

GOVERNMENT OF PAKISTAN  
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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*Islamabad, the 7<sup>th</sup> November, 2017*

**NOTIFICATION**

**S.R.O.1169 (I)/2017.-** In exercise of the powers conferred by sub section (2) of section 507 of the Companies Act, 2017 (Act No. XIX of 2017) the Securities and Exchange Commission of Pakistan is pleased to make the following alterations in the Third, Fourth and Fifth schedules of the Companies Act, 2017, namely:-

In the aforesaid Schedules,-

1. In Third Schedule, -

- (a) in the heading, after the expression “224” the expression “ and 225” shall be inserted;
- (b) in serial No. 2,-
  - (i) in clause (a),-
    - (A) in sub-clause (ii), for the word “or” after the word “turnover” the word “of” shall be substituted; and
    - (B) in sub-clause (iii), for the expression “more than 750” the expression “750 or more” shall be substituted;
  - (ii) in clause (c), for the words “and above” appearing at the end, the words “or more” shall be substituted;
- (c) in serial No. 3,-
  - (i) in clause (a),-
    - (A) in sub-clause (ii), after the semi colon, at the end, the word “and” shall be inserted; and
    - (B) in sub-clause (iii), the expression “more than 250 but ” shall be omitted;
  - (ii) in clause (b),-
    - (A) in sub-clause (i), for the words “not exceeding” the words “less than” shall be substituted; and

- (B) in sub-clause (ii), for the words “not exceeding” the words “less than” shall be substituted; and after the semi colon, at the end, the word “or” shall added;
- (iii) for clauses (a), (b) and (c), in column No. 4, for the words “Revised AFRS for SSEs” the words “International Financial Reporting Standards for SMEs” shall be substituted; and
- (iv) for clause (d), in column No. 4, for the words “Accounting Standards of NPOs” the words “International Financial Reporting Standards for SMEs and Accounting Standards for NPOs” shall be substituted;
- (d) serial No. 3, appearing for the second time in the first column shall be re-numbered as serial No. 4;
- (e) in serial no. 4 re-numbered as aforesaid, in clause (ii), after the semi colon at the end, the space and word “ and” shall be inserted;
- (f) in the Note, after clause (3), following new clause (4) shall be inserted; namely:-  
  
“4. Subsidiary companies of a listed company shall follow the requirements of the Fourth Schedule.”;

2. In Fourth Schedule,-

- (a) in Part I,-
  - (i) in clause (II),-
    - (A) after the words “as provided in this schedule,” the space and words “ are applicable to the annual financial statements and” shall be inserted;
    - (B) after the words “International Financial Reporting Standards” the space and words “ notified by the Commission” shall be omitted;
  - (ii) in clause VI,-
    - (A) in sub-clause (1), for paragraph (v), the following shall be substituted, namely:-  
  
“Names of associated companies or related parties or undertakings, with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of

relationship describing common directorship and percentage of shareholding;”;

- (B) in sub-clause (1), after paragraph (v), following explanation shall be inserted; namely:-

**“Explanation:** Definition of related party as per International Financial Reporting Standards shall be considered for the disclosure requirements;”;

- (C) in sub-clause (2), after the expression “Pakistan,” the space and expression “ with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year,” shall be inserted;

- (D) sub-clause (7), shall be omitted;

- (E) in sub-clause (10),-

(I) for the words “Sharia complaint” the words “Shariah compliant” shall be substituted;

(II) in paragraph (vi), the space and words “ from actual currency” shall be omitted;

- (b) In Part II,-

- (i) In clause (11), for the words “financial statements” the words “statement of financial position” shall be substituted;

- (ii) In clause (16), for the word “Investments” the words “A statement as to whether the investments” shall be substituted;

- (iii) After clause (24), following new clause 24A shall be inserted; namely:-  
“Discount on issue of shares shall be shown separately as a deduction from share capital in the statement of financial position and the statement of changes in equity;”;

- (iv) In clause (27), in sub-clause (i), after the words “provident fund” the comma and words “, contributory pension fund or any other contributory retirement fund” shall be added;

- (v) for clause (28), the following shall be substituted, namely:-

“In the case of provident fund, contributory pension fund or any other contributory retirement fund, maintained by the company a statement that, investments in collective investment schemes, listed equity and listed debt securities out of aforementioned funds

have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder;”;

3. In Fifth Schedule,-

(a) In Part I,-

(i) In clause (II), after the words “Financial Reporting Framework” the space and words “ notified by the Commission” shall be omitted;

(ii) In clause (V),-

(A) In sub-clause (1), for paragraph (iv), the following shall be substituted, namely:-

“Names of associated companies or related parties or undertakings, with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding;”;

(B) In sub-clause (1), after paragraph (iv), following explanation shall be inserted; namely:-

“**Explanation:** Definition of related party as per Financial Reporting Framework shall be considered for the disclosure requirements;”;

(C) In sub-clause (2), after the expression “Pakistan,” the space and expression “ with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year,” shall be inserted;

(D) Sub-clause (4), shall be omitted;

(b) In part II,-

(i) In clause (6), for the words “financial statements” the words “statement of financial position” shall be substituted;

(ii) In clause (11), for the word “Investments” the words “A statement as to whether the investments” shall be substituted;

(iii) After clause (18), following new clause 18A shall be inserted; namely:-

“Discount on issue of shares shall be shown separately as a

deduction from share capital in the statement of financial position and the statement of changes in equity (if applicable);”;

(iv) In clause (21), in sub-clause (i), after the words “provident fund” the comma and words “, contributory pension fund or any other contributory retirement fund” shall be added;

(v) For clause (22), the following shall be substituted, namely:-

“In the case of provident fund, contributory pension fund or any other contributory retirement fund, maintained by the company a statement that, investments in collective investment schemes, listed equity and listed debt securities out of aforementioned funds have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder;”;

(c) In part III,-

(i) Clause (28) shall be omitted; and

(ii) In clause (29), for paragraph (vi), the space and words “ in cash or in kind” after the word “benefits” shall be omitted.

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[No. CSD/ED/MISC-I/2016]

  
( Bilal Rasul )  
Secretary to the Commission