

**Circular No. 19 -Reference No. SECP/ICAP/EM/34/2003/474**  
**Applicability of IAS 39 and IAS 40 to Non-Banking Finance Companies (NBFCs) providing investment finance services (Investment Banks), discounting services and housing finance services.**

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*August 13, 2003*

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Practical difficulties being faced by NBFCs in giving effect to the requirements of IAS 39 and IAS 40 in terms of rule 7 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), as reported by Investment Banks Association of Pakistan and certain NBFCs, have been appreciated by the Securities and Exchange Commission of Pakistan (the Commission). Therefore, by virtue of powers conferred by rule 84 of NBFC Rules, the Commission has decided to grant relaxation to the NBFCs providing Investment Finance Services, Discounting Services and Housing Finance Services from the application of IAS 39 and IAS 40, with the direction that such companies shall continue observing the State Bank of Pakistan's BSD Circular Letter No.11 dated September 11, 2002 regarding the application of said IASs, till further decision.

**(Najam Ali)**  
Executive Director

**Distribution**

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