

# 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 May, 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

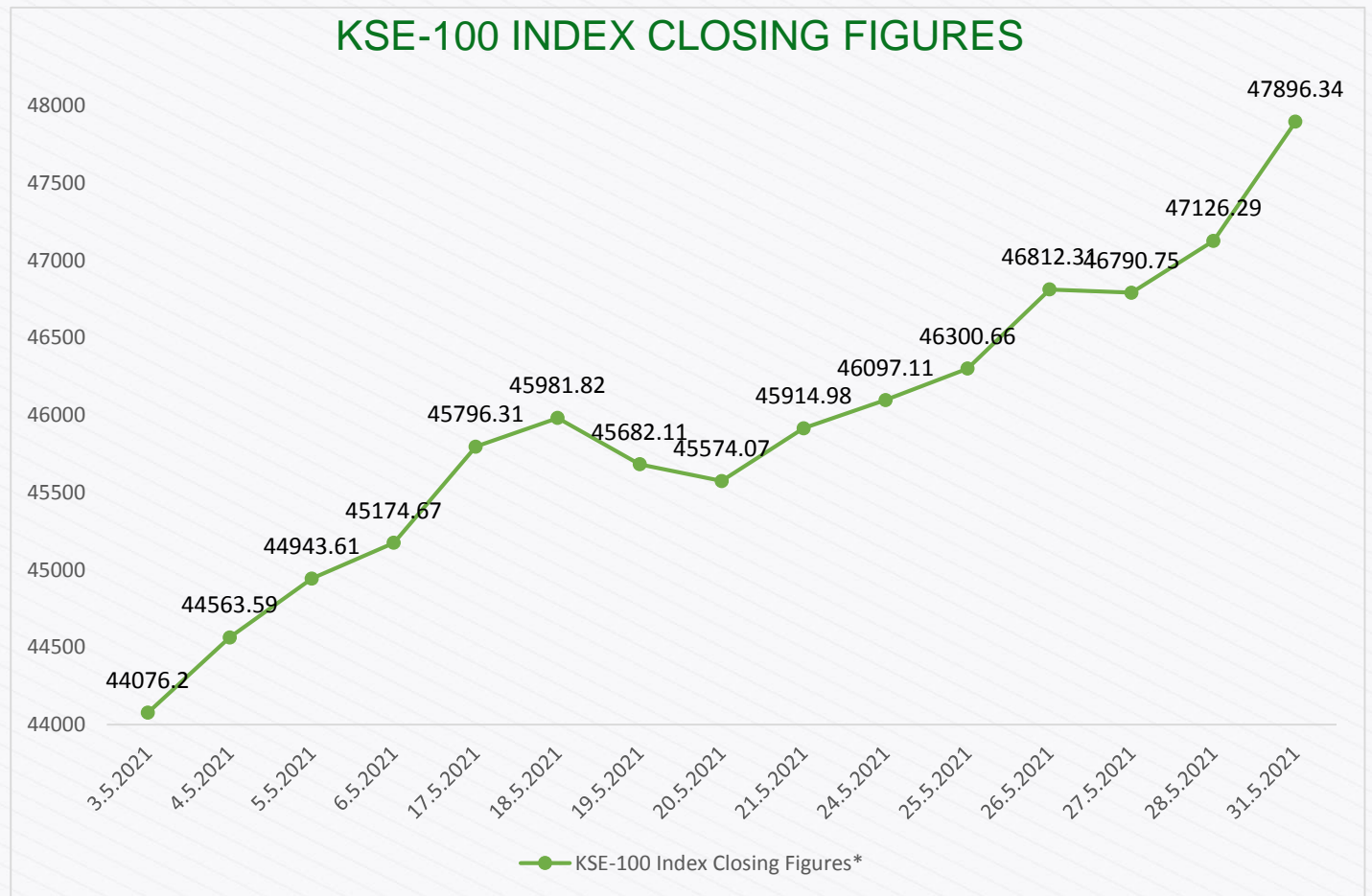
# Pakistan Stock Market

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

Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*
3.5.2021	44076.20	18.5.2021	45981.82	25.5.2021	46300.66
4.5.2021	44563.59	19.5.2021	45682.11	26.5.2021	46812.31
5.5.2021	44943.61	20.5.2021	45574.07	27.5.2021	46790.75
6.5.2021	45174.67	21.5.2021	45914.98	28.5.2021	47126.29
17.5.2021	45796.31	24.5.2021	46097.11	31.5.2021	47896.34

\*As published in Daily Dawn

### KSE-100 INDEX CLOSING FIGURES

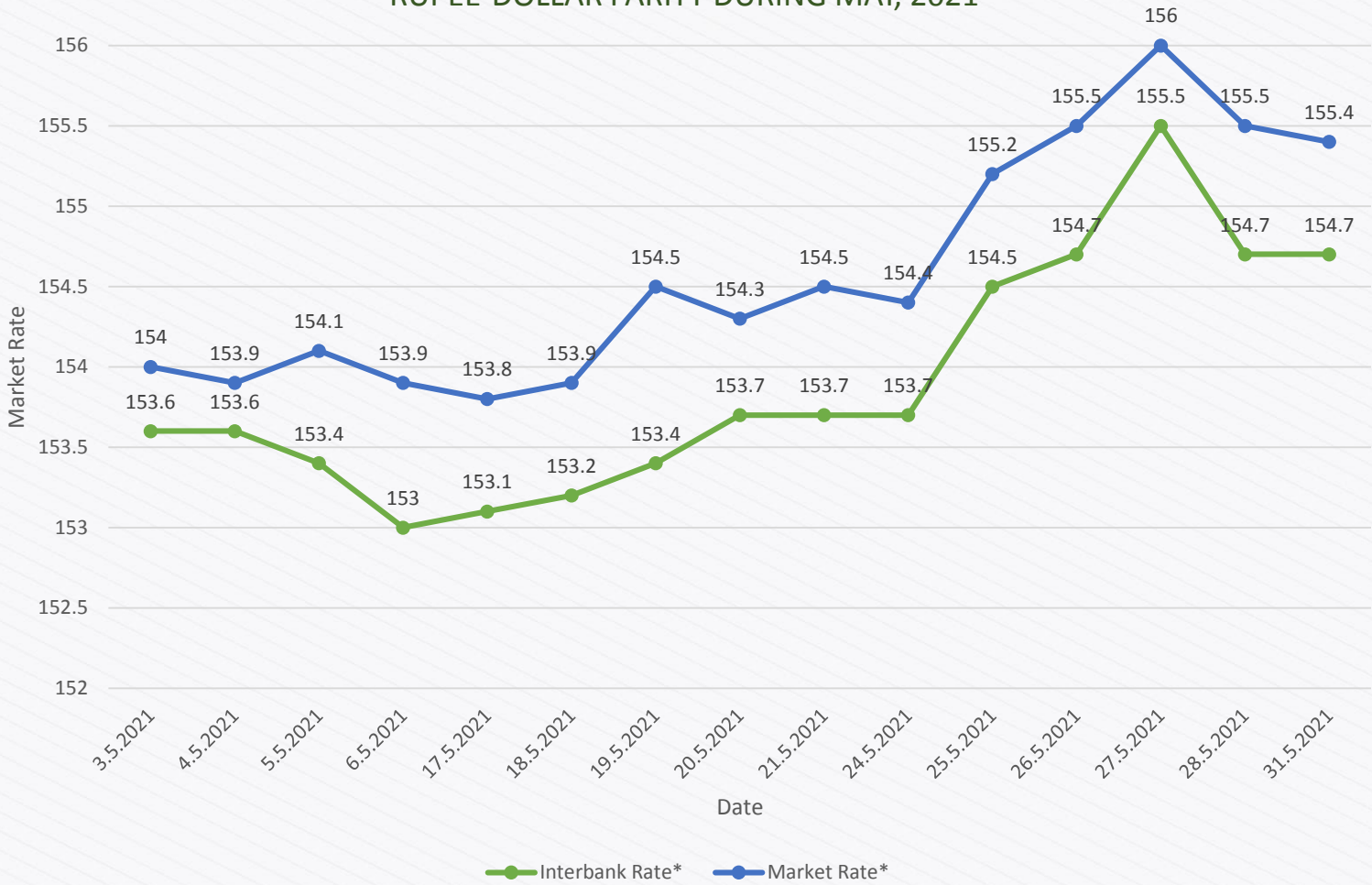


# Rupee-Dollar Parity

Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*
3.5.2021	153.6	154.0	18.5.2021	153.2	153.9	25.5.2021	154.5	155.2
4.5.2021	153.6	153.9	19.5.2021	153.4	154.5	26.5.2021	154.7	155.5
5.5.2021	153.4	154.1	20.5.2021	153.7	154.3	27.5.2021	155.5	156.0
6.5.2021	153.0	153.9	21.5.2021	153.7	154.5	28.5.2021	154.7	155.5
17.5.2021	153.1	153.8	24.5.2021	153.7	154.4	31.5.2021	154.7	155.4

\*forex.pk

## RUPEE-DOLLAR PARITY DURING MAY, 2021



# Corporate Updates

## 1. GUIDELINES ON ULTIMATE BENEFICIAL OWNERSHIP FRAMEWORK FOR COMPANIES AND LLPS

Securities and Exchange Commission of Pakistan (SECP) issued Guidelines on Ultimate Beneficial ownership framework for companies and LLPs with an intention to provide general guidance on what legal entities must do to comply with the ultimate beneficial ownership (UBO) regime, pursuant to the applicable laws of Pakistan.

These Guidelines explain various aspects of the regime and is intended to assist a legal entity, its management and concerned officers to comply with the ultimate beneficial owner(s) requirements under the UBO legal regime. SECP notified that it is not a full statement of the law and should, therefore, not be relied upon as a source of law. It must be read in conjunction with the applicable laws and does not absolve persons from legal obligations, including obligations under other statutory provisions relating to UBO.

SECP further stated that the Legal entities that fail to comply with their legal duties, could be committing an offence and can be fined. Legal entities and their directors, officers, partners or managers (including authorized members or partners) of such legal entities who are in default could be committing an offence under the applicable law.

The Guidelines can be downloaded from the following link:-

<https://www.secp.gov.pk/document/guidelines-on-ultimate-beneficial-ownership-framework-for-companies-and-llps/?wpdmdl=42301&refresh=608f7122c6c9d1620013346>

## 2. DRAFT AMENDMENTS IN THE INSURANCE RULES, 2017

Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 535(I)/2021 dated May 6, 2021 notified draft amendments to the Insurance Rules, 2017. According to the draft, the SECP decided to revise procedure for the insurance companies regarding investment of assets in government securities.

Under the revised procedure on the assets to be invested in securities, 30 percent of the assets of the shareholders' fund of a life insurer, or of a statutory fund of a life insurer, other than a statutory fund, which contains only investment linked policies, shall be invested in government securities.

A further 10 percent of the assets of the shareholders' fund of a life insurer, or of a statutory fund of a life insurer, other than a statutory fund, which contains only investment linked policies, shall be invested in a combination of government securities and other approved securities, under sub-section (7) of section 35 of the Insurance Ordinance. Provided that for the purposes of computation of the limits provided, inter-fund receivables of a shareholders' fund or a statutory fund and right of use assets, other than right of use assets created against vehicle, office equipment and intangible assets, shall be excluded.

Other amendments proposed in the Insurance Rules, 2017 in Rule 12 are:-

(a) after the words "the percentages", the expression "/ limit of admissibility" shall be inserted;

(b) in the table, in the entry provided at the third column of the first row, after the word "Percentage", the expression "/ Limit of Admissibility" shall be inserted;

(c) the following new entry shall be inserted at the end of the table:

Right of Use Assets recorded as per International Financial Reporting Standard 16 (Leases)

From the date of coming into effect of this amendment, in the case of both life insurer and non-life insurer, right of use asset to the extent of the corresponding right-of-use liability but excluding right of use assets created against vehicles, office equipment and intangible assets.

The draft can be downloaded from the following link:-

<https://www.secp.gov.pk/document/draft-amendments-in-the-insurance-rules-2017/?wpdmdl=42322&refresh=6094bf20bbb4f1620360992>

### 3. GUIDELINES FOR ISSUANCE OF GENDER BONDS

Securities and Exchange Commission of Pakistan (SECP) issued Guidelines for issuance of Gender Bonds, in order to promote gender equality, women empowerment and to uplift the low-income segment of the women.

These guidelines aim to facilitate the issuers of debt securities to diversify their source of financing and provide an additional financial instrument to a particular class of investors.

Gender bonds are a relatively recent development in the field and they can be broadly defined as a type of social bonds that support women empowerment and gender equality by financing activities that enable these objectives. Such activities can be varied and can impact different gender types specifically, women. To qualify as a social bond, the proceeds must finance or refinance social projects or activities that achieve positive social outcomes and/or address a social issue.

Like other labelled debt/ bonds, such as green, social and sustainability bonds, a gender bond can have any type of financial structure as a general bond, a project bond or a securitization scheme.

Any type of bonds or Sukuks including gender bonds can be issued under section 66 of the Companies Act, 2017 read with the Public Offering Regulations, 2017 and Private placement of Securities Rules, 2017.

The Guidelines can be obtained through the following link:-

<https://www.secp.gov.pk/document/gender-bonds-guidelines/?wpdmdl=42362&refresh=60a4a17014e4c1621401968>

## Taxation Updates

### 1. EXTENSION IN DATE OF PAYMENT AND SUBMISSION OF SALES TAX AND FEDERAL EXCISE RETURN FOR THE TAX PERIOD OF APRIL, 2021

Federal Board of Revenue (FBR) vide their notification dated May 6, 2021 extended the date of payment and submission of Sales Tax and Federal Excise Return for the tax period of April, 2021 as per following schedule, due to Eid-ul-Fitr holidays:-

- a) The date of Payment Sales Tax & FED, which is due on May 15, 2021, is extended up to May 18, 2021;
- b) The date of Submission of Sales Tax & Federal Excise Return, which is due on May 18, 2021, is hereby extended up to May 21, 2021.

For further details, please visit the following link:-

[https://download1.fbr.gov.pk/Docs/20215610519531532021-05-06\(ExtensioninDateofST&FEReturn\).pdf](https://download1.fbr.gov.pk/Docs/20215610519531532021-05-06(ExtensioninDateofST&FEReturn).pdf)

## 2. S. R. O 533(I)/2021 - WITHDRAWAL OF CUSTOMS DUTY ON IMPORT OF COTTON YARN

FBR vide their S. R. O. 533(I)/2021 dated May 5, 2021 exempted the whole of customs duties leviable on import of goods specified in column (2) of the Table below falling under PCT headings specified in column (3) of the said Table, namely:-

S. No.	Description	PCT Code
(1)	(2)	(3)
1	Cotton Yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale	52.05
2	Cotton Yarn (other than sewing thread), containing less than 85% by weight of cotton, not put up for retail sale	52.06
3	Cotton Yarn (other than sewing thread) put up for retail sale	52.07

This notification shall remain in force till June 30, 2021

For further details, please visit the following link:-

<https://download1.fbr.gov.pk/SROs/20215612535076SRO533-2021.pdf>

## 3. FBR INTRODUCES ONLINE ELECTRONIC HEARING OF TAX AUDITS AND ASSESSMENTS CASES

Federal Board of Revenue (FBR) introduced online electronic hearing of tax audits and assessments cases. FBR yesterday launched the software of electronic hearing of tax audit and assessment cases to facilitate the taxpayers by enabling and functionalizing the e-Hearings module in the IRIS. The module enables online hearing both from the dedicated hearing rooms established in the field formations and from the places of the taxpayers. Such e-Hearings would be recorded and archived for further legal and administrative utilization.

In the first phase, the module has been launched and tested in LTO Islamabad and RTOs situated in Rawalpindi, Faisalabad and Peshawar wherein online e-Hearings through the dedicated e-Hearing Rooms and from the places of the taxpayers, have been enabled. In the second phase, such e-Hearings are being enabled and operationalized for all the remaining field formations as well. FBR has directed all the Chief Commissioners IR to establish dedicated e-Hearing Rooms in their respective field offices by May 31, 2021. The module will allow the head office to join any hearing at any time without any prior notice for an administrative appraisal of the system.

FBR has further informed that with the introduction of the e-Hearing module, the taxpayers would no longer be required to visit the offices for hearings and such physical hearings in the offices of the officers would be phased out completely. Accordingly, no physical hearings would be allowed with effect from July 01, 2021 in any of the field formations and all hearings would be conducted through the e-Hearing module.



# International Updates

## 4. IAASB Quality Management Webinar Series on June 24, July 29, August 5, August 18

IAASB in collaboration with IFAC has arranged quality management webinar series on June 24, July 29, and August 5 and 18 on Zoom with live streaming on the IAASB's YouTube channel. These webinars will take a deep dive into aspects of the IAASB's International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements.

The webinars will be held in English and will be available on the IAASB's YouTube Channel following the session. Participants joining live via Zoom will be able to submit questions.

Details of Webinars is provided hereunder:-

### **Webinar One: All You Need to Know about the Firm's Risk Assessment Process**

June 24, 11 am–12 pm GMT

Registration Link: [https://ifac-org.zoom.us/webinar/register/WN\\_MFPknysRRjGLsejvGFRLow](https://ifac-org.zoom.us/webinar/register/WN_MFPknysRRjGLsejvGFRLow)

### **Webinar Two: Resources: Expectations for Firms and Engagement Partners**

July 29, 11 am–12 pm GMT

Registration Link: [https://ifac-org.zoom.us/webinar/register/WN\\_LIZNeupITIGDkf7y9rsiA](https://ifac-org.zoom.us/webinar/register/WN_LIZNeupITIGDkf7y9rsiA)

### **Webinar Three: What's New for Firms' Monitoring and Remediation Processes**

August 2, 11 am–12 pm GMT

Registration Link: [https://ifac-org.zoom.us/webinar/register/WN\\_BBGwXav0SKa8XYmrUp2ssw](https://ifac-org.zoom.us/webinar/register/WN_BBGwXav0SKa8XYmrUp2ssw)

### **Webinar Four: Bringing it All Together: Exploring all the Components of a Quality Management System**

August 18, 11 am–12 pm GMT

Registration Link: [https://ifac-org.zoom.us/webinar/register/WN\\_uuXvs\\_euR3mVH59TyowbQg](https://ifac-org.zoom.us/webinar/register/WN_uuXvs_euR3mVH59TyowbQg)

Worthy Members are requested to get themselves registered for the above Webinars and participate to get benefitted from this excellent opportunity.

## TECHNICAL SUPPORT & PRACTICE DEVELOPMENT COMMITTEE

**Mr. Shehzad Ahmed Malik, FCMA**  
Chairman

**Mr. Shaukat Hayat Khan Baluch, FCMA**  
Member

**Mr. Azeem Hussain, ACMA**  
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