PART II
Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 11th May, 2020

S. R. O. 414(I)/2020.—In exercise of the powers conferred by section 510 read with sub-section (1) of section 225 of the Companies Act, 2017 (XIX of 2017), read with clause (c) of section 43 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and S.R.O. 633(I)/2014 dated July 10, 2014, the Securities and Exchange Commission of Pakistan hereby allows companies/entities that are applying IAS 39/principles of IAS 39 (for Available for Sale equity instruments), following relief from the requirements contained in IAS 39 in relation to their Available for Sale (AFS) Equity Investments as follows:

(a) The company/entity can opt to show impairment loss (if any, due to significant or prolonged decline in fair value of AFS equity investment portfolio), as at March 31, 2020, in the statement of changes in equity.

Price: Rs. 5.00

[5531(2020)/Ex. Gaz.]
(b) If the above short-term relief is opted, the company/entity shall disclose in the notes to the financial statements:

(i) amount of impairment loss included in the statement of changes in equity under (a) above;

(b) amount of profit or loss after tax, arrived at by accounting for the impact of impairment loss in accordance with IAS 39; and

(iii) Earnings per share based on the (ii) above.

(c) The dividend income and actual realized gain/loss arising from the de-recognition of AFS equity instruments shall be recognised in the profit and loss account in accordance with the requirements of IAS 39.

(d) The amount of loss taken to equity as per (a) above, shall be treated as a charge to profit and loss account for the purpose of distribution as dividend, where applicable.

(e) The amount taken to equity as per (a) above for an AFS equity instrument, adjusted with the fair value change of this AFS equity instrument during the period from April 01, 2020 to June 30, 2020, shall be considered for impairment in accordance with the requirements of IAS 39.

(f) The impairment loss (if any), as of June 30, 2020, as per (e) above shall be taken to the profit and loss account for the year/period ending June 30, 2020.

2. Companies/entities willing to follow the full requirements of IAS-39 as applicable are encouraged to do so.

[No. Sy/SECP/8/13.]

EJAZ ALAM KHAN,
Secretary to the Commission.