

October 25, 1999 ADOPTION OF IAS-30 & IAS-34, AND CLARIFICATION ABOUT IAS-27

1. Securities and Exchange Commission of Pakistan has decided to notify IAS-34 which pertains to interim reporting, resultantly listed companies will have to prepare more detailed half yearly accounts with notes on important items.

The Commission has also decided to notify IAS-30 which sets out the disclosure requirements for the financial statements of banks and similar financial institutions.

The Commission has further clarified certain issues raised by ICAP with reference to IAS-27 which deals with the matters of consolidation of accounts of holding companies and subsidiaries thereof. It has been decided that:

(i) Holding companies will continue to attach documents as listed in clause (a) to (g) of Section 237(1) of the Companies Ordinance.

(ii) The accounts of subsidiaries may not precede the day on which the holding company's financial year ends by more than three months as required by IAS-27.

(iii) Consolidated financial statements of listed companies will be authenticated by chief executive and atleast one director of the holding company. The format of auditor report on the consolidated account is approved subject to the remarks that it should preferably be addressed to the members and not to the directors.

(iv) Non-listed subsidiaries of listed holding companies will prepare their financial statement in accordance with International Accounting Standards notified and Fourth Schedule to the Companies Ordinance, 1984. General Order under section 246 of the Companies Ordinance, 1984 will be issued by SECP in this regard.