



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Securities Market Division

Market Supervision and Registration Department

## 7. VALUATION OF OTHER PAYABLES:

Subject Matter	Clarification
7.1 Loan from Director(s)	The balance of director's loan account in which receipts/payments transactions pertaining to one year period till the date of reporting period of NCB are recorded should be classified as short term loan for NCB purpose irrespective of its classification/disclosure in the books of accounts of the brokerage house.
7.2 Accruals of all current liabilities	All current liabilities as on reporting date of NCB are required to be accounted for in the books of accounts. The NCB should include the entire current liabilities as on reporting date of NCB.

## 8. FORMAT OF CERTIFICATION:

Subject Matter	Clarification
8.1 Format for Certification of NCB	Certification of NCB is a regulatory requirement. The auditors are required to perform appropriate assurance procedures to enable them to issue the required certificate on the format notified by the Exchange. It is a regulatory requirement that the certificate should specify that the NCB have calculated duly verified/audited by the Auditors.

All the brokerage houses of the Stock Exchanges and their Auditors, appointed for certification of NCB, shall ensure meticulous compliance of these clarifications/guidelines in letter and spirit. Any violation or circumvention in calculation of NCB shall be dealt with under the provisions of the applicable laws.

Stock Exchanges are requested to disseminate this letter to all the Members/Brokerage Houses/TREC Holders for information and record.

Yours sincerely,

  
(Imran Inayat Butt)  
Director /HOD (MSRD)

C.C.

1. The Institute of Chartered Accountants of Pakistan, Karachi
2. The Institute of Cost and Management Accountants of Pakistan, Karachi