

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, August 15, 2024

NOTIFICATION

S. R. O.1278(I)/2024.- In exercise of the powers conferred by sub-section (2) of section 507 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan is pleased to make the following alterations to the Fourth Schedule to the Companies Act, 2017, namely: -

AMENDMENT

In the aforesaid Fourth Schedule, after item No. VI, the following new item (VII) shall be inserted, namely: -

“VII. Every listed company and its subsidiary, which is not engaged in Shariah non-permissible business activities as their core business activities, shall disclose the following in their standalone and consolidated financial statements as per Section 228 of the Act, as separate disclosures by way of a note that is cross-referenced with relevant notes:

Disclosures Required in relations to the Statement of Financial Position—Liability Side:

- (i) Financing (long-term, short-term, or lease financing) obtained as per Islamic mode;
- (ii) Interest or mark-up accrued on any conventional loan or advance;

Disclosures Required in the Statement of Financial Position – Asset Side:

- (iii) Long-term and short-term Shariah compliant Investments
- (iv) Shariah-compliant bank deposits, bank balances, and TDRs;

Disclosures Required in relation to the Statement of Comprehensive Income:

- (v) Revenue earned from a Shariah-compliant business segment;
- (vi) Break-up of late payments or liquidated damages;

- (vii) Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates;
- (viii) Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs;
- (ix) Exchange gain earned from actual currency
- (x) Exchange gains earned using conventional derivative financial instruments;
- (xi) Profit paid on Islamic mode of financing;
- (xii) Total Interest earned on any conventional loan or advance;
- (xiii) Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income; and

Other Disclosure Requirements

- (xii) Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.

Explanation:- For the purposes of this provision, Shariah non-permissible business activities shall include but not be limited to business of conventional financial institutions, including conventional banks, insurance, interest-based lending, gambling and betting, liquor and liquor-related activities, pork and pork-related activities, non-halal food and beverages, Shariah non-compliant entertainment, tobacco and tobacco-related activities, and other activities that are deemed Shariah non-permissible.”.

[File No. SECP/IFD/SGR/001/]


(Bilal Rasul)
Secretary to the Commission