Local Laws Gateway Examination (LLG)
For Chartered Institute of Management Accountants (CIMA)-ACMAs/FCMAs

Introduction to the syllabus

A Local Laws Gateway Examination is designed for Associate and Fellow members of the Chartered Institute of Management Accountants (CIMA). It comprise of Commercial Laws, Corporate governance, Business laws & Ethics and Business Taxation. On successful completion of LLG, ACMAs/FCMAs-CIMA are eligible for CMA membership. This syllabus details the contents of the pathway exam, and provides details of examinable topics, and the level at which those topics will be tested.

Main capabilities

On successful completion of this course, candidates should be able to:

• Understand the legal system of Pakistan and comprehend application of contract, partnership and sales laws in Pakistan
• Advise the management on the financial and non-financial implications of business laws for the effective operations of the business.
• Interpret Public Procurement Authority Laws and its practical guidelines used for tendering, bidding and awarding of contracts
• Identify, evaluate and analyze different situations arising in performing the professional duties with reference to applicable corporate laws
• Get acquainted with the code of corporate governance;
• Understand the other relevant rules and regulations regarding anti-money laundering, companies’ shares capital, public offering regulations etc.
• Perform secretarial practices and get acquainted with Eservices for registration and procedures for e-filing of Statutory Returns and Forms
• Understand the objective of levy of direct and indirect taxes in Pakistan
• Comprehend the system of taxation in Pakistan
• Explain provisions of Income Tax Laws mainly relevant to individuals and association of persons and corporate entities
• Get confidence in handling day to day matters involved in taxation like; manual and electronic preparation and submission of returns/statements and calculation of taxable figure in complicated cases
• Understand the underlying concepts of Federal Excise Act and Rules
### Syllabus Grid

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Detailed Syllabus

PART A-COMMERCIAL LAWS:

1. Introduction to Legal System of Pakistan
   ▪ Need of study of law
   ▪ Sources of law
   ▪ System of court
   ▪ Doctrine of precedent
   ▪ Pakistan’s law making authority

2. The Contract Act, 1872
   ▪ Contract and its kinds
   ▪ Offer and acceptance
   ▪ Consideration and object
   ▪ Capacity of parties
   ▪ Free consent
   ▪ Void agreements
   ▪ Contingent and quasi contracts
   ▪ Performance of contract
   ▪ Discharge of contract
   ▪ Remedies for breach of contract
   ▪ Indemnity and guarantee
   ▪ Bailment and pledge
   ▪ Contract of agency

3. Sales of Good Act, 1930
   ▪ Contract of sale of goods
   ▪ Conditions and warranties
   ▪ Transfer of property
   ▪ Performance of contract of sale
   ▪ Rights of unpaid seller

4. Partnership Act, 1932
   ▪ Definition and essential features
   ▪ Merits and demerits
   ▪ Kinds of partners including clauses related to minor partner
   ▪ Difference between partnership and co-ownership
   ▪ Formation of partnership
   ▪ Types of partnership
   ▪ Registration of firms and effect of non-registration

5. Negotiable Instrument Act, 1881
   ▪ Negotiable instrument
   ▪ Parties to negotiable instrument
   ▪ Presentment of negotiable instrument
   ▪ Negotiation of negotiable instrument
   ▪ Dishonor of negotiable instrument
   ▪ Banker and customer

6. PPRA Ordinance, 2002 (Public Procurement Regulatory Authority)
   ▪ Chapter I.-Preliminary
   ▪ Chapter II.-Establishment Of Authority
   ▪ Chapter III.-Management And Administration Of The Authority
   ▪ Chapter IV.-Financial Provisions
   ▪ Chapter V.-Regulatory and Other Provisions.
   ▪ Chapter VI.-Miscellaneous

7. PPRA Rules,2004
   ▪ Short title and commencement.
   ▪ General Provisions
   ▪ Procurement planning
   ▪ Procurement Advertisements
   ▪ Pre-Qualification, Qualification And Disqualification Of Suppliers And Contractors
   ▪ Methods Of Procurement
   ▪ Opening, Evaluation And Rejection Of Bids
   ▪ Acceptance Of Bids And Award Of Procurement Contracts
   ▪ Maintenance Of Record And Freedom Of Information
   ▪ Redressal Of Grievances And Settlement Of Disputes

PART B- CORPORATE GOVERNANCE. BUSINESS LAWS & ETHICS

COMPANIES ACT, 2017, RELEVANT RULES AND REGULATIONS

8. Companies Act, 2017
   ▪ Definition, Court
     Sections 2, 4-8
   ▪ Pre Incorporation Stage
     Sections 9-18
   ▪ Post Incorporation Stage
     Sections 19-51
   ▪ Service of Documents on Company, Prospectus, Classes/Kinds of Share Capital, Shares, Debentures
     Sections 52-68
   ▪ Allotment, Issuance, Transfer of Shares
     Sections 69-80
   ▪ Premium, Discount, Further issue of Share Capital, Deposits, Alteration in Capital etc.
     Sections 81-88
   ▪ Reduction of Share Capital
     Sections 89-99

   ▪ Mortgages & Charges
     Sections 100-117
   ▪ Members Registers etc.
     Sections 118-129, 197
   ▪ Annual Return, Statutory Meeting
     130-131
   ▪ Annual General Meeting
     Sections 132-148
   ▪ Resolutions
     Sections 149-152
   ▪ Directors
     Sections 153-183, 197-198
   ▪ Chief Executive
     Sections 192
   ▪ Investments, Contracts
     Sections 199-203, 217-218
   ▪ Interests of Directors etc, Disclosures etc.
     Sections 204-214
   ▪ Dividends
14. The Companies (further issue of shares) Regulations, 2018
   ▪ All Chapters with Schedules
15. Listed Companies (Buy-Back of Shares) Regulations, 2019*
   ▪ Complete rules with latest amendments
16. Public Offering Regulations, 2017
   ▪ Chapter 1 to 5 and First Schedule
17. Pakistan Stock Exchange Rule Book
   ▪ Chapter 5, 5A and 5B
18. Anti-money Laundering Act, 2010
   ▪ Section 2 to 20 & 30 with relevant Anti-money Laundering Regulations, 2015
19. Professional Ethics
   ▪ Importance of Ethics
   ▪ Personal Ethics
   ▪ Professional Ethics
   ▪ Ethical Guidelines by ICMA Pakistan
   ▪ Ethical Conflict

SECRETARIAL PRACTICES

20. Company Secretary, Functions and Responsibilities
   ▪ Appointment, removal, terms and condition, function, legal obligations, role and responsibilities of company secretary;
   ▪ All relevant secretarial practices with reference to the provisions of the Companies Act, 2017

21. Meetings, Resolutions and E-filing
   ▪ Notice of Annual General Meetings/ Extra Ordinary General Meetings/ Board Meetings and Resolutions
   ▪ Responsibilities and Duties of Company Secretary regarding arranging of Annual General Meetings/EOGM/ Board Meetings
   ▪ Understanding and other relevant requirements of a company secretary regarding eServices and e-filing of relevant returns and form under the Companies Act, 2017

OTHER LAWS, REGULATIONS AND PROFESSIONAL ETHICS

PART C - BUSINESS TAXATION

INCOME TAX

22. Income Tax Ordinance, 2001
   ▪ Definitions;
   ▪ Charge to tax;
   ▪ Tax on taxable income (computation of income from salary, property, business, capital gains, other sources, exemptions, losses, deductible allowances, tax credits);
   ▪ Common rules (general, tax year, assets);
   ▪ Provisions governing persons (concept, individuals, AOPs, companies);
   ▪ Special industries (insurance, oil & gas and other mineral deposits);
   ▪ International (geographical source of income, taxation of foreign source of income of residents, taxation of non-residents, double taxation);
   ▪ Anti-avoidance;
   ▪ Minimum tax;
   ▪ Procedures (returns, assessments, appeals, collection and recovery of tax, payments and deductions, refunds, records and audit, penalty, offence and prosecutions, additional tax);
   ▪ Administration (general, transitional advance tax provisions, miscellaneous);
   ▪ Schedules (first schedule, second schedule, third schedule, sixth schedule, seventh schedule).
   ▪ Special provisions regarding depreciation,
   ▪ Initial allowance,
   ▪ Intangibles, pre-commencement expenses,
   ▪ Scientific research expenditures,
   ▪ Employees training and facilities,
   ▪ Profit on debt,
   ▪ Financial costs and lease payment,
   ▪ Bad debts,
• Provisioning regarding consumer loans,
• Profit on non-performing debts,
• Transfer to participating reserve and tax accounting,
• Nature and areas of tax management;
• Deduction of tax at source;
• Advance payment of tax;
• Minimum tax;
• Importance of tax management while claiming allowance;
• Exemptions
• Deductions and tax credits;
• Filing of returns of income;
• Defaults and penalties.
• Capital gain tax

• Definitions related to the rules;
• Heads of income;
• Income of residents;
• Tax of non-residents;
• Transfer pricing;
• Records and books of accounts;
• Certificates;
• Advance tax collection or deduction,
• Payment,
• Statements of tax collected or deducted.
• Income tax recovery rules,
• Registration of income tax practitioners,
• Recognized terminal benefits funds.

Sales Tax
• The Sales Tax Act, 1990
  • Chapter No. I, II, III, IV, V, VII, VIII and IX of the Act, as amended up-to-date covering;
  • Definitions;
  • Scope and payment of tax;
  • Registration;
  • Book-keeping and invoicing requirements;
  • Returns;
  • Offences and penalties, appeals and recovery of arrears.

24. The Sales Tax Rules, 2006
• Definitions related to rules.
• Registration, compulsory registration
• De-registration, filing of returns,
• Credit and debit note
• Destruction of goods,
• Apportionment of input tax,
• Refund,
• Supply of zero-rated goods to diplomats,
• Diplomatic missions,
• Privileged persons and privileged organizations,
• Taxpayer’s authorized representatives,
• Alternative dispute resolution,
• Special procedure for issuance of electronic sales tax invoices between buyers and sellers

Indirect Tax

25. Federal Excise Act and Rules
• Federal Excise Act, 2005(Chapter I & II only)
• Notifications, rules general orders and circulars, issued under the Federal Excise Act, 2005 relevant of Chapter I & II only.

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<th>Core Readings</th>
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<td>Bare Acts</td>
<td>Govt. of Pakistan</td>
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<td>Elements of Mercantile Law</td>
<td>N.D. Kapoor</td>
<td>Sultan Chand and Sons</td>
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<td>Huzaima Bukhari &amp; Dr. Ikramul Haq</td>
<td>Lahore Law Publications.</td>
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