



**The Institute of
Chartered Accountants
of Pakistan**

**CA
PAKISTAN**

HEAD OFFICE

Circular No. 3/2022

August 05, 2022

ALL MEMBERS OF THE INSTITUTE

Dear Member

**Request for comments on Exposure Draft
Accounting Standard '*Non-Going Concern Basis of Accounting*'**

The Accounting Standards Board (ASB) has developed and issued the Exposure Draft (ED) of Accounting Standard '*Non-Going Concern Basis of Accounting*', along with its Basis for Conclusions, for your comments and feedback. The ED is enclosed to this Circular.

ASB noted that financial reporting standards as applicable in Pakistan, including the International Financial Reporting Standards, do not provide specific guidance for the accounting and financial reporting for the preparation of financial statements by a non-going concern entity. This leads to varied views, accounting treatments and presentations, resultantly impacting the comparability and relevance of the financial statements of non-going concern entities.

ASB in consideration of the above has developed the draft Accounting Standard with the objectives of providing specific accounting and financial reporting framework for non-going concern entities that can be used under the financial reporting standards as applicable in Pakistan, and to ensure that relevant and useful financial information is provided to the users of the financial statements.

Snapshot of ED

For convenience of members' technical team has also developed a Snapshot of the ED. It provides a brief overview of the ED by listing down the key aspects of the draft Accounting Standard, including:

- Why is ASB undertaking this project
- Scope of the Accounting Standard
- Summary of the proposed accounting and financial reporting requirements, including the explanation for categorizing the non-going entities

The effective date of the Accounting Standard is proposed to be for the financial statements for the periods ending on or after December 31, 2022.

Stakeholders comments and feedback

ASB places a great importance on the members' and stakeholders' involvement in the development of an Accounting Standard. It, accordingly, welcomes the views and input from the members on the ED.

The comments can be submitted by September 20, 2022, by emailing them to dtscomments@icap.org.pk

Yours truly,

Sohail Malik
Director Technical

(Established under the Chartered Accountants Ordinance, 1961 - X of 1961)

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