



Press Release

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For immediate release

SECP extends the applicability of Cost Accounting Records Order, 2012

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) has extended the applicability in respect of compliance of Synthetic and Rayon Companies (Cost Accounting Records) Order 2012.

The decision has been taken by the SECP owing to practical difficulties faced by the companies engaged in the business of synthetic and rayon, including polyester fibre, polyester filament yarn, polyester chips, production and manufacture of rayon and viscose tyre yarn/cord.

The SECP's attention was also drawn to the conditions of domestic polyester staple fibre industry that was facing the worst business cycles thereby resulting in difficult market conditions and domestic over supply. Unchecked dumping from China had eroded industry margins and domestic producers suffered continued losses.

The Commission acknowledges that fact that compliance of aforesaid cost order entailed exhaustive preparatory work for segregation of costs, additional manpower and resources. The existing requirements of financial reporting were already exhaustive and introduction of cost audit regime through the aforesaid order for polyester staple fibre industry may further add to the costs of doing business due to system upgrade and risks faced for any inadvertent breach of data confidentiality.

The SECP strive to strengthen regulatory environment in Pakistan for the development of a modern corporate sector while keeping in view the practical hindrances faced by industry. In pursuance thereof, the SECP has extended the applicability of Synthetic and Rayon Companies (Cost Accounting Records) Order, 2012 until further order.

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