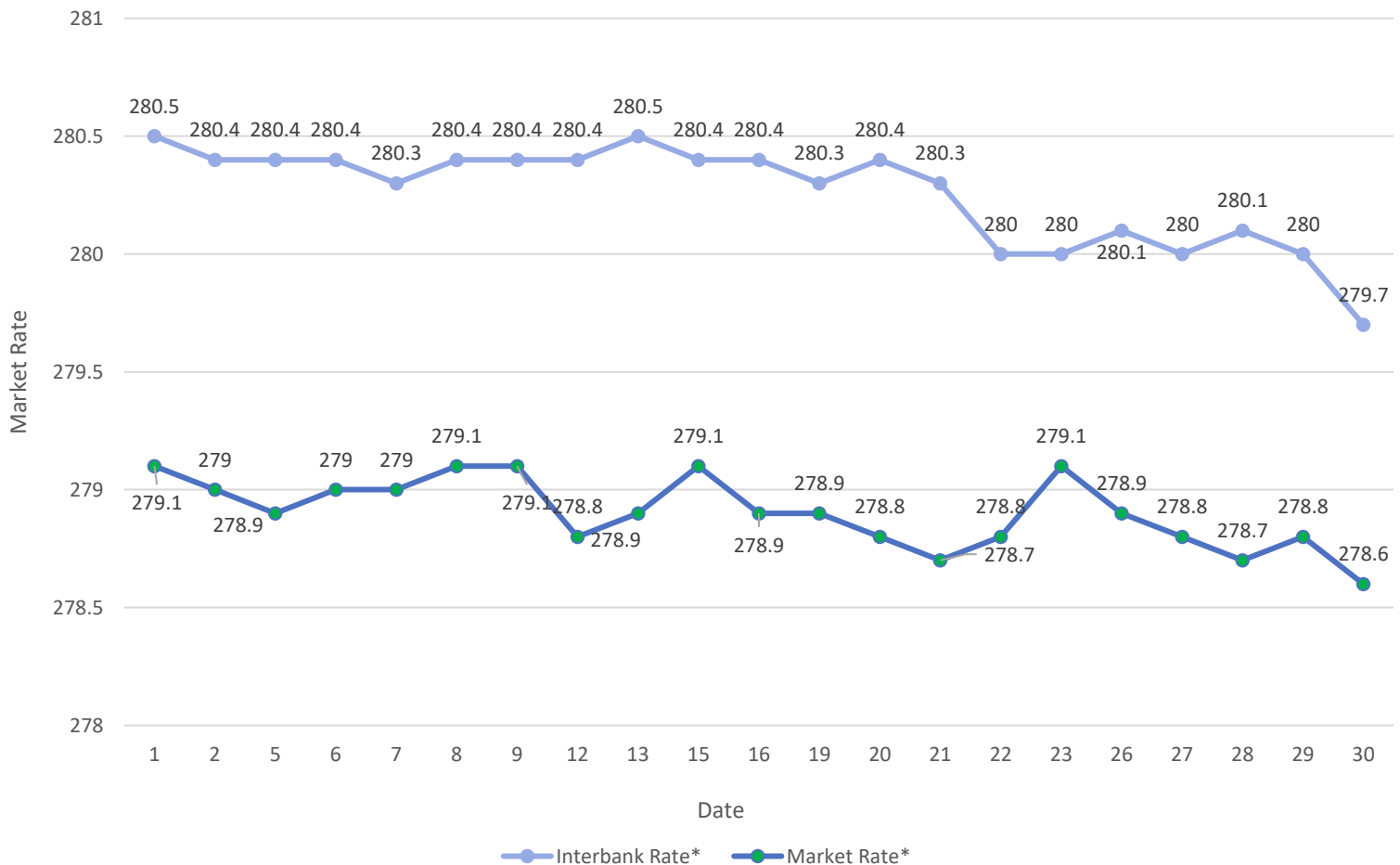
Rupee-Dollar Parity

Rupee-Dollar Parity During August 2024

Date	Market Rate*	Interbank Rate*	Date	Market Rate*	Interbank Rate*	Date	Market Rate*	Interbank Rate*
1	280.5	279.1	12	280.4	278.8	22	280.0	278.8
2	280.4	279.0	13	280.5	278.9	23	280.0	279.1
5	280.4	278.9	15	280.4	279.1	26	280.1	278.9
6	280.4	279.0	16	280.4	278.9	27	280.0	278.8
7	280.3	279.0	19	280.3	278.9	28	280.1	278.7
8	280.4	279.1	20	280.4	278.8	29	280.0	278.8
9	280.4	279.1	21	280.3	278.7	30	279.7	278.6

*forex.pk

Rupee-Dollar Parity During August 2024



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Corporate Updates

1. AMENDMENT IN THE 4TH SCHEDULE TO THE COMPANIES ACT, 2017

Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 1278(I)/2024 notified further amendments in the 4th Schedule to the Companies Act regarding “Disclosure Requirements as to Financial Statements of Listed Companies and their Subsidiaries”.

A new item (VII) is inserted in the aforementioned Schedule under which Every listed company and its subsidiary, which is not engaged in Shariah non-permissible business activities as their core business activities, shall disclose the following in their standalone and consolidated financial statements as per Section 228 of the Act, as separate disclosures by way of a note that is cross-referenced with relevant notes:



Disclosures Required in relations to the Statement of Financial Position—Liability Side:

- i. Financing (long-term, short-term, or lease financing) obtained as per Islamic mode;
- ii. Interest or mark-up accrued on any conventional loan or advance; Disclosures Required in the Statement of Financial Position – Asset Side:
- iii. Long-term and short-term Shariah compliant Investments
- iv. Shariah-compliant bank deposits, bank balances, and TDRs;

Disclosures Required in relation to the Statement of Comprehensive Income:

- v. Revenue earned from a Shariah-compliant business segment;
- vi. Break-up of late payments or liquidated damages;
- vii. Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates;
- viii. Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs;
- ix. Exchange gain earned from actual currency
- x. Exchange gains earned using conventional derivative financial instruments;
- xi. Profit paid on Islamic mode of financing;
- xii. Total Interest earned on any conventional loan or advance;
- xiii. Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and noncompliant income; and

Other Disclosure Requirements

- xiv. Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.

SECP further explained that for the purposes of this provision, Shariah non-permissible business activities shall include but not be limited to business of conventional financial institutions, including conventional banks, insurance,

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interest-based lending, gambling and betting, liquor and liquor-related activities, pork and pork-related activities, non-halal food and beverages, Shariah non-compliant entertainment, tobacco and tobacco-related activities, and other activities that are deemed Shariah non-permissible.

For further details, please visit the following link:

<https://www.secp.gov.pk/document/notification-amendments-in-the-4th-schedule-to-the-companies-act-2017/?wpdmdl=53134>

Taxation Updates

2. AMENDMENTS IN THE SALES TAX RULES, 2006 - CONDITIONS FOR GST PAYMENT, TAX RETURNS RELAXED

Federal Board of Revenue (FBR) vide their S.R.O. 1130(I)/2024 dated August 1, 2024 notified further amendments under SRO 350(I)/2024, in conjunction with the Sales Tax Rules 2006, due to ongoing issues with sales tax return filing.

FBR has excluded the application of the second proviso to sub-rule(3) of rule 18 from the following categories of supplies:-

- a) Gas transmission and distribution companies with effect from March 7, 2024.
- b) Electricity distribution companies with effect from March 7, 2024.
- c) Independent power producers or WAPDA with effect from March 7, 2024.
- d) Third Schedule items issued to a distributor, wholesales, retailer, manufacturer or a trader with effect from March 7, 2024.
- e) The sales tax liability has been paid by the manufacturer to the extent of items as per return and none of the distributors, or wholesalers, or retailers, other than the manufacturers, have been the ultimate supplier of the items.
- f) Petroleum exploration and production companies with effect from March 7, 2024;
- g) Registered persons as buyers, if their suppliers have paid their sales tax liability as re-computed by application of the second proviso to sub-rule (3) of rule 18 after deletion of invoices along with corresponding input tax, within six days from the end of the month in which their returns were taken as provisional.

For further details, please visit the following link:

<https://download1.fbr.gov.pk/SROs/2024811382954366SRO1130.2024Dated01-08-2024.pdf>



3. RETURN FOR TRADERS FOR TAX YEAR 2024 AND ONWARDS WHO HAVE NOT FILED RETURN FOR TAX YEAR 2023

Federal Board of Revenue (FBR) vide their S.R.O. 1321(I)/2024 dated August 28, 2024 proposed a simple bilingual income tax return form for traders for tax year 2024.

This electronic return form for tax year 2024 and onwards is for traders who were non-filers for tax year 2023. As per proposed return, FBR has exempted the traders from giving details of assets and bank accounts.

The return form still carries 34 questions but these are generic in nature and do not require specific details about assets owned by the traders. There is no requirement for the traders to disclose their bank accounts, except for a bank account for receiving tax refunds, if any.

The proposed return may be accessed through the following link:

[https://download1.fbr.gov.pk/SROs/20248281882023109SRONo-1321\(I\)2024.pdf](https://download1.fbr.gov.pk/SROs/20248281882023109SRONo-1321(I)2024.pdf)



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4. EXCISE DUTY ON PROPERTY – FBR AMENDS THE FEDERAL EXCISE RULES, 2005

Federal Board of Revenue (FBR) vide their S.R.O. 1376(I)/2024 dated September 5, 2024 amendments to the Federal Excise Rules, 2005 by including a new Chapter XVII “EXCISE DUTY ON PROPERTY” in the aforementioned Rules.



Through the SRO, the FBR has notified two forms Form-A and Form-B. The Form-A is related to the Computerized Payment Receipt (CPR-FE) and Form-B deals with the details of the payment of FED on property including name of buyer, location of property/area, consideration received and FED rate/FED paid etc.

According to the procedure for collection of duty, every developer or builder at the time of allotment or transfer of commercial property and first allotment or first transfer of open plots or residential property shall collect duty at the rate of 3 percent of gross amount of consideration involved where the buyer is appearing on active taxpayer list maintained under section 181A of the Income Tax Ordinance on the date of acquisition of the property.

The FED would be 5 percent of gross amount of consideration involved where the buyer has not filed the income tax return by due date as specified in proviso to rule 1A of Tenth Schedule to the Ordinance. The FED would be 7 percent of gross amount of consideration involved where the buyer is not appearing on active taxpayer list maintained under section 181A of the Ordinance, on the date of acquisition of the property.

The duty collected by developer or builder shall be credited to the federal government on the same day through a computerized payment receipt (CPR) or SWAPS payment receipt (SPR) as set out in the Form “A” attached. The developer or builder shall furnish to the Commissioner a monthly statement as per Form “B” attached to these rules.

The SRO also defines the term “developer” which means a person engaged in development of land for conversion into residential or commercial plots and sale thereof and includes a housing society, a cooperative society, a development authority or a similar entity engaged in the development of land for conversion into residential or commercial plots and sale thereof.

The builder means a person engaged in construction of residential or commercial buildings for sale thereof, and includes a housing society, a cooperative society, a development authority or a similar entity engaged in the same construction activity.

The Rules further state that where, for any reason, the duty is not paid or short paid, by way of credit to the federal government, by the developer or builder, the officer Inland Revenue having jurisdiction over the developer or builder for the purposes of the Act, shall proceed to collect the amount of duty so unpaid or short paid under section 14 of the Act and the amount of default surcharge under section 8 of the Act on the duty unpaid or short paid for the period commencing on the date on which the duty was due and ending on the date on which it was paid.

Moreover, where at the time of recovery of duty it is established that the duty that was to be collected from a person has meanwhile been paid by that person, no recovery shall be made from the developer or builder who had failed to collect the duty but the developer or builder shall be liable to pay the default surcharge at the rate as provided under section 8 of the Act from the date person failed to collect the duty to the date the duty was paid.

For further details, please visit the following link:

[https://download1.fbr.gov.pk/SROs/202495169548721ExciseDutyONPropertySRO1376\(I\).2024.pdf](https://download1.fbr.gov.pk/SROs/202495169548721ExciseDutyONPropertySRO1376(I).2024.pdf)

5. AMENDMENT IN CHAPTER-V & V-A OF THE SALES TAX RULES, 2006 - SPEEDY SALES TAX REFUNDS ALLOWED TO ALL CATEGORIES OF EXPORTERS

Federal Board of Revenue (FBR) vide their S.R.O. 1507(I)/2024 dated September 24, 2024 allowed the facility of speedy sales tax refunds to all categories of exporters within 72 hours under the “FASTER” system from October 1, 2024.



Earlier, the facility was only available to five leading export-oriented sectors (textile, carpets, leather, sports goods and surgical instruments) to avail refunds through the “FASTER” system. Now, the FBR has extended the scope of “FASTER” to all exporters from October 1, 2024 onwards.

According to the SRO, the procedure shall apply to refund claims for the tax period from July, 2019 and onwards, as

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filed by the exporters of five exports-oriented sectors, namely textile, carpets, leather, sports goods and surgical instruments and also apply to refund claims filed from October 1, 2024 onwards by all the exporters on account of export of goods. The claims that do not fulfill criteria for FASTER Channel shall be processed through the Sales Tax Automated Refund Repository (STARR) system.

Provided further that refunds of commercial exporters shall be processed on receipt of export proceeds realization certificate or bank credit advice. Provided also that the Board may direct that any refund claim or the claims as the case may be, shall be processed through STARR. Moreover, the refund in respect of goods supplied at zero-rate shall be paid to the extent of input tax paid on purchases or imports that are actually consumed in such goods as supplied.

For further details, please visit the following link:

<https://download1.fbr.gov.pk/SROs/20249241794453517SRO-1507.pdf>

Monetary Updates

6. SBP DISCONTINUED THE MONTHLY REPORTING OF “FE-25 DEPOSITS AND THEIR UTILIZATION”

State Bank of Pakistan (SBP) vide their notification No. DCS.BoP/121807/2024 dated September 5, 2024 discontinued the monthly reporting of “FE-25 Deposits and their Utilization”.

According to the SBP, as per previous directives, banks were required the monthly reporting of “FE-25 Deposits and their Utilization” data to Core Statistics Department of the State Bank through email.

With the adoption of “Monthly Reporting of Foreign Currency Deposits & Borrowings” statement being collected, reporting requirement of “FE-25 Deposits and its Utilization” data stands discontinued with immediate effect.

For further details, please visit the following link:

<https://www.sbp.org.pk/stats/2024/C5.htm>



International Updates

7. IPSASB PROPOSES AMENDMENTS TO IPSAS AS A RESULT OF THE APPLICATION OF IPSAS 46, MEASUREMENT

The International Public Sector Accounting Standards Board (IPSASB) released Exposure Draft (ED) 90, Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement for public comment.



After publishing IPSAS 46, Measurement, and the Updated Conceptual Framework: Chapter 7, Measurement of Assets and Liabilities in Financial Statements in May 2023, the IPSASB evaluated the applicability of its new Current Operational Value public sector measurement basis across existing IPSAS.

The amendments to IPSAS proposed in ED 90 are the introduction of current operational value in IPSAS 12, Inventories, IPSAS 21, Impairment Non-Cash Generating Assets, and IPSAS 31, Intangible Assets, the addition of a definition of accounting estimates to IPSAS 3, Accounting Policies, Changes In Accounting Estimates and Errors, and the enhancement of the terminology in current value measurement disclosures.

The exposure draft can be accessed through the following link:

<https://www.ipsasb.org/publications/exposure-draft-ed-90-amendments-ipsas-result-application-ipsas-46-measurement-0>

Worthy Members are requested to kindly review the above ED and forward their valuable comments/ feedback to the following link latest by Nov 29, 2024:

<https://www.ipsasb.org/exposure-draft/login?destination=/publications/exposure-draft-ed-90-amendments-ipsas-result-application-ipsas-46-measurement-0>

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