

Year 2000 Compliance of Computer Systems

April 07, 1999

Circular No. 7

Reference No. 1(3) CF/POL/99

Attention of listed companies has already been invited to the Year 2000 problems (Y2K) vide CLA's Circular No.1 and 3 of 1998 dated 9th May, 1998 and 5th October, 1998 respectively. In view of the importance of the issue, the main points of the two circulars are summarized below for your information and necessary action:

There is need for each listed company to examine its existing automation system for the year 2000 compliance and make necessary modifications for such compliance;

It is equally important to ensure "Year 2000 Compliance" of the system under development or scheduled for future development; All listed companies are strongly advised to assign highest priority to the issue and make sure that all the necessary modifications are in place by the end of June, 1999.

In exercise of the powers under Section 246 of the Companies Ordinance, 1984, CLA directed all the listed companies to disclose in their annual and half yearly accounts status of the "Year 2000 Compliance" as well as details of what these companies have done with regard to this problem and the measures taken by them.

Examination of accounts received from the listed companies indicates that a large number of companies have failed to disclose status of the year 2000 compliance in the accounts. In exercise of the powers under Section 246 of the Companies Ordinance, 1984, all companies are again directed to expedite the Y2K compliance latest by 30th June, 1999 and disclose the same in their next annual or six monthly accounts. In addition to the above, all the listed companies are also required to communicate the status of Y2K compliance to the SEC by 30th June 1999, so that SEC is in a position to compile the data.

A separate circular is also being issued to the practicing firms of Chartered Accountants and Cost Accountants who would be required to report the compliance of their clients.

In case clarification on any aspect of the issue is required, you may contact the undersigned.

(Tariq Iqbal Khan)
Commissioner (SM)

Distribution:-

1. Chief Executives of all listed companies.
2. Chief Executives of Stock Exchanges, Karachi/Lahore/ Islamabad with the request to display this circular on their Notice Board.
3. The Institute of Chartered Accountants of Pakistan, Karachi
4. The Institute of Cost and Management Accountants, Karachi
5. Press Information Department, Islamabad
6. Associated Press of Pakistan
7. All officers of SECP.