



**The Institute of
Chartered Accountants
of Pakistan**

**CA
PAKISTAN**

HEAD OFFICE

Circular No. 1/2018

February 2, 2018

ALL MEMBERS OF THE INSTITUTE

Dear Member

Clarification on related party requirements for the preparation of Statement of Compliance with the Code of Corporate Governance

The Companies Act 2017 (the Act) has been enacted on May 30, 2017, and it contains a specific section (section 208 - Related party transactions) under which the expression 'related party' has been defined and framework for the related party transactions has also been explained. Further, SECP has issued Listed Companies (Code of Corporate Governance) Regulations, 2017. These Regulations are effective for the period starting from January 01, 2018, and require compliance of section 208 in relation to the related party transactions.

SECP has clarified regarding the preparation of Statement of Compliance with the Code of Corporate Governance (through FAQs - attached for your reference) in view of the pending issuance of specific related party regulations (under section 208 of the Act). Accordingly, while preparing the Statement of Compliance for the year ended December 31, 2017 (or such other year end(s) - till issuance of specific related party regulations), the companies may consider and apply the related party requirements in line with the earlier practice.

Members are advised to take note of the above.

Yours truly


Sohail Malik
Director Technical Services

Encls: as above

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