



PIPFA

Pakistan Institute of
Public Finance Accountants

A professional accounting body created by ICAP
ICMAP & Audit: Council of Pakistan
Institutional Member of International Forum of Accountants (IFA)

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NEWS LETTER

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Corporate Sector

Applicability of IAS 39 and 40 to NBFCs: Securities and Exchange Commission of Pakistan has given relaxation to Non-Banking Finance Companies (NBFCs) providing investment finance services (Investment Banks), discounting services and housing finance services from the applicability of International Accounting Standards (IAS) 39 and 40.

This relaxation has been given in response to practical difficulties being faced by NBFCs in giving effect to the requirements of IASs 39 and 40. More over such NBFCs have also been advised to review their internal systems and procedures to prepare themselves for full implementation of these standards in due course.

Applicability of IAS 30 : SECP has clarified the application of International accounting Standard 30 to investment banks, leasing companies and modarabas (other than trading modarabas). It has been made clear to these entities to follow requirements of IAS 30 in so far the same are not inconsistent with the provisions of the Companies Ordinance 1984 and in case of any conflict or inconsistency, the requirements of the Ordinance including the Fourth Schedule, shall prevail over the requirements contained in IAS 30.

Prudential Regulations for NBFCs: SECP has issued new directions/regulations for NBFCs undertaking business of leasing only. These regulations, known as prudential regulations for NBFCs undertaking business of leasing only,

have been enforced with immediate effect and shall remain in force till any new directions from SECP.

Action Against Unauthorized Activities of Certain Companies: SECP had taken severe action against certain companies, firms and individuals which were fleecing the public by accepting money in foreign exchange on promise of exorbitant monthly profits. Such unscrupulous persons were offering 20 to 70% return on the deposit raised from the innocent public and were not maintaining any accounts rather funds collected were being transferred to their personal accounts.

Website for Listed Companies: Securities and Exchange Commission of Pakistan has asked the listed companies to set up their websites and report compliance thereof by October 15, 2003. So far only 74 companies have established their websites.

Companies (Registration Offices) Regulation, 2003: SECP has issued new regulations to replace Companies (Registration Offices) Regulation 1988. In the new regulations definite time spans have been defined for timely compliance with statutory requirements such as issuance of certificate of commencement of business, registration of a foreign company and incorporation of a company etc.

Financial Sector

Draft Prudential Regulations: State Bank of Pakistan has issued draft Prudential Regulations for consumer financing and for Small and Medium Enterprises (SMEs) for the comments from the related quarters. These drafts can be downloaded from SBP website: www.sbp.org.pk

Guidelines on Risk Management: In view of the coincidental to global recognition towards need of an effective risk management and control systems in financial sector, State Bank of Pakistan has issued guidelines on Risk Management by banks/DFIs.

These guidelines detail the major risks that financial institutions may be exposed to and state the various levels of

responsibilities of risk management. Financial institutions are required to report on half yearly basis the progress made towards the implementation of these guidelines.

SBP Withdraws Cap on Charges on Exports: Effective from January 01, 2004, State Bank of Pakistan has withdrawn the cap on maximum and minimum charges which the banks charge on exports. Now the banks are free to determine the charges on various services they offer to their clients. However it has been made mandatory for commercial banks to fix their charges on half yearly basis in advance and to submit the same before the start of the each half year to SBP. These decisions have been taken to provide better and efficient services to clients by their banks, Circular added.



Revolving Credit Scheme for Agriculture Sector: State Bank has issued ACD Circular No. /6 dated October 09 2003, to introduced a new credit scheme with the captioned name for agriculture sector. Under the new arrangements the banks will approve a limit for a particular account holder from which the

farmer (account holder) may draw amounts and will have to pay the markup only on the portion utilized by him. Facility once approved will be automatically renewed for three years subject to the satisfactory repayment of all outstanding balance and there would be no need for fresh documentations each time.

Taxation

Exemption Certificate for Importers: Central Board of Revenue (CBR) has issued clarification regarding issuance of exemption certificates to Importers. According to the said clarification, a manufacturer who is liable to pay advance tax under section 147 is entitled to obtain exemption certificate under section 148. Payment of advance tax before it becomes due is not the prerequisite for issuance of such certificate.

The clarification was necessary as some of the Zonal Commissioners were demanding the payment of the whole of the advance tax for the tax year 2004 in the month of July 2003 i.e before issuance of exemption certificates .

Clarification regarding Section 73 of Sales Tax Act 1990: Certain amendments were introduced in section 73 of the Sales Tax Act 1990 through Finance Act 2003 which create hardship to taxpayers as evident from its plain reading. Now CBR has issued clarifications for better understanding of the concerned quarters. As per said clarification, threshold value of Rs.25, 000 is exclusive of sales tax. Therefore, for transaction exceeding value of Rs.25, 000, sales tax exceeding RS.3, 750, is to be transferred from the specified account of the buyer to the specified account of the seller.

GST on Own Produced Hydrogen Gas: The government has withdrawn general sales tax (GST) on the in-house production of hydrogen gas giving a major relief to ghee and cooking oil

industry. To avail exemption, gas must be produced within the premises of the ghee/oil producing units.

Taxation of Unexplained Income: Central Board of Revenue has clarified the long demanded issue of taxing unexplained amounts in the year in which these are discovered by the Commissioner. Now the power of the Commissioner has been restricted to five years. That is to say now the Commissioner can go back into last five years to probe in.

Rebate on Surgical, Vet Instruments: The Central Board of Revenue (CBR) has announced drastic reductions in the duty drawback rates on surgical and veterinary. To give effects to the amendments, CBR has issued SRO(1)/2003 to amend the existing SRO 414(1)/2001.

FTO's Recommendation: The Federal Tax Ombudsman (FTO) has directed the Central Board of Revenue (CBR) to take serious view of maladministration, which renders the tax payers hostage to the whims of the sales tax officials and leaves them at their mercy.

In his directive issued to CBR the FTO said that devise clear parameters for the auditors to comply with. The senior officers should be made responsible to ensure that the prescribed time frame is strictly followed. When the taxpayers offer explanation or reply to the audit observations, the sales tax authorities should give their clear response within specified period.

IFAC News

At its meeting in New York, International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC) addressed one of the most important issue facing auditors today : responsibility for detecting fraud. At the conclusion of the meeting , an exposure draft of an International Standard on Auditing (ISA) with the title "The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements"(ISA 240) was issued for comments. Comments on the exposure draft can be submitted by November 11,2003 and this draft can be downloaded from www.ifac.org.

IFAC Releases Articles of Merit 2003 : The International Federation of Accountants(IFAC) has published an international collection of award -winning articles .This booklet contains ten award winning articles. "Putting Strategy in to the Balanced Scorecard" by Peter Brewer of the Institute of Management Accountants(IMA)was the winning article. This article focuses on issues that how companies fail to connect their strategy with performance measurement . This collection of articles can be downloaded from IFAC website: www.ifac.org

PIPFA Affairs

Meeting of Board of Studies: 15th Meeting of Board of Studies (BOS) of PIPFA was held on August 21, 2003 at PIPFA Head Office , Karachi. Major decisions taken at the meeting were as follows:

Approval of New Course of Studies : BOS has approved the new course of studies for PIPFA examinations which will be

effective for the Examinations to be held in winter -2004 and there after.

New subjects of Management & Behavioral Studies and Strategic Financial Management have been introduced in the new arrangements.



Other details will shortly be available on our Web Site: www.pipfa.org.pk. Same can also be obtained from PIPFA head office, branch offices at Lahore & Faisalabad and our contact offices in other cities.

Transfer of Coaching Fee: It was also decided that with effect from next session above facility will be available to all students. So from next session, PIPFA students not satisfied with coaching standards or otherwise of a coaching centre can apply for the transfer of its coaching fee from one centre to another or from one city to other.

Winter Examination 2003: Winter Examination 2003 of PIPFA will be held from November 10 to November 14 2003. Examination Forms are being received from September 15 to October 18 with normal fee, from October 19 to October 26 with 100% and from October 27 to October 31 2003 with 200% late fee.

Annual Subscription: Members & students who have not paid yet their annual subscription for the year 2003-4 are reminded to pay the same at their earliest

Admission of New Members

Associate

1. Mr. Zulfiqar Ahmad	Lahore	APA-2758
2. Mr. Muhammad Imran Tahir	Islamabad	APA-2759
3. Mr. Zafar Iqbal	Lahore	APA-2760
4. Khawaja Ehrar Ul Hassan	Karachi	APA-2761
5. Syed Ahmed Kamal	Islamabad	APA-2762
6. Mr. Atif Haider	Abbottabad	APA-2763
7. Syed Faisal Mansoor Ahmed	Karachi	APA-2764
8. Mr. Abdullah Hameed	Islamabad	APA-2765
9. Mr. Aamir	Karachi	APA-2766
10. Mr. Muhammad Amin	Karachi	APA-2767
11. Mr. Measum Baqar	Karachi	APA-2768
12. Mr. Arshad Iqbal	Karachi	APA-2769
13. Mr. Imran Khalil	Sialkot	APA-2770
14. Mr. Naveed Ahmed Khan	Lahore	APA-2771
15. Mr. Khurram Iftikhar Sheikh	Gujar Khan	APA-2772
16. Mr. Saif Ud Din	Karachi	APA-2773
17. Hafiz Muhammad Tahir	Lahore	APA-2774
18. Mr. M. Sadaqat Ali Khan	Karachi	APA-2775
19. Mr. Babur Aziz Beg	Islamabad	APA-2776
20. Agha Mujeeb Ahmed Khan	Rawalpindi	APA-2777
21. Mr. Tariq Yusuf	Islamabad	APA-2778
22. Mr. Tahir Nizam	Okara	APA-2779
23. Syed Asad Ali Rizvi	Rawalpindi	APA-2780
24. Mr. Muhammad Farooq	Lahore	APA-2781
25. Miss. Hina Gul	Faisalabad	APA-2782
26. Mr. Muhammad Ashfaq Tahir	Lahore	APA-2783
27. Mr. Zia-ul-Mustafa Awan	Lahore	APA-2784
28. Syed Ahmed Kashan	Karachi	APA-2785
29. Mr. Israr Ullah Khan	Karachi	APA-2786
30. Mr. Mobeen Ahsan Malik	Lahore	APA-2787
31. Mr. Shahzad Saleem	Lahore	APA-2788
32. Mr. Shahzad Amer	Lahore	APA-2789
33. S. Mohammad Faisal Karim	Karachi	APA-2790
34. Mr. Sami Ullah Khan	Karachi	APA-2791
35. Mr. Tehseen Iqbal	Lahore	APA-2792
36. Mr. SH. Amir Atta	Lahore	APA-2793
37. Mr. Asif Afroz	WahCantt	APA-2794
38. Mr. Muhammad Amjad Khan	Rawalpindi	APA-2795
39. S. Mubarak Ehtesham Jafri	Karachi	APA-2796
40. Mr. Anwaar Anjum	Rawalpindi	APA-2797
41. Mr. Nasir Hashmi	Lahore	APA-2798
42. Mr. Abdullah Jan	Peshawar	APA-2799
43. Mr. Mahmood Ahmad Lodhi	Karachi	FPA-2800

44. Mr. Mobin Arif	Lahore	APA-2801
45. Mr. Arooj Asghar	Muzaffargarh	APA-2802
46. Mr. M. Saeed Akbar	Abbottabad	APA-2803
47. Mr. Salman Ahmed	Lahore	APA-2804
48. Mr. Mir Waqar Majeed	Lahore	APA-2805
49. Mr. Imran Ali Hassan	Lahore	APA-2806
50. Mr. M. Usman Sikandar	Lahore	APA-2807
51. S. Mansoor Hussain Jilani	Lahore	APA-2808
52. Mr. Sabza Ali Pirani	Karachi	APA-2809
53. Mr. Mukhtar	Karachi	APA-2810
54. Mr. Rana Abdul Waheed	Lahore	APA-2811
55. Mr. Khurshid Qadir Kant	Karachi	APA-2812
56. Mr. Muhammad Akram	Bahawalpur	APA-2813
57. Mr. Jawad Ahmed	Karachi	APA-2814
58. Mr. Khurshid Ahmad	Lahore	APA-2815
59. Mr. Ghazanfar Yaseen	Karachi	APA-2816
60. Mr. Faisal Mahmood	Lahore	APA-2817
61. Mr. Zahir Alam	Karachi	APA-2818
62. Mr. Faisal	Karachi	APA-2819
63. Mr. Dilroze Khan	Peshawar	APA-2820
64. Syed Muneer Husain	Karachi	APA-2821
65. Mr. Nadeemwaili Muhammad	Rawalpindi	APA-2822
66. Mr. Faisal Saleem Abbasi	Islamabad	APA-2823
67. Mr. Sarfraz Ahmed Chandi	Hyderabad	APA-2824
68. Mr. Muhammad Ali	Lahore	APA-2825
69. Mr. Muhammad Kamran	Karachi	APA-2826
70. Mr. Asad Azhar Siddiqui	Karachi	APA-2827
71. Mr. Rao Noman Saleem	D.G.Khan	APA-2828
72. Mr. Muhammad Afzaal	Lahore	APA-2829
73. Syed Mansoor Hussain Naqvi	Rawalpindi	APA-2830
74. Mr. Mansoor Nasi	Nawabshah	APA-2831
75. Mr. Naseer Iqbal	Rawalpindi	APA-2832
76. Mr. Ahmed Asad Ullah	Karachi	APA-2833
77. Syed Tanveer Hussain	Lahore	APA-2834
78. Mr. Rizwan Bashir	Lahore	FPA-2835
79. Mr. Mir Sadiq Ali	Karachi	FPA-2836
80. Syed Asif Makhdoom	Rawalpindi	APA-2837
81. Mr. M. Hamad Ur Rehman	Karachi	APA-2838
82. Mr. Farrukh Touheed	Karachi	APA-2839
83. Mr. Abdul Basit	Karachi	APA-2840
84. Mr. Muhammad Mehmood	Lahore	APA-2841
85. Mr. Saqib Matin	Karachi	APA-2842
86. Ms. Nadia Qutab Uddin	Karachi	APA-2843
87. Ms. Lubna Shahzadi	Karachi	APA-2844
88. Mr. Muhammad Siddiq	Faisalabad	APA-2845
89. Mr. Rehan	Karachi	APA-2846
90. Mr. Muhammad Asim	Lahore	APA-2847
91. Mr. Muhammad Imran	Karachi	APA-2848
92. Mr. Muhammad Iqbal	Rawalpindi	APA-2849
93. Mr. Sajid Azmat	Faisalabd	APA-2850
94. Mr. Ateeq ur Rehman	Islamabad	APA-2851
95. Mr. Ghulam Dastgeer	Islamabad	APA-2852
96. Mr. Anees-ur-Rehman	Faisalabad	APA-2853
97. Ms. Saima Imtiaz	Gujranwala	APA-2854
98. Mr. Muhammad Yaseen	Rawalpindi	FPA-2855
99. Mr. Qaisar Jamal	Karachi	FPA-2856
100. Mr. Rashid Jahangir	Lahore	APA-2857
101. Mr. Muhammad Ali	Karachi	APA-2858
102. Mr. Muhammad Arshad	Lahore	APA-2859
103. Mr. Salman Sultan Ali	Karachi	APA-2860
104. Hafiz Khalil Ahmad Hashmi	Lahore	APA-2861
105. Mr. Furqan Ahmed Adhami	Karachi	APA-2862
106. Mr. Salman Rahim	Canada	APA-2863
107. Mr. Muhammad Shakeel	Mandibahudin	APA-2864
108. Mr. Zulfiqar Manzoor	Islamabad	APA-2865
109. Agha Muhammad Suliman	Karachi	APA-2866
110. Syed Muhammad Farhan	Karachi	APA-2867
111. Syed Nabeel Asghar	Lahore	APA-2868
112. Mr. Muhammad Usma	R.Y. Khan	APA-2869
113. Mr. Muhammad Zubair	Lahore	APA-2870
114. Mr. Hafiz Asim Akbar	Lahore	APA-2871
115. Mr. Zahid Hussain	Bhawalpur	APA-2872



116. Mr. Faisal Ijaz	Lahore	APA-2873	07. Mr. Imran Hussain Dossani	Karachi	FPA-127
117. Mr. Muhammad Asif	Rawalpindi	APA-2874	08. Mr. M.r Tariq Sultan	Karachi	FPA-1010
118. Mr. Imran Khan	Karachi	APA-2875	09. Mr. Ashfaq Ahmad	Faisalabad	FPA-481
119. Mr. Shoaib Ahmed Khan	Karachi	APA-2876	10. Mr. Salman Ahmed Baig	Quetta	FPA-1651
120. Syed Azam Ali Shah	Karachi	APA-2877	11. Mr. Ghulam Sarwar	Peshawar	FPA-622
121. Mr. Riaz Ahmed Khan	Karachi	APA-2878	12. Mr. Muhammad Zafar-ul-Islam	Faisalabad	FPA-959
122. Mr. Murad Ali	Rawalpindi	APA-2879	13. Mr. Muhammad Asif	Karachi	FPA-1269
123. Mr. M. Zaheer Iqbal	Karachi	APA-2880	14. Mr. Khan Muhammad	Faisalabad	FPA-116
124. Mr. Abdul Rehman	Islamabad	APA-2881	15. Mr. Kashif Kalim	Lahore	FPA-166
125. Mr. Zia Mustafa	Karachi	APA-2882	16. Mr. Muhammad Arshad	Islamabad	FPA-211
126. Mr. Shafqat Javed	Rawalpindi	APA-2883	17. Mr. Furqan Ahmad Saleem	Rawalpindi	FPA-1346
127. Mr. Muhammad Irfan Farid	Islamabad	APA-2884	18. Mr. Muhammad Khan Jasra	Islamabad	FPA-964
128. Syed Muhammad	Karachi	APA-2885	12. Mr. Muhammad Zafar-ul-Islam	Faisalabad	FPA-959
129. Mr. Nasir Mansoor	Karachi	APA-2886	13. Mr. Muhammad Asif	Karachi	FPA-1269
130. Mr. Mustafa Chagla	Karachi	APA-2887	14. Mr. Khan Muhammad	Faisalabad	FPA-116
131. Mr. Kashif Ashfaque Khawaja	Karachi	APA-2888	15. Mr. Kashif Kalim	Lahore	FPA-166
132. Mr. Zeeshan Jahangir CH.	Rawalpindi	APA-2889	16. Mr. Muhammad Arshad	Islamabad	FPA-211
133. Mr. Imran Hameed	Lahore	APA-2890	17. Mr. Furqan Ahmad Saleem	Rawalpindi	FPA-1346
134. S. Muzaffar Hussain Shah	Karachi	APA-2891	18. Mr. Muhammad Khan Jasra	Islamabad	FPA-964
135. Mr. Muhammad Ali Baig	Karachi	APA-2892	19. Mr. Aqeel-Ur-Rehman	Lahore	FPA-71
136. Mr. Mohammad Ali Adil	Karachi	APA-2893	20. Mr. Mahmood Ahmad	Karachi	FPA-1410
137. Mr. Naseer Ahmed	Karachi	APA-2894	21. Mr. Muhammad Iqbal Durvesh	Karachi	FPA-170
138. Mr. Al-Yousuf CH.	Lahore	APA-2895	22. Mr. Shafqat Hussain Kazmi	Islamabad	FPA-1249
			23. Mr. Bilal Ashraf	Kasur	FPA-1398
			24. Mr. Tariq Hussain	Karachi	FPA-1435

Fellow

01. Mr. Muhammad Mueen Sabir	Lahore	FPA-15
02. Mr. Faisal Nadeem	Islamabad	FPA-206
03. Mr. Naeem Ur Rehman	Islamabad	FPA-852
04. Mr. Javaid Iqbal Khan	Lahore	FPA-761
05. Mr. Nadir Ali Saggi	Lahore	FPA-787
06. Mr. Muhammad Saeed Khan	Lahore	FPA-1272

President Visits Sri Lanka: Mr. Faqir Hussain Khan, President PIPFA, along with Mr. Azhar Hussain, member BOG attended AAT International Conference 2003 held at Colombo.

ICAP/ICMAP News

Council of Institute of Chartered Accountants of Pakistan has elected new office-bearers for the year 2003-2004: Mr. Mujahid Eshai has been elected as new president

whereas Mr. Nasim Hyder and Mr. Imran Afzal as vice presidents South and North regions respectively.



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