

Securities and Exchange Commission of Pakistan

NOTIFICATION

Islamabad, the 10th July, 2014

SRO 633 (I)/2014.- In exercise of the powers conferred by sub-section (3) of section 234 of the Companies Ordinance, 1984 (XLVII of 1984) (the "Ordinance"), and in supersession of its notification Nos. S.R.O. 665(I) 2005 dated 28th June, 2005, S.R.O. 430(I)/2007 dated 22nd May, 2007, S.R.O. 1228(I)/2008 dated 6th December, 2008, S.R.O. 149(I)/2009 dated 11th February, 2009, S.R.O. 411(I)/2008 dated 28th April, 2008 the Securities and Exchange Commission of Pakistan is pleased to direct that the following International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) and any further revisions thereof, issued by the International Accounting Standards Board shall be followed for the preparation of balance sheet and profit and loss account or income and expenditure account of the listed companies and such other classes of companies that are required by the Ordinance to follow IFRS:

IFRS-2	Share-based Payment
IFRS-3	Business Combinations
IFRS-4	Insurance Contracts
IFRS-5	Non-Current Assets Held for Sale and Discontinued Operations
IFRS-6	Exploration for and Evaluation of Mineral Resources
IFRS-7	Financial Instruments: Disclosures ¹
IFRS-8	Operating Segments
IFRS-10	Consolidated Financial Statements ²

NOTE 1: Reference to S.R.O. 665(1)/2005 dated 28th June 2005 in S.R.O. 24(I)/2012 dated January 16, 2012 shall be construed as reference to this S.R.O.

¹Implementation of IFRS-7 is held in abeyance for Banks and non-banking finance companies engaged in investment finance services, discounting services and housing finance services.

² IFRS 10 shall be applicable on financial statements for the period starting on or after 1 January 2015. It shall supersede the requirements relating to consolidated financial statements in IAS 27 'Consolidated and Separate Financial Statements' (as amended in 2008). Companies shall follow IAS 27 'Consolidated and Separate Financial Statements' (as amended in 2008) till the time they start preparing their financial statements using IFRS 10. Early adoption of IFRS 10 is encouraged.

IFRS-11	Joint Arrangements ³
IFRS-12	Disclosure of Interests in Other Entities ⁴
IFRS-13	Fair Value Measurement ⁵
IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 11	Construction Contracts
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effect of Changes in Foreign Exchange Rates ⁶
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 27	Separate Financial Statements ⁷
IAS 28	Investments in Associates and Joint Ventures ⁸

³ IFRS 11 shall be applicable on financial statements for the period starting on or after 1 January 2015. It shall supersede IAS 31 'Interests in Joint Ventures'. Companies shall follow IAS 31 'Interests in Joint Ventures' till the time they start preparing their financial statements using IFRS 11. Early adoption of IFRS 11 is encouraged.

⁴ IFRS 12 shall be applicable on financial statements for the period starting on or after 1 January 2015.

⁵ IFRS 13 shall be applicable on financial statements for the period starting on or after 1 January 2015.

⁶ Power sector companies have been exempted from the requirements of IAS 21 to the extent of capitalization of exchange loss vide S.R.O.24/ (1)/2012 dated January 16, 2012.

⁷ IAS 27 'Separate Financial Statements' will concurrently apply with IFRS 10. A Company shall use IAS 27 'Consolidated and Separate Financial Statements' (as amended in 2008) till the time they start preparing their financial statements using IFRS 10.

⁸ A Company shall use IAS 28 'Investments in Associates' (as revised in 2003) till the time financial statements are prepared using IFRS 11 and IFRS 12. IAS 28 'Investment in Associates and Joint Ventures' shall be applicable on financial statements for the period starting on or after 1 January 2015.

IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement ⁹
IAS 40	Investment Property ¹⁰
IAS 41	Agriculture

Provided that the Commission may grant an exemption to any company or any class of companies if it is in the public interest so to do, from compliance with all or any of the requirements of the aforesaid IFRSs.

No.EMD/IACC/4/2009-23


 (BUSHRA ASLAM)
 Secretary to the Commission

⁹ The Implementation of IAS-39 has been held in abeyance by the SBP for Banks and DFIs. Other Companies shall use IAS 39 (published in 2009 edition of IFRS) to prepare financial statements.

¹⁰ The Implementation of IAS 40 has been held in abeyance by the SBP for Banks and DFIs.

NOTE 2: Requirements of IFRIC-4 and IFRIC-12 have been waived for all companies vide S.R.O.24/ (1)/2012 dated January 16, 2012.