

# TECHNICAL E-NEWSLETTER

FOR THE MONTH OF APRIL 2008

## **ACCOUNTING UPDATE**

The International Accounting Standards Board (IASB) published a discussion paper as the first step towards reducing complexity in reporting financial instruments.

Due date for comments is 19 September 2008.

For further information regarding this please visit the project website on [www.iasb.org](http://www.iasb.org).

## **AUDITING UPDATE**

### **Exposure Drafts**

The International Auditing and Assurance Standards Board (IAASB) published the following two exposure drafts for public comment:

<b>Exposure Drafts</b>	<b>Due Date for Comments</b>
Proposed ISA 265 Communicating Deficiencies in Internal Control	30/4/2008
Proposed ISA 402 (Revised and Redrafted), Audit Considerations relating to an Entity using a Third Party Service Organization.	30/4/2008

The proposed ISAs 265 and 402 can be viewed at <http://www.ifac.org/eds>

### **Members' valuable comments**

IAASB has asked for the comments on the said exposure drafts, members are requested to send their valuable comments before the due date to ICAP at the following email ID [maria.qamar@icap.org.pk](mailto:maria.qamar@icap.org.pk)

Members are also reminded that CPD Credit will be given for review of exposure drafts.

## **TAXES UPDATE**

The Federal Board of Revenue (FBR) issued the following Notifications, General Orders and Circular:

### **Income Tax Ordinance, 2001**

#### **Notifications**

<b>SRO NO.</b>	<b>Subject</b>
353 (I) 2008 dated 4/3/2008	Amendments shall be made in the Income Tax Rules, 2002

### **Sales Tax Act 1990**

#### **Notifications**

<b>SRO NO.</b>	<b>Subject</b>
204 (I) / 2008 dated 4/3/2008	Amendment to SRO 1202 (I) 2007 dated 11 December 2007
219 (I) / 2008 dated 4/3/2008	Amendment to SRO 1160 (I) 96 dated 6 October 1996
220 (I) / 2008 dated 4/3/2008	Appointment of different officers of Sales Tax.
275 (I) / 2008 dated 12/3/2008	Exemption of Sales Tax on Import and Supply of CKD kits of single cylinder agriculture diesel engines of 3 to 36 HP.
282 (I) / 2008 dated 13/3/2008	Amendment to SRO 645 (I) 2006 dated 21 June 2006
307 (I) / 2008 dated 24/3/2008	Amendments shall be made in the Sales Tax Rules, 2006.
308 (I) / 2008 dated 24/3/2008	Repayment of sales tax paid on steel products under Chapter XI of the Sales Tax Special Procedures Rules, 2007 allowed.
309 (I) / 2008 dated 24/3/2008	Amendments shall be made in the Sales Tax Special Procedures Rules, 2007.
329 (I) / 2008 dated 31/3/2008	Amendments shall be made in S.R.O.647 (I)/2007 dated 27 June, 2007.

#### **Circular/Ruling**

Cir. # 01/2008 dated 24/3/2008	Extension in due date for electronic filing of Sales Tax-Cum-Federal Excise return for tax period February 2008
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#### **General Orders**

<b>STGO NO.</b>	<b>Subject</b>
STGO # 12/ 2008 dated 11/3/2008	Amendment in STGO # 09/2007 dated 13 September, 2007
STGO # 13/ 2008 dated 11/3/2008	Amendment in STGO # 11/2007 dated 13 September, 2007

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STGO # 14/ 2008 dated 11/3/2008	Amendment in STGO # 14/2007 dated 13 September, 2007
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## Customs Act 1969

### Notifications regarding Import

SRO No.	Subject
SRO # 202 (I) 2008 dated 1/3/2008	Amendment in SRO 487/(I)/2007
SRO # 215 (I) 2008 dated 5/3/2008	Amendment in SRO 567/(I)/2006 dated 05 June 2006
SRO # 269 (I) 2008 dated 10/3/2008	Amendment in SRO 565/(I)/2006
(I) 2008 dated 31/3/2008	Frontier Corps & Pakistan Rangers will carry out anti-smuggling functions

### Notifications regarding Export

SRO No.	Subject
SRO # 326 (I) 2008 dated 29/3/2008	Exemption of Custom duties, Sales Tax & Federal excise duty leviable on all the goods import into & export from an Export Oriented Unit Subject to the Provisions of the Export Oriented Units and Small and Medium Enterprises Rules, 2008
SRO # 327 (I) 2008 dated 29/3/2008	FBR make the rules

A more detailed view of the above mentioned Notifications, General Orders and Circular may be obtained at <http://www.fbr.gov.pk>

## STATE BANK OF PAKISTAN

State Bank of Pakistan issued the following Circulars:

Circular No.	Subject
ACD Circular No. 03 dated 10/3/2008	Guidelines on Poultry Financing
BSD Circular No. 06 dated 3/3/2008	Guidelines on Internal Controls

BSD Circular No. 07 dated 20/3/2008	Prudential Regulation No. 4: Minimum Capital Requirements
EPD Circular Letter No. 03 dated 24/3/2008	Freight Subsidy on Export of Mangoes
EPD Circular Letter No. 02 dated 24/3/2008	Freight Subsidy on Exports – Claims (2002-03,2003-04 & 2004- 05) Accepted by the Auditors
FSCD Circular No. 4 dated 31/3/2008	Rate of Remuneration on Special Cash Reserve Account Maintained with SBP Under FE- Circular 25 of 1998
IBD Circular No. 2 dated 25/3/2008	Instructions and Guidelines for Shariah Compliance in Islamic Banking Institutions
MFD Circular No. 01 dated 11/3/2008	Procurement of Wheat by the Private Sector 2008

## MARCH NEWS BRIEF

- FBR evolving new taxation approach
- Entertainment sector gets industry status
- ASF approves Rs22.2m grants for agribusiness enterprises
- Many IPOs shelved due to global economic crisis
- European banks borrow heavily to fund lending
- UBS to pour 1 billion dollars into China property
- Banks to open more than 1,000 branches during 2008
- Gold crossed Rs 20,000 per 10 grams
- Cotton prices reached an all time high
- ADB to give US \$ 75 million loans for water schemes
- Automated flight inquiry SMS/Fone services inaugurated in Lahore
- SECP approved book building process as part of the listing regulations of KSE

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- FBR allows IPPs to obtain sales tax refund by month end
- KSE signs MoU with Dubai financial market
- US economy lost 63,000 jobs in February
- 50pc cash margin a must for CFS Mk-II financing
- Islamic Banking rapidly growing in the Gulf region
- SBP issues guidelines for poultry financing
- FBR ends confusion over jurisdiction
- Mutual Funds industry recorded 88 percent growth in 2007
- SBP directs microfinance banks to maintain minimum paid up capital
- Various Shariah compliant Islamic financing agreements approved
- Single tax return covering all sectors allowed
- Diplomatic missions, privileged persons and organizations engaged in local purchase of goods or services on payment of sales tax would be entitled to a refund
- SBP issued guidelines for Shariah compliance in IBIs
- Foreign TV, radio channels have to pay 15 per cent sales tax on ads