

PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

Regd Office: Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road,
Off I.I Chundrigar Road, Karachi.

Tel: 021-32401278, E-mail: secretariat@psba.pk, Web: www.psba.pk, Fax: 021-32401279

Bilal Farooq Zard
Secretary General

Ref: PSBA/S0421-01

April 7, 2021

MR. SHAUZAB ALI

Commissioner - SMD

Securities and Exchange Commission of Pakistan
Islamabad.

Subject: **IMPLEMENTATION OF PSX TREC HOLDERS FINANCIAL INFORMATION SYSTEM**

Dear Sir,

We are writing concerning your circular BCD-SMD/FINS/2335/2021 dated January 28, 2021, wherein, the implementation of the subject information system was notified and the reporting date as well, i.e. April 10, 2021, for the first monthly report of March 2021. In this respect, we would like to resubmit our request which was also made vide our letter PSBA/P0121-01 dated January 1, 2021, addressed to the Managing Director, Pakistan Stock Exchange (copy enclosed).

The said reporting requires financial data and other pertinent information to be gathered. It is difficult to comply within the prescribed 10 day period inclusive of holidays. Certain tax and financial matters remain unattended which cannot be taken on an accrual basis. Hence, ample time is required.

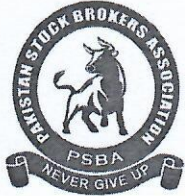
Further, it is to be stated that the service providers do not feed the data into the system portal of provincial tax authorities, for the purposes of Sales Tax on Services, on monthly basis. They do it beyond the 15th of the following month, and sometimes much later.

Therefore, considering the practical difficulties as discussed above, it is humbly requested that the date of compliance may please be made as 30 days after the end of the month as in the case of reporting being made in compliance with S.R.O 920 (I)/2020 dated September 28, 2020, whereby, the information/data has to be provided on **30th of the subsequent month**.

We look forward to an earlier positive response from your good office as we are very near to the deadline.

Regards,

Cc: **Mr. Farrukh Khan** - Managing Director - PSX
Mr. Ajeet Kumar - Chief Regulatory Officer - PSX



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Ref: PSBA/P0121-01

January 1, 2021

MR. FARRUKH H. KHAN
Managing Director
Pakistan Stock Exchange Ltd
Karachi.

Subject: **COMMENTS/FEEDBACK ON NEW REPORTING
SYSTEM FOR SECURITIES BROKERS**

Dear Mr. Khan,

This is in reference to your notice PSX/N-1416 dated December 23, 2020, wherein the letter of Securities and Exchange Commission of Pakistan (SECP) has been reproduced to invite the comments/feedback on a new reporting system for Securities Brokers. In this regard, we would like to submit as under:

In order to streamline the submission of information with minimal time and efforts, and to provide ease of doing business, we appreciate the steps being considered by the Commission and Exchange authorities. However, with respect to this new reporting system which will replace the existing Financial Reporting System (FRS), members have certain reservations which are being submitted through this letter for your consideration and to be made part of your consolidated report to be submitted to the Commission.

1. It would be very inconvenient for the brokerage houses to change the coding of their accounts, in the middle of their accounting period/income year. Its implementation should be deferred till the end of the ongoing income year.
2. There are unnecessary accounts codes in the required excel sheet, which do not pertain to the majority of the brokers. All the Securities Brokers should be required to provide the values/data, relevant to their business only. Similarly, properties, prize bonds, sukuk & bond instruments and host of other assets & liabilities, income & expense accounts, contingency accounts etc., are redundant for the majority of brokers. Hence, we request that only the accounts relevant to the brokers should be asked to ensure the correctness and completeness of data. There should also be an option to provide consolidated/group amount in respect of certain heads such as provision for depreciation, impairment and doubtful debt, etc.
3. The frequency of reporting should be quarterly instead of monthly, and the date of compliance should be 30 days after the end of each quarter. The said reporting requires financial data and other pertinent information to be gathered, hence, the reporting within five working days is not practically possible.
4. In case of the listed companies, the results of Quarterly, Half Yearly and Annual Accounts take ample time to finalize. Hence, it should be in line with the requirements as stipulated in section 237(1)(a), 237(1)(b) and 223(2) i.e. one month, two months and four months respectively. Adhering to the reporting deadline may also disturb the system and before the announcement of results, reporting might disclose the price sensitive information as well.

We look forward to the training session to be conducted to facilitate the Stock Brokers for submission of the said report through e-services portal.

Best regards,