

Talent wins games, but teamwork and intelligence win championships. **Michael Jordan**

From the desk of President ICMA & Chairman TSPD Committee

I am pleased to present the Monthly Technical Updates for the month of November 2023, 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 requested to share their valuable 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 seminars, workshops and training programs beneficial for the practicing members in terms of their capacity building and value addition.

Shehzad Ahmed Malik, FCMA
President ICMA



Upcoming Events

- Webinar on Filing of Income Tax Returns for Companies
- Seminar on the Pre and Post Incorporation formalities for Companies
- Webinar on CMAs as Management Consultants

For suggestions please contact:

**Technical Support & Practice Development
(TSPD) Directorate**

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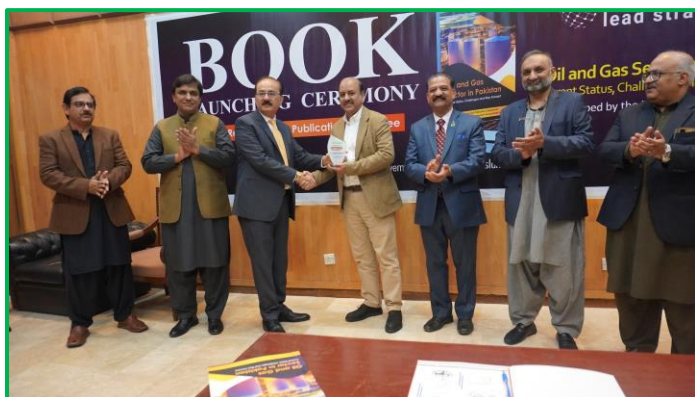
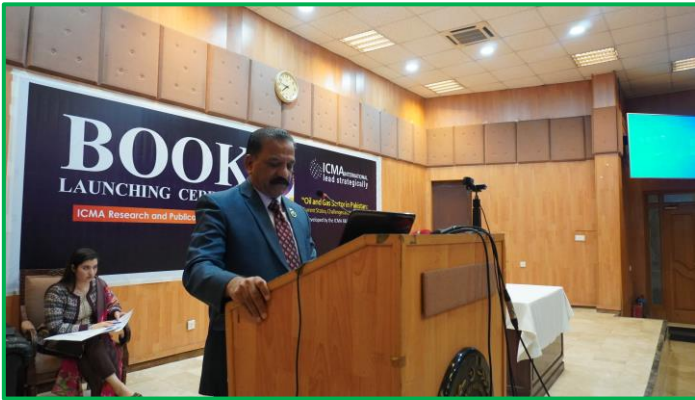
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INDEX

- ✓ **Committee Activities**
- ✓ **PSX KSE-100 Index Fluctuations**
- ✓ **Rupee-Dollar Parity**
- ✓ **Corporate Updates**
- ✓ **Taxation Updates**
- ✓ **International Updates**

Committee Activities

ICMA Book Launching Ceremony on Oil and Gas Sector in Pakistan - Current Status, Challenges and Way Forward



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MONTHLY TECHNICAL UPDATES

ON ACCOUNTING, TAXATION & LAWS

Seminar on the Overview of Companies Act, 2017

TSPD Committee, under the guidance of Mr. Shehzad Ahmed Malik, President ICMA & Chairman TSPD Committee, in joint collaboration with the SECP, organized a Seminar on the Overview of Companies Act, 2017, on November 14, 2022 at ICMA Islamabad. Amongst the distinguished speakers were Mr. Muhammad Naeem Khan, Additional Registrar, SECP; Mr. Amir Saleem, FCMA, ACIS, APA, Additional Registrar, SECP and Ms. Mahwish Tabassum, LLM Shariah & Law, Assistant Registrar SECP. The speakers enlightened the participants to the various technical and legal aspects of the Companies Act, 2017. The participants also had an interactive Questions and Answers session at the end. Mr. Abdul Hafeez Qazi, FCMA, Director Islamabad Campus thanked the SECP speakers for sparing time and enlightening the participants with valuable information and knowledge.



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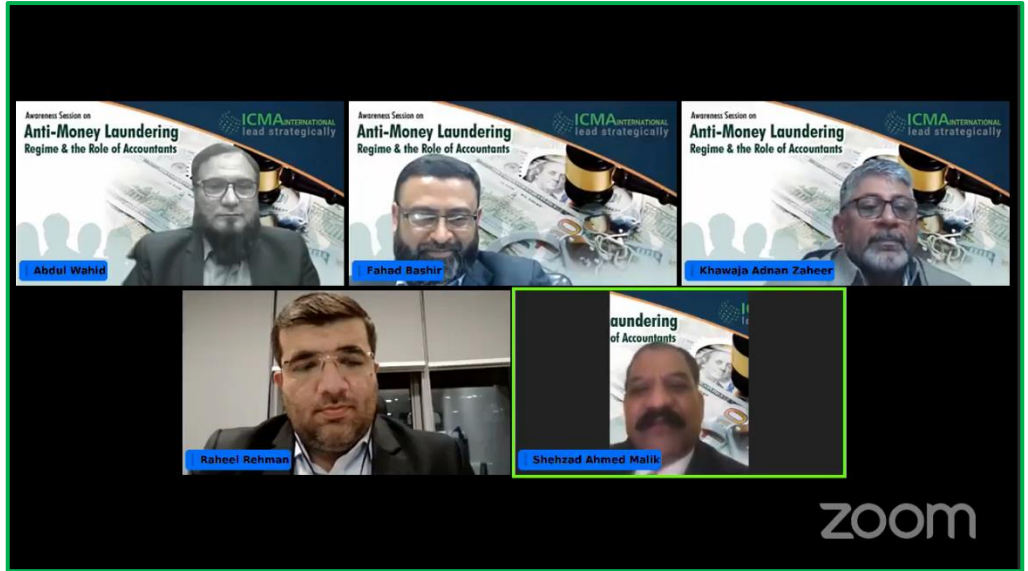
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MONTHLY TECHNICAL UPDATES ON ACCOUNTING, TAXATION & LAWS



Awareness Session on the Anti-Money Laundering Regime & the Role of Accountants

AML Supervisory Board of ICMA International, in collaboration with the TSPD Committee, organized a webinar "Awareness Session on the Anti-Money Laundering Regime & the Role of Accountants". The virtual event brought together AML/CFT experts, accounting professionals, and stakeholders for an insightful discussion on the evolving landscape of Anti-Money Laundering (AML) regime and the indispensable role accountants play in ensuring financial integrity.



Mr. Shehzad Ahmed Malik, President ICMA graced the occasion with his presence as Guest of Honour. President ICMA appreciated the efforts of Speakers for providing in-depth details regarding the subject. He emphasized upon the need for continuous dialogue and collaboration in the field of AML compliance.

Mr. Abdul Khalil, Chairman AML Supervisory Board, in his message, thanked the distinguished speakers for their time and efforts.

The webinar featured distinguished speakers who provided in-depth insights into the current state of AML regulations, recent developments, and global initiatives aimed at combating financial crimes. Presentations and discussions underscored the critical role accountants play in AML compliance, risk management, and maintaining financial transparency. Practical examples and best practices were shared to empower accountants in navigating the challenges of AML. Participants actively engaged with speakers during the Q&A session, seeking guidance on specific challenges and gaining practical advice for enhancing their roles in AML compliance. Mr. Amir Ijaz Khan, Secretary AML Supervisory Board thanked the participants in his valedictory note.

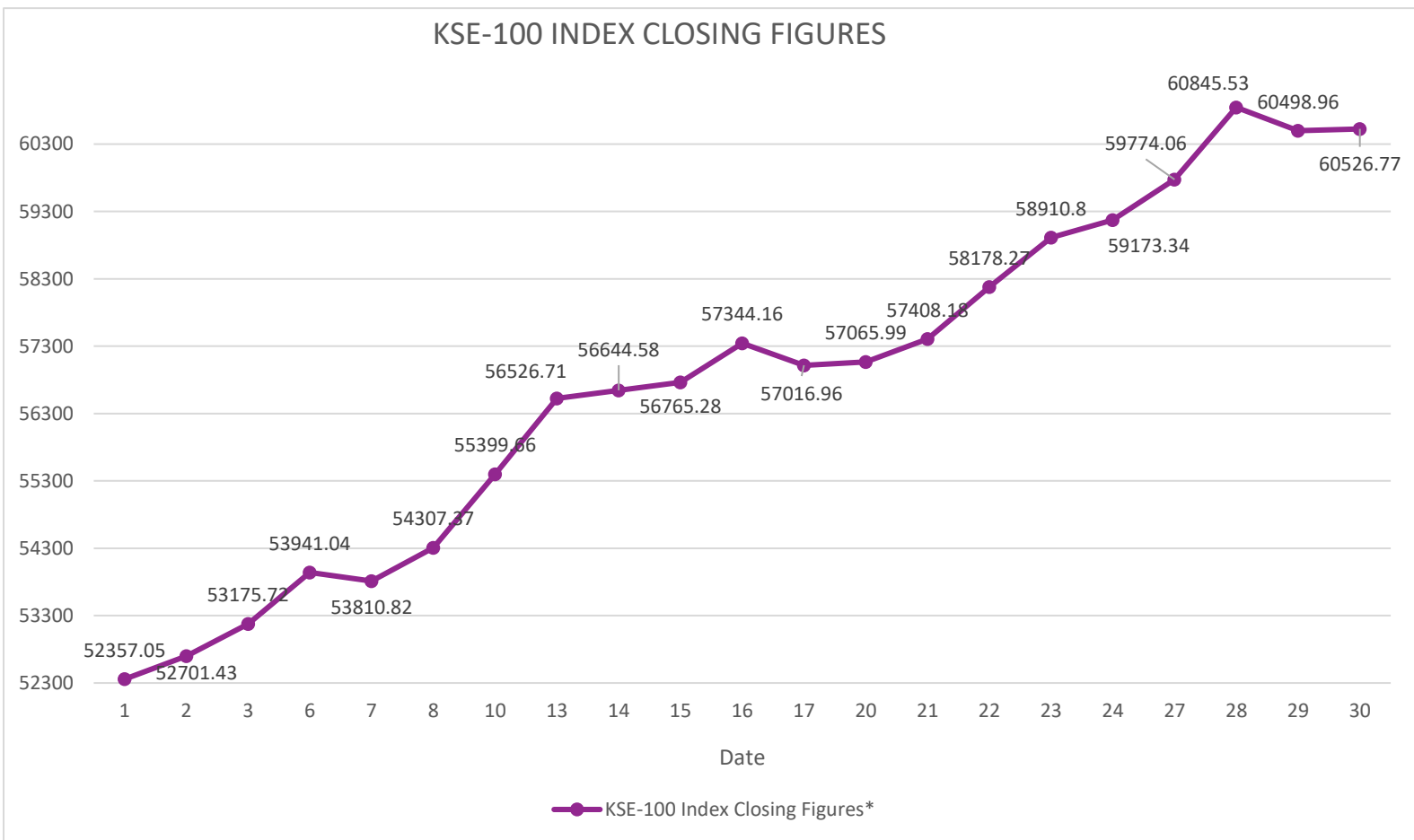


Pakistan Stock Market

KSE-100 Index Fluctuations during November 2023

Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*
1	52357.05	13	56526.71	22	58178.27
2	52701.43	14	56644.58	23	58910.80
3	53175.72	15	56765.28	24	59173.34
6	53941.04	16	57344.16	27	59774.06
7	53810.82	17	57016.96	28	60845.53
8	54307.37	20	57065.99	29	60498.96
10	55399.66	21	57408.18	30	60526.77

*As published in Daily Dawn



MONTHLY TECHNICAL UPDATES

ON ACCOUNTING, TAXATION & LAWS

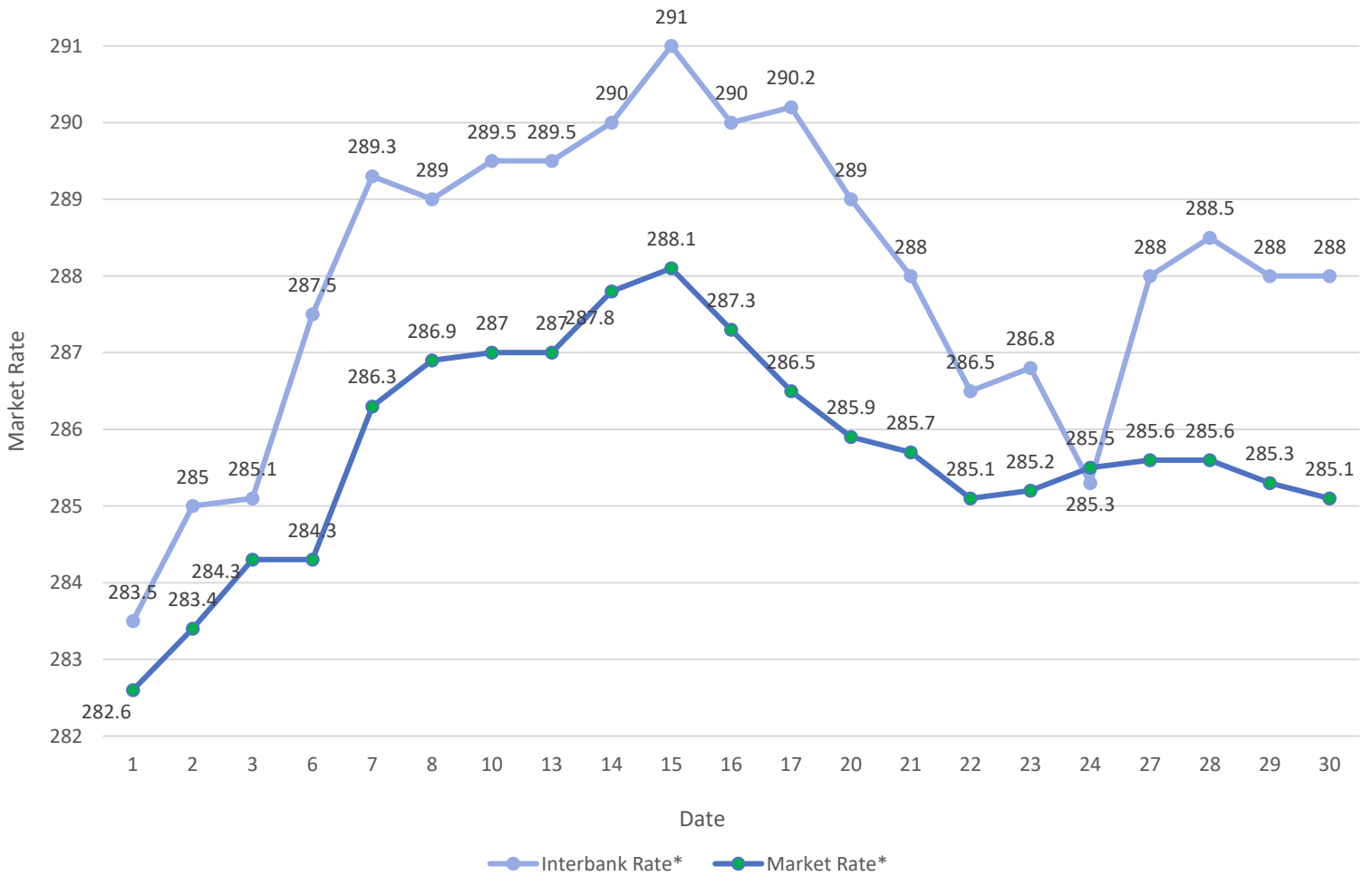
Rupee-Dollar Parity

Rupee-Dollar Parity During November 2023

Date	Market Rate*	Interbank Rate*	Date	Market Rate*	Interbank Rate*	Date	Market Rate*	Interbank Rate*
1	283.5	282.6	13	289.5	287.0	22	286.5	285.1
2	285.0	283.4	14	290.0	287.8	23	286.8	285.2
3	285.1	284.3	15	291.0	288.1	24	285.3	285.5
6	287.5	284.3	16	290.0	287.3	27	288.0	285.6
7	289.3	286.3	17	290.2	286.5	28	288.5	285.6
8	289.0	286.9	20	289.0	285.9	29	288.0	285.3
10	289.5	287.0	21	288.0	285.7	30	288.0	285.1

*forex.pk

Rupee-Dollar Parity During November 2023



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Corporate Updates

1. AMENDMENTS TO THE ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS REGULATIONS, 2018

Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 1513(I)/2023 notified amendments to the Associations with Charitable and Not for Profit Objects Regulations, 2018. The same were previously published for comments vide S.R.O. 1355(I)/2023 dated September 20, 2023 by SECP.

As per the revised Regulation-7, SECP has directed the charitable/non-profit associations to obtain a Shariah opinion in the form of a Fatwa from a registered Shariah Advisor for collection and utilization of Islamic donations. It shall be the responsibility of the company to arrange a Shariah opinion in the form of a Fatwa from a Shariah Advisor registered with the Commission for collection and utilisation of such Islamic donations, which shall be duly annexed with the audited financial statements of the company.

The company shall not exploit or offend the religious susceptibilities of the people and ensure that Islamic donations, including but not limited to Zakat, Sadaqah or in any other form, shall not be received, invested, or utilized by it in any way that is contrary to the Shariah principles.

According to the revised Regulation-13, the company shall clearly disclose its policy for receipt, investment and utilization of Islamic donations in the financial statements and shall also disclose amount of such donations and avenues where utilized.

For further details, please visit the following link:

<https://www.secp.gov.pk/document/s-r-o-1513i-2023-amendments-to-the-associations-with-charitable-and-not-for-profit-objects-regulations-2018/?wpdmdl=49542&refresh=65447e92c95e61698987666>



2. DRAFT AMENDMENTS TO THE INSURANCE ACCOUNTING REGULATIONS, 2017

SECP vide their S.R.O. 1516(I)/2023 notified draft amendments to the Insurance Accounting Regulations, 2017. SECP proposed procedure for the insurance sector for documenting data of advance or withholding tax on shareholder fund of a life insurer.

As per the proposed regulations, the advance or withholding tax attributable to the shareholder fund of a life insurer shall be recorded in the books of the shareholders' fund and advance or withholding tax attributable to a statutory fund of a life insurer shall be recorded in the books of the respective statutory fund.

It shall be permissible for the shareholders' fund of the life insurer to purchase the full amount of adjustable advance or withholding tax recorded in the books of the statutory funds against cash or cash equivalent. The shareholders' fund shall, however, mandatorily purchase advance or withholding tax related to the statutory funds, which is adjustable within a period of one year, in cash or cash equivalent.

The proposed draft can be accessed through the following link:

<https://www.secp.gov.pk/document/s-r-o-1516i-2023-amendments-in-insurance-accounting-regulations-2017-treatment-of-advance-tax/?wpdmdl=49581&refresh=6549c1a1b21561699332513>



3. DRAFT OF AMENDMENTS TO THE INSURANCE RULES, 2017

SECP vide their S.R.O. 1515(I)/2023 proposed amendments to the Insurance Rules, 2017 regarding subordinated debt securities.

As per the proposed Rules, a new rule "13A. Valuation of subordinated debt securities for solvency purpose" shall be inserted, where an insurer has issued subordinated debt which fulfills the criteria provided in these rules, the outstanding amount of subordinated debt to be considered as liability of the insurer for the purpose of solvency which shall be arrived by application of a discount factor, as per the following table:



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MONTHLY TECHNICAL UPDATES

ON ACCOUNTING, TAXATION & LAWS

Remaining Years to Maturity	Rate of Discount
More than five years 100%	100%
More than four years but less than or equal to five years 80%	80%
More than three years but less than or equal to four years 60%	60%
More than two years but less than or equal to three years 40%	40%
More than one but less than or equal to two years 20%	20%
Less than or equal to one year 0%	0%

However, where the subordinated debt issued by the insurer, in aggregate, exceeds 50% of the net equity i.e. paid-up capital, accumulated profit/(loss) and any reserves held by the insurer, the amount exceeding 50% of net equity shall be added back to the liability of the insurer for solvency purpose: Provided that reserves held against available for sales investments, fixed assets and foreign exchange translation reserves shall be excluded for the purpose of application of the limits above.

Another Rule “13B. Characteristics of subordinated debt securities” is also proposed to be inserted which states that for the purposes of rule 13A, a security having certain characteristics (mentioned in the draft) shall be considered as subordinated debt and shall be allowed for the purpose of solvency of an insurer.

The new rule states that the subordinated debt issued by an insurer shall not be covered by a guarantee of the insurer or any other arrangement that may legally enhance the seniority of claim of the subordinated debt security holder as against the claims of the insurer’s policyholders, their beneficiaries and non-subordinated creditors. Subordinated debt issued by an insurer shall not be considered in the solvency of the insurer, unless the insurer has obtained approval of the Commission for inclusion of the subordinated debt security for solvency purpose.

The draft also states that the subordinated debt securities issued by insurers shall not be redeemable before maturity without prior approval of the Commission.

The proposed draft can be accessed through the following link:

<https://www.secp.gov.pk/document/s-r-o-1515i2023-amendments-to-insurance-rules-2017-subordinated-debt/?wpdmdl=49579&refresh=6549c1a1aff8c1699332513>

Taxation Updates

4. CUSTOMS GENERAL ORDER NO 03/2023 - DISPOSAL OF SEIZED SUGAR

Federal Board of Revenue (FBR) vide their Customs General Order No 03/2023 amended the Customs General Order No. 12 of 2002 by notifying that the seized/confiscated sugar will be sold to the Utility Stores Corporation (USC) at 50 percent of the minimum price. If the USC is not interested in purchasing the confiscated sugar, the commodity would be auctioned through customs department.



Federal Board of Revenue
Revenue Division – Government of Pakistan

For the sale/disposal of the seized/confiscated essential commodities, notified vide SRO 495(1)/2023 dated 14.04.2023, the Collector/Director having jurisdiction may dispose of the seized/confiscated essential commodities, in the first instance to Utility Stores Corporation (USC) at 50% of the minimum price(s) as notified by the provincial governments.

In case the aforesaid organization is not found interested, the seized/confiscated essential commodities shall be auctioned in accordance with the Customs Auction Rules, 2001 notified vide SRO 450(1)/2001, the FBR added.

For further details, please visit the following link:

<https://download1.fbr.gov.pk/Docs/202311614112317194CGO03-2023.pdf>

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International Updates

5. PROPOSED ISSA 5000: IAASB'S GLOBAL OUTREACH CAMPAIGN

The International Auditing and Assurance Standards Board (IAASB) launched a public consultation on its proposed global sustainability assurance standard, International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements.

IAASB's public consultation campaign includes in-person roundtables around the world, virtual webinars for global audiences, and regional and national meetings with regulators and oversight bodies.

In this regard, the IAASB has developed a Stakeholder Survey, which is primarily targeted toward obtaining the views of stakeholders who may not ordinarily respond to IAASB consultations, including:

- Management and others with responsibility for preparing sustainability information, and those with the oversight of its preparation, such as audit committees or other governance bodies.
- Users of the sustainability information, including investors and other providers of capital, non-governmental organizations (NGOs) and sustainability interest groups.
- Sustainability reporting standard-setters (i.e., bodies responsible for the development of reporting frameworks and criteria used in preparing sustainability information).
- Members of the academic community.

The Stakeholder's Survey can be accessed through the following link:

https://survey.alchemer.com/s3/7484197/Proposed-ISSA-5000-General-Requirements-for-Sustainability-Assurance-Engagements-Stakeholder-Survey-for-Preparers-of-Sustainability-Information-Including-Those-With-the-Oversight-of-Its-Preparation-Investors-and-Other-Users-of-Sustainability-Information-and-Sustainability-Reporting-Standard-Setters?utm_source=Main+List+New&utm_campaign=c03503e8e4-IAASB-ISSA-5000-infographic&utm_medium=email&utm_term=0_-c03503e8e4-%5BLIST_EMAIL_ID%5D

Worthy Members are requested to spare few minutes and submit this important survey till December 01, 2023.

For further details, please visit the following link:

<https://www.iaasb.org/news-events/2023-11/proposed-issa-5000-iaasb-s-global-outreach-campaign>



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