



**The Institute of
Chartered Accountants
of Pakistan**

**CA
PAKISTAN**

HEAD OFFICE

Circular No.8/ 2017

May 24, 2017

ALL MEMBERS OF THE INSTITUTE

Dear Member

STATEMENT OF COMPLIANCE FOR FINANCIAL STATEMENTS OF COMPANIES FORMED / LICENSED UNDER SECTION 42 AND SECTION 43 OF THE COMPANIES ORDINANCE, 1984

The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O No. 413/2016 dated May 11, 2016, and further to its earlier S.R.O No. 929/2015 dated September 10, 2015, directed the non-listed companies formed / licensed under section 42 and 43 of the Companies Ordinance, 1984 to follow the applicable accounting and financial reporting standards.

Under the SECP directives, the applicable accounting and financial reporting standards for the different classes of companies formed / licensed under the section 42 and section 43 of the Companies Ordinance, 1984, are as follows:

Classes of companies	Applicable accounting and financial reporting standards
<ul style="list-style-type: none">Public Interest companyLarge-sized company	International Financial Reporting Standards issued by International Accounting Standards Board (IASB) and as notified by the SECP and Accounting Standard for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan
<ul style="list-style-type: none">Medium-sized companySmall-sized company	International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by IASB and as notified by the SECP and the Accounting Standard for Not for Profit Organizations issued by the Institute of Chartered Accountants of Pakistan

In view of the above, the Accounting Standards Board in its 2nd meeting held on May 12, 2017 decided to issue the following Statement of Compliance to be included in the financial statements of companies formed / licensed under section 42 and section 43 of the Companies Ordinance, 1984:

*"These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of *International Financial Reporting Standards (IFRS) / *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board and the Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, provisions of and directives issued thereunder. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail."*

* Delete whichever is not applicable.

Members are advised to take note of the above.

Yours truly

Sohail Malik
Director Technical Services

(Established under the Chartered Accountants Ordinance, 1961 - X of 1961)

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