

## Compliance with the revised IAS-12.

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*September 09, 1999*

Circular No. 16

Reference No. 110/c/SECP/99

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In exercise of the powers conferred by clause (o) of sub-section (4) of section 20 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), read with the Finance Division Notification No. S.R.O. 698(1)/86 dated 2nd July, 1986, the Securities and Exchange Commission of Pakistan is pleased to direct that in order to achieve compliance with the REVISED IAS-12, all leasing companies, during each of the five financial years beginning July 1, 1998 and ending June 30, 2003, shall provide deferred tax liability arising in that year together with a further amount equal to one-fifth of the unprovided deferred tax liability as at the beginning of the financial year ending June 30, 1999. The unprovided deferred tax liability at each year-end together with other pertinent information shall continue to be disclosed.

PROVIDED that, subject to full compliance with the provision of IAS-12, the requirements in the preceding paragraph shall be deemed to be met where, during each of the five financial years beginning July 1, 1998 and ending June 30, 2003, a leasing company consistently transfers to a Capital Reserve and amount equal to the aggregate amount determined in accordance with the provisions of the said paragraph, reduced by the amount, if any, provided for deferred tax liability. This Capital Reserve shall not be available for utilization for any purpose other than to provide for deferred tax liability.

PROVIDED FURTHER that the Commission may, in its sole discretion, relax or modify the aforesaid requirements for any of the said five years, on such conditions which it may prescribe, if it is satisfied of a leasing company's inability to fully comply with these requirements.

(Atta Muhammad Khan)  
Registrar of Companies (Reg.)

### **Distribution:-**

1. The Chief Executive, All Leasing Companies.
2. The President, Institute of Chartered Accountants of Pakistan.
3. The President, Institute of Cost & Management of Accountants.
4. The President, Karachi Stock Exchange (Guarantee) Ltd.
5. The President Lahore Stock Exchange (Guarantee) Ltd.
6. The President Islamabad Stock Exchange (Guarantee) Ltd.
7. All officer of Securities & Exchange Commission of Pakistan.

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