

# Pakistan Institute of Public Finance Accountants

(Established under Section 42 of the Companies Ordinance, 1984)

Constituted by: ICAP, ICMAP, AGP

Identification, development and imparting knowledge to provide a structure for the training of accounting professionals in the specialist areas



# Newsletter

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## Financial Sector

### Remittances Rise Over 19% to \$6.355 Billion During First 10 Months of Financial Year 2009:

Remittances sent home by overseas Pakistanis continued to show a rising trend as an amount of \$6,355.58 million was received in the first ten months (July-April) of the current fiscal year 2008-09, showing an increase of \$1,036.5 million or 19.49 percent over the same period of the last fiscal year. The amount of \$6,355.58 million includes \$0.45 million received through encashment and profit earned on Foreign Exchange Bearer Certificates (FEBCs) and Foreign Currency Bearer Certificates (FCBCs).

In April 2009, an amount of \$697.52 million was sent home by overseas Pakistanis, up 18.08 percent or \$106.81 million, when compared with \$590.71 million received in the same month last year.

### Governor State Bank Announces Reduction in SBP Policy Rate to 14% on Positive Inflation Outlook

Syed Salim Raza, Governor State Bank of Pakistan disclosed that the

central bank has decided to lower its key policy rate by 100 basis points to 14 percent with effect from April 21, 2009.

Addressing a press conference at State Bank of Pakistan, Karachi on April 20, 2009 at the occasion of the release of Monetary Policy Statement for the April-June quarter of the current 2008-09 fiscal year (FY09), Governor State Bank, Mr Raza said the decision to reduce the key policy rate has been taken on the basis of assessment that inflation will continue to decline.

Governor said the country's economy has made a steady progress on its path towards macroeconomic stability. Mr. Raza said that improved fiscal discipline and contraction in the external current account deficit indicate that aggregate demand is showing a downward trend. "This will help narrow the output gap and strengthen the positive outlook for inflation". Referring to recent fiscal developments, he said that fiscal deficit of Rs 251 billion (1.9 percent of projected GDP) for FY09 and the Government's commitment to cap it at Rs 562 billion (4.3 percent of projected GDP) for the entire FY09 is a very significant improvement over last year's 7.4 percent.

## FBR News

### FBR's Tax Collection exceeds Rs 898.6 Billion up to April 2009:

Federal Board of Revenue (FBR) collected Rs 898.64 billion of revenues during the first 10 months of the current fiscal year showing increase of 17.7 per cent over corresponding period of the last year.

According to the provisional figures, the FBR has collected Rs 83.53 billion during the month of April 2009. Aggregate collection up to April 2009 thus works out to Rs 898.64 billion as against Rs 763.59 billion collected during the corresponding period of the last year.

### FBR Sees no Merit in Steel Industry's Protest on WHT Payment:

Federal Board of Revenue (FBR) has told the country's steel industry withholding tax on electricity, gas and telephone bills and imports is imposed through the Act of Parliament and the industry's claim that it is being coerced to pay 3.5 per cent tax on their purchases is wrong.

In a press release issued on Tuesday 14th April, 2009, FBR has

maintained that steel mills managed by Association of Persons (AOPs) have to withhold 3 per cent tax from payments owed to their suppliers and such withholding tax has nothing to do with the steel mills' own liability. Steel industry has to discharge its obligations including withholding of tax from payments owed to their suppliers, under the Income Tax Ordinance, 2001 like all other sectors. No other sector has agitated the withholding of tax on payments owed to suppliers so far.

FBR has also contended that tax withheld under section 235 of the Income Tax Ordinance 2001 constitutes discharge of final tax liability in the cases of suppliers doing business in the status of individuals and AOPs and is a measure to ensure that all supplies are brought into the tax net. Steel sector has agitated the withholding tax on suppliers without proper appreciation of legal provisions.

The FBR has further added that such issues have been discussed time and again with the representatives of steel industry and as such their demands are inadmissible under the law and cannot be accepted.



## SECP News

### **SECP Proposes Amendments in the Group Companies Registration Regulations, 2008**

The Securities and Exchange Commission of Pakistan (SECP) has proposed amendments in the Group Companies Registration Regulations, 2008 and placed these amendments on its website for eliciting public opinion. SECP promulgated the Group Companies Registration Regulations on December 31, 2008 to provide a regulatory framework for the formation of group companies, comprising a holding company and its subsidiaries. The Regulations were also aimed to empower the Commission to designate the group companies contemplating to avail group relief and group taxation benefits from the Federal Board of Revenue (FBR) in terms of the provisions of Income Tax Ordinance, 2001.

### **SECP Revives the Consultative Group on Capital Markets**

The Securities and Exchange Commission of Pakistan (SECP) has revived the Consultative Group on Capital Markets under the chairmanship of Mr. Aftab Ahmed Diwan, Chief Operating Officer Central Depository Company of Pakistan Limited.

The Group has representatives from Karachi Stock Exchange (KSE), National Clearing Company of Pakistan Limited (NCCPL), Banks, Mutual Funds, SECP and other capital market experts. The Group will act as an independent think tank for important policy decisions in relation to the development of capital markets in Pakistan.

The Group shall be reviewing international best practices and suggest measures for the overall growth and development of capital markets particularly in the areas of new product development including alternative leverage products, debt capital market, new listings, risk management and market monitoring and surveillance etc. While adopting a consultative approach, the SECP will be sharing/discussing.

### **SECP Introduces Transparent, Comprehensive Procedure for Closed-end Scheme to Buy-back Its Own Certificates**

The Securities and Exchange Commission of Pakistan (SECP) vide circular No. 14 of 2009 has introduced a transparent and comprehensive procedure for closed-end scheme to buy-back its own certificates. The requirements for repurchase and resale have been framed in line with best international practices to ensure that repurchase and resale are made in a fair and transparent manner for the benefit of the scheme and its unit holders.

All the closed-end schemes formed under a trust structure (except capital protected schemes or those with limited life) are eligible to repurchase/resale their certificates up to a maximum of 20% of the issued capital. Eligibility criteria for repurchase also requires certificates of the scheme are trading at a discount to Net Asset Value (NAV). As majority of the closed-end schemes trade at a discount to their Net Asset Value, repurchase of certificates is expected to provide an effective mechanism to rationalize such discounts.

Through a separate Circular No. 13 of 2009, the Commission has required all (Asset Management Companies (AMCs) to formulate comprehensive provisioning policy duly approved by the BOD prior to making any provision against non-performing exposure of collective investment schemes. The said measure has been implemented to ensure fair determination of Net Asset Value (NAV) backed by approved provisioning policy with proper rationale and adequate disclosure to the unit holders, prospective investors and the trustee. Upon implementation, the AMCs are required to disseminate the said policy through their websites.

Both the Circulars are available on the SECP website, [www.secp.gov.pk](http://www.secp.gov.pk)

## IFAC News

### **IFAC'S International Public Sector Accounting Standards Board Launches Review of Cash Basis Reporting in Developing Countries**

The International Public Sector Accounting Standards Board (IPSASB), an independent standard-setting board within the International Federation of Accountants (IFAC), has appointed a task force to review the International Public Sector Accounting Standard (IPSAS), Financial Reporting under the Cash Basis of Accounting. As part of the review process, it is asking those who have been involved in the adoption of the Cash Basis IPSAS in developing economies-or who have been exposed to the standard-to complete a questionnaire on their experiences, or anticipated experiences, with respect to implementation issues.

### **IFAC President Robert Bunting Says Government Bailouts Bring International Public Sector Accounting Standards to the Forefront**

Speaking at the Higher Education Forum of the National Association

of College and University Business Officers (NACUBO) in Miami, FL, on April 26, 2009, Robert L. Bunting, President of the International Federation of Accountants (IFAC), described the enormous changes happening as a result of the global financial crisis and explained why convergence and implementation of international standards is needed to rebuild and sustain the global financial system.

He pointed out that government bailouts of the financial and automotive industries are also resulting in calls for greater accountability and transparency on the part of governments, and indicated that governments can achieve this by adopting International Public Sector Accounting Standards (IPSASs). "Convergence to international public sector accounting standards, which has proceeded at a slower pace than convergence to those in the private sector, is now urgent," Mr. Bunting emphasized. Such standards are used by the United Nations, NATO, IFAC, and the Organization for Economic Cooperation and Development, are supported and promoted by the World Bank, and are already used by many governments around the world.



### IFAC Releases 2009 Handbook of International Standards on Auditing and Quality Control

The International Federation of Accountants (IFAC) has released the 2009 Handbook of International Standards on Auditing and Quality Control. The handbook brings together all the International Standards on Auditing and the International Standard on Quality Control that have been redrafted by the International Auditing and Assurance Standards Board (IAASB) to improve their clarity. It also includes a Glossary of Terms and the *Preface to the International*

*Standards on Quality Control, Auditing, Review, Other Assurance and Related Services*. These become effective on December 15, 2009. This handbook replaces Part II of the 2008 Handbook of International Standards on Auditing, Assurance, and Ethics Pronouncements.

The handbook can be downloaded free of charge from the IFAC online bookstore ([www.ifac.org/store](http://www.ifac.org/store)) Handbook of International Standards on Auditing and Quality Control., and print copies can be ordered for shipment in early May.

## PIPFA Affairs

### Admission for Winter-2009 Semester:

Admission / Registration for winter semester has been started and the classes for the same will be commenced from 4th week of June, 2009.

The students are hereby informed that 75% of coaching attendance is compulsory for appearing in the examination.

### Computer Competency Practical Training (CCPT):

All the students of Corporate, Public & Punjab Sectors are hereby informed that completion of Computer Competency Practical Training (CCPT) of 60 & 80 hours, respectively, is mandatory. Trainees are supposed to produce CCPT Completion Certificate (in original) before declaration of Result of Summer Examinations-2009, failing which their Result Card will be withheld.

Further to note above mentioned para is also applicable on to those trainees who got failure in the subject of Information Technology in Old Syllabus.

The above CCPT requirement is applicable to those students who are appearing in Final level or have passed Final level and appearing in Intermediate level of PIPFA and have not passed Information Technology by Summer 2008 under old syllabus.

### CBE Exams:

Foundation level Students are advised to frequently visit PIPFA's website ([www.pipfa.org.pk](http://www.pipfa.org.pk)) for schedule of Computer Based Examinations and other relevant announcements.

### Annual Subscription & Other Dues:

All the Examinees of PIPFA who have not paid their dues yet, are advised to submit their dues (if any) otherwise their **Result Cards** will be withheld.

### Exemption Deficiency:

Those students, who have not removed their deficiency regarding Exemption Claim yet, are advised to clear the same otherwise their result may be withheld.

### Admission of New Members:

#### Fellow Members

- |                             |            |
|-----------------------------|------------|
| 1. Neshat Ahmed Fakhri      | (FPA-1287) |
| 2. Muhammad Farooq Siddiqui | (FPA-1390) |
| 3. Muhammad Imran           | (FPA-1402) |
| 4. Rizwan Aslam             | (FPA-1422) |
| 5. Malik Asim Pervez        | (FPA-1483) |
| 6. Muhammad Hussain         | (FPA-1689) |
| 7. Sajjad Ahmed             | (FPA-1990) |
| 8. Hassan Fayyaz            | (FPA-2073) |
| 9. Ahmed Jawaed Khawaja     | (FPA-2205) |
| 10. Syed Sumair Alam        | (FPA-2342) |
| 11. Sarfraz Ahmad           | (FPA-2520) |
| 12. Muhammad Akram          | (FPA-2566) |
| 13. Kashan Zafar            | (FPA-2611) |
| 14. Saeed Akhtar Chughtai   | (FPA-2680) |
| 15. Asad Azhar Siddiqui     | (FPA-2827) |
| 16. Sajid Azmat             | (FPA-2850) |
| 17. Muhammad Zaheer Iqbal   | (FPA-2880) |
| 18. Ghulam Hussain          | (FPA-2916) |
| 19. Farrukh Hussain         | (FPA-2958) |
| 20. Syed Ahsan Aman         | (FPA-3040) |
| 21. Nazir Hussain           | (FPA-3121) |
| 22. Naeem Haider            | (FPA-3174) |

#### New Members

- |                           |            |
|---------------------------|------------|
| 1. Abdul Ghuffar          | (APA-4622) |
| 2. Nasir Taufail          | (APA-4623) |
| 3. Raheel Anwar           | (APA-4624) |
| 4. Asad Ahmed             | (APA-4625) |
| 5. Salman Yousaf          | (APA-4626) |
| 6. Irfan Bashir Shaikh    | (APA-4627) |
| 7. Sheraz Iqbal           | (APA-4628) |
| 8. Saad Amin              | (APA-4629) |
| 9. Lubna Hakim Ali Khan   | (APA-4630) |
| 10. Tayyaba Umbreen       | (APA-4631) |
| 11. Fahad Talal           | (APA-4632) |
| 12. Mobin Alam            | (APA-4633) |
| 13. Jamil Nasir           | (APA-4634) |
| 14. Waqas Ahmed           | (APA-4635) |
| 15. Abdus Samee Azim      | (APA-4636) |
| 16. Zahid Hussain Vasnani | (APA-4637) |
| 17. Syed Saulat Hassan    | (APA-4638) |
| 18. Mazhar Hussain        | (APA-4639) |
| 19. Hasnain Imam          | (APA-4640) |
| 20. Abdul Saboor          | (APA-4641) |
| 21. Aleem Amin            | (APA-4642) |
| 22. Farrukh Ejaz          | (APA-4643) |
| 23. Roofi Abdul Razzak    | (APA-4644) |



24. Munawar Amin	(APA-4645)	51. S. Abid Raza Rizvi	(APA-4672)
25. Muhammad Ramazan Khalid	(APA-4646)	52. Muhammad Imran Nawaz	(APA-4673)
26. Faraz Ahmad Memon	(APA-4647)	53. Muhammad Mubeen	(APA-4674)
27. Hafiz Muhammad Hunain	(APA-4648)	54. Nohman Javaid	(APA-4675)
28. Zaheer Mehmood	(APA-4649)	55. Nasir Gul Swati	(APA-4676)
29. Usman Ali Khan	(APA-4650)	56. Zulfiqar Habib	(APA-4677)
30. Syed Sohail Abbas Rizvi	(APA-4651)	57. Obaid Ur Rehman Siddiqui	(APA-4678)
31. Sheraz Ahmad	(APA-4652)	58. Iftikhar Ali	(APA-4679)
32. Muhammad Shahzad Latif	(APA-4653)	59. Kamran Ali	(APA-4680)
33. Syed Mudassir Hussain	(APA-4654)	60. Muhammad Nadeem Aslam	(APA-4681)
34. Sadaf Iqbal	(APA-4655)	61. Irfan Ali	(APA-4682)
35. Imran Ul Haque	(APA-4656)	62. Tahir Zaib	(APA-4683)
36. Nayer Saleem	(APA-4657)	63. Muhammad Ibrahim	(APA-4684)
37. Muhammad Yasir	(APA-4658)	64. Nazia Adeel	(FPA-4685)
38. Mujahid Anjum	(APA-4659)	65. Adnan Ahmed	(APA-4686)
39. Imran Ahmed	(APA-4660)	66. Wajid Ali Khan	(APA-4687)
40. Qassid Hussain	(APA-4661)	67. Adeel Ahmad Khan	(APA-4688)
41. Bilal Fateh Ullah	(APA-4662)	68. Munawar Muhammad Ismail	(APA-4689)
42. Abdul Qadir	(APA-4663)	69. Ansar Ali	(APA-4690)
43. Muhammad Tauqeer Khan	(APA-4664)	70. Muhammad Farooq Sadiq	(APA-4691)
44. Imran Zafar	(APA-4665)	71. Syed Faizan Tariq	(APA-4692)
45. Sajjad Hussain	(APA-4666)	72. Sohail Ahmad	(APA-4693)
46. Ashfaq Ahmed	(APA-4667)	73. Syed Muslim Hasany	(FPA-4694)
47. Sahrish Nawaz	(APA-4668)	74. Ahsan Ali Kehar	(FPA-4695)
48. Muhammad Abrar Sadiq	(APA-4669)	75. Muhammad Imtiaz	(APA-4696)
49. Syed Bu Ali Shah	(APA-4670)	76. Mahfooz Ahmed Bhatti	(FPA-4697)
50. Muhammad Shakiluddin	(APA-4671)	77. Dr. Syed Turab Hyder	(FPA-4700)



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