

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 1st April, 2020

NOTIFICATION

S.R.O. 278 (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), S.R.O. 229(I)/2019 dated February 14, 2019 and S.R.O. 1332(I)/2019, dated November 7, 2019, the Securities and Exchange Commission of Pakistan hereby allows all companies, following relief from the requirements contained in IFRS 9 (IAS 39, IFRS for SMEs and AFRS for SSEs), requiring recording of fair value adjustments of equity instruments held as FVPL (Fair Value through Profit or Loss) in the Statement of Profit or Loss, as at March 31, 2020:

- i) Gain/loss, if any, due to fair value measurement of FVPL equity instruments, held as at March 31, 2020, may be shown in the Statement of Changes in Equity, as a separate component of equity.
 - ii) The amount taken to equity as per (i) above, including any adjustment/effect for price movements shall be taken to the Statement of Profit or Loss for the year/period ending June 30, 2020.
 - iii) The amount of loss taken to equity as per (i) above, shall be treated as a charge to statement of profit or loss for the purposes of distribution as dividend, where applicable.
2. Companies and mutual funds willing to follow the full requirements of IAS-39/ IFRS 9, IFRS for SMEs and AFRS for SSEs as applicable are encouraged to do so.
 3. All companies and mutual funds opting for the treatment in Para-i above, shall disclose prominently on the face of their Statement of Financial Position, Statement of Profit or Loss and Directors' Report the parameters used by them in determination of the value of their investments and the figures arrived at under both regular and especially opted accounting treatment, that is to say, the requirement of International Financial Reporting Standards regarding disclosure of such departure have been complied with.



(Ejaz Alam Khan)
Secretary to the Commission