

From: **Asif Siddiq Kasbati** <asif.s.kasbati@professional-excellence.com>
Date: Sat, Dec 27, 2025 at 5:35 PM
Subject: BFIC345= SECP Registered Intermediaries' Modernized Regulatory Framework

270+ Banking, Finance & Investment Commentary – BFIC 345

A. Background (BG)

1. This refers to the following Important QCs **in trail, blue, italic and after double line** (a) FRQC255 of 16.12.25 about IFRS for SMEs: Simplified Financial Reporting Framework (b) BFIC314 of 29.7.25 about Consolidated Bank Account Holders Onboarding Framework – Circular 1
2. We also refer to several Other QC (a) FRQC244 of 26.5.25 about Seminar on Key Changes in QCR Framework at 29.5.25 (b) BFIQ290 of 28.11.24 about Islamic Banking Institutions Shariah Governance Framework (c) COQC626 of 21.2.24 about SECP Auditors for Regulated Entities Appointment (d) BFQC208 of 10.5.23 about Regulatory Framework for ‘Online Only’ Brokers (e) BFQC185 of 21.1.21 about Framework on Outsourcing to Cloud Service Providers

B. Updated Commentary

1. Further to KQU 3715 of 23.12.25, **being an Important matter**, we would inform you about SECP engaged with Registered Intermediaries on Progressive New Framework (**Attachment 345.1**) in the ensuing paragraph, with emphasis in **bold** for quick reading.
2. The SECP recently held a consultative session with Registered Intermediaries in Karachi to gather feedback on the proposed Framework for Registered Intermediaries.
3. The framework introduces mandatory training to strengthen compliance and procedural capacity, while proposing the abolition of periodic renewal requirements in favour of a continuous learning and evaluation mechanism. Participants were also briefed on expanded access to SECP’s Financial Institutions Portal, enabling instant and cost-effective digital verification of company records.
4. **These initiatives reflect SECP’s commitment to regulatory reform, digitalization, and improved ease of doing business.**

C. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, please feel free to email Mr Amsal at amsal@kasbati.co with CC to info.kasbati@professional-excellence.com.

Best regards for Here & Hereafter
Asif S Kasbati (FCA, FCMA & LLB)

Managing Partner

Kasbati & Co (1400+ Tax, Levies, Companies, Economy, Inflation, HR, Banking, Finance, etc
Quick Commentary Service Provider and High Level 440+ Tax & Levies Laws Consultants)

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PTCL: 92-21-34329108 **Mobile:** 0334 322 3161 **Website:** kasbati.co **Facebook:** <https://www.facebook.com/taxexcellence/>

Google Map link: [Tax Excellence](#) **YouTube Channel** [Tax Excellence](#)

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From: Asif Siddiq Kasbati <asif.s.kasbati@professional-excellence.com>
Date: Tue, Dec 16, 2025 at 7:07 PM
Subject: FRQC255= IFRS for SMEs: Simplified Financial Reporting Framework

A. Background (BG)

1. This refers to the following Important TIQCs **in trail, blue, italic and after double line** (a) 150 of 23.6.23 about Proposed Amendments to IFRS for SMEs Accounting Standard (b) 135 of 18.5.23 about IFRS for SMEs Accounting Standard educational material

2. We also refer to several Other TIQC including (a) 105 of 4.2.23 about SMEs Accounting Standard 3rd Edition - Benefits to Users. (b) 89 of 26.12.22 about December 2022 SMEs Accounting Standard Update. (c) 86 of 15.12.22 about IFRS for SMEs Accounting Standard - Third Draft. (d) 83 of 12.10.22 about Exposure Draft - SMEs Accounting Standard.

B. Updated Commentary

Further to KQU 3691 of 8.12.25, **being an Important matter**, we would inform you about IFRS for SMEs GPT (Attachment 255.1)

It consists of 16 pages with an Interesting Content on page 2. If your Goodself has a short time, then atleast have a look at the same.

2. Purpose of Manual

This manual explains how to use the **“IFRS for SMEs” GPT** as a practical assistant for:

- Accounting treatment and journal entries
- Measurement and presentation
- Disclosure requirements
- Transition to the third edition of the IFRS for SMEs Accounting Standard
- Training and technical research support.

3. Important for

- Accountants & Finance staff
- Chief Financial Officers (**CFOs**) / Finance Controllers
- Financial Analysts
- Auditors and Assurance Professionals

The goal is to help you get maximum value from the GPT while respecting the limits of the IFRS for SMEs framework and professional judgement.

C. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, please feel free to email Mr Amsal at amsal@kasbati.co with CC to info.kasbati@professional-excellence.com.

Best regards for Here & Hereafter
Asif S Kasbati (FCA, FCMA & LLB)

From: **Asif Siddiq Kasbati** <asif.s.kasbati@professional-excellence.com>

Date: Tue, Jul 29, 2025 at 6:01 PM

Subject: BFIC314= Consolidated Bank Account Holders Onboarding Framework – Circular 1

A. Background (BG)

This refers to the related Important QCs **in trail, blue, italic and double line** (a) FRQC244 of 26.5.25 about Seminar on Key Changes in QCR Framework at 29.5.25 (b) BFIQ290 of 28.11.24 about Islamic Banking Institutions Shariah Governance Framework (c) COQC 626= SECP Auditors for Regulated Entities Appointment

We also refer to several Other QC including (a) BFQC208 of 10.5.23 about Regulatory Framework for 'Online Only' Brokers (b) BFQC185 of 21.1.21 about Framework on Outsourcing to Cloud Service Providers

B. Updated Commentary

*Further to KQU 3485 dated 28.7.25, **being an important matter**, we would inform you about BPRD Circular No 1 Consolidated Customer Onboarding Framework of 2.7.25 (Attachment 314.1).*

*2. This refers to SBP's AML/CFT/CPF Regulations for SBP Regulated Entities (**REs - COQC 626 of 21.2.24 in trail refers**) on the subject of customer due diligence and onboarding related requirements.*

*3. To streamline the account opening/customer onboarding process and improve the customer experience, the existing frameworks/instructions on the subject have been consolidated into a single document, viz. **Consolidated Customer Onboarding Framework**. The framework lays out the requirements to be fulfilled by SBP REs while establishing relationships, including the information and documentary requirements for different types of customers and accounts/wallets.*

*4. Accordingly, necessary amendments have been made in the existing instructions on customer onboarding due to consolidation into the framework (**Appendix-A**).*

5. Consolidated Customer Onboarding Framework (Attachment 314.2) consist of 21 pages with important content on page 2. If your Goodself has a short time, then at least have a look at the same and Appendix-A (Attachment 314.3) for ready reference consist of 3 pages.

*SBP REs are advised to ensure meticulous compliance of the above instructions within **3 months** from date of issuance of this Circular 25.1.25.*

C. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, please feel free to email Mr Amsal at amsal@kasbati.co with CC to info.kasbati@professional-excellence.com.

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Asif S Kasbati (FCA, FCMA & LLB)*

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For more options, visit <https://groups.google.com/d/optout>.

Economy & Inflation matters (including Import, Export & CPEC)- EIQC 426

A. Background

1. This refers to the following Important EIQCs **in trail, blue, italic and after double line** (a) 372 of 11.1.25 about Increased Textile exports by 5.7% YoY during Dec'24 & KCV (b) 311 of 12.2.24 about US Market for Pakistan Textile Apparels & Other Sectors, Recommendation & KCV

2. We also refer to EIQCs including (a) TLQC 2252 of 4.3.23 about FBR-Textile Sector Minutes & Suggestion for Other Sectors (b) EIQC 198 of 21.4.23 about FMCG, Textile, Pharma, Power, etc Sector Guidelines by ICAP (c) EIQC 171 of 17.2.23 about Textile Waste & Used Clothing Recycling (d) EIQC 139 of 10.11.22 about Sustainable Business Practices in Textile Sector

B. Updated Commentary

1. Further to KQU 3710 of 19.12.25, **being an Important matter**, we would inform you about the Article of Shahnawaz Akhter. [November decline reduces Pakistan's textile exports growth to 2.73% in 5MFY26](#) (**Attachment 426**) in the ensuing paragraph, with emphasis in **bold & Underline** for quick reading.
2. Pakistan's textile exports growth slowed significantly in November 2025, bringing the overall increase for the first five months (July to November) of the current fiscal year 2025-26 to 2.73%, according to the latest data released by the PBS.
3. Textile exports witnessed a sharp MoM decline of 12% in November, while on a YoY basis, they fell by 2.57%. Exports dropped to \$1.42 billion in November 2025 from \$1.62 billion in October 2025 and \$1.46 billion in November 2024. Despite this setback, total textile exports for July to November reached \$7.82 billion, slightly up from \$7.61 billion during the same period of the previous fiscal year.
4. Key segments of the textile industry showed moderate growth during the first five months of FY26. Knitwear exports rose by 5.74% to \$2.30 billion compared to \$2.17 billion previously. Bedwear exports grew by 5% to \$1.39 billion, up from \$1.32 billion, while readymade garments increased by 6%, reaching \$1.79 billion versus \$1.69 billion in the same period last year.
5. Textile exports remain a crucial source of foreign exchange for Pakistan, and any decline in this sector directly affects the country's overall earnings. Pakistan's total exports during the first five months of FY26 fell by 6.22% to \$12.87 billion, down from \$13.72 billion in the same period of FY25, highlighting challenges in sustaining export growth amid global economic pressures
6. Analysts suggest that policy support, improved production efficiency, and enhanced access to international markets are essential for stabilizing textile exports and maintaining Pakistan's position as a leading textile exporter.

C. KC Recommendations

Owing to the above, if your entity is directly or indirectly connected, the entity Budget may be affected, hence, may consider revising the same.

D. Further Details & Services

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PTCL: 92-21-34329108 **Mobile:** 0334 322 3161 **Website:** kasbati.co **Facebook:** <https://www.facebook.com/taxexcellence/>

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From: Asif Siddiq Kasbati <asif.s.kasbati@professional-excellence.com>

Date: Sat, Jan 11, 2025 at 11:15 AM

Subject: EIQC372= Increased Textile exports by 5.7% YoY during Dec'24 & KCV

A. Background

*This refers to the related Important QCs **in trail, blue, italic and after double line**(a) EIQC 311 of 12.2.24 about US Market for Pakistan Textile Apparels & Other Sectors, Recommendation & KCV (b) TLQC 2252 of 4.3.23 about FBR-Textile Sector Minutes & Suggestion for Other Sectors*

2. We also refer to EIQC's including (a) EIQC 198 of 21.4.23 about FMCG, Textile, Pharma, Power, etc Sector Guidelines by ICAP (b) EIQC 171 of 17.2.23 about Textile Waste & Used Clothing Recycling (c) EIQC 139 of 10.11.22 about Sustainable Business Practices in Textile Sector

B. Updated Commentary

Further to KQU 3181 dated 8.1.25, **being an important matter**, we would inform you about Textile exports increased by 5.7% YoY during Dec'24 (Attachment 372.1).

The Attachment 372.1 contains Bar Chart from July 2023 to December 2024 in billion USD inter alia showing Increase and Decrease in each month.

C. Kasbati & Co Views

As this Textile is one of the major sectors, hence, may be considered an indication of one Economic indicator. Its export increase inspite of Tax, Gas & Electric issues is a good sign. The Growth would have been in Double Digits, if there were no issues about Gas & Electric issues and its growing prices .

D. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, please feel free to email Mr Amsal at amsal@kasbati.com with CC to info.kasbati@professional-excellence.com.

Best regards for Here & Hereafter
Asif S Kasbati (FCA, FCMA & LLB)

From: **Asif Siddiq Kasbati** <asif.s.kasbati@professional-excellence.com>

Date: Mon, Feb 12, 2024 at 11:55 AM

Subject: EIQC311= US Market for Pakistan Textile Apparels & Other Sectors, Recommendation & KCV

A. General

Further to KQU 2649 of 3.2.24, **being an Important matter**, we would inform you about The US Market for Imported Apparel & Pakistan (Attachment 311.1) prepared by the Pakistan Business Council (PBC). **KCV: Other Sectors may refer to para J read with para I, at the end.**

2. Though Pakistan is included in the list of the top 10 global textile exporters, its share in world textile and clothing exports in 2022 was only 2.2%.

3. The global apparel market comprises every kind of clothing, from sportswear to business attire, from value clothing to statement luxury pieces.

4. For the purpose of this Study, the apparel market is defined as comprising tariff lines under **HS-61: Articles of apparel and clothing accessories, knitted or crocheted**, and **HS-62: Articles of apparel and clothing accessories, not knitted or crocheted**.

5. Graph World Import for HS code 61 & 62 from 2018 to 2022 actuals and 2023 to 2026 actuals (Attachment 311.2).

6. Revenue was forecast to increase in 2023, to more than \$ 1.7 trillion USD increasing further to \$ 1.95 trillion USD in 2026. In 2022, China led the rankings for global apparel exporters. The US was second only to the EU in the value of apparel imports.

B. The US Apparel Import Trends

Imported apparel accounts for a significant portion of the US market reflecting the nation's reliance on global supply chains. Countries like China, Vietnam, and Bangladesh have traditionally been major contributors to US apparel imports.

2. As mentioned previously, apparel in this report will cover tariff lines under **HS Code 61** – Articles of apparel and clothing accessories, knitted or crocheted and **HS Code 62** – Articles of apparel and clothing accessories, not knitted or crocheted.
3. By 2026 the value of US imports of apparel is forecast to grow from \$ 105.0 billion USD in 2022 to \$ 117.52 billion USD.
4. linear graph US Apparel Import Trend (Attachment 311.2).

C. Major US Apparel Import Partners

The major import partners for the US for apparel are China, Vietnam, Bangladesh, and India. These countries are regional and direct competitors for Pakistan in exports of apparel including to the US. China, Vietnam, and Bangladesh have traditionally been major contributors to US apparel imports, not only do these countries export more than Pakistan to the US, their price per unit for each product is higher than what Pakistan's exports fetch.

2. In 2022, China exported apparel worth \$ 23.65 billion USD, Vietnam \$ 18.87 billion USD, Bangladesh \$ 9.83 billion USD, India \$ 6.0 billion USD and Pakistan \$ 2.98 billion USD to the US. The forecasted growth in apparel imports into the US shows that as China and Vietnam's exports slow, Bangladesh, India, and Pakistan's exports in apparel categories to the US will grow. At the current trends in exports, it is forecast that in 2026 Pakistan's apparel exports to the US will be worth \$ 4.50 billion USD.

D. The US imports of apparel from Pakistan

Pakistan ranks as the 10th largest import partner for HS Code 61 and the 9th largest import partner for HS Code 62 for the US. Although it is in the top 10 rankings for both HS-61 & HS-62, current exports are well below potential.

2. This Study provides a comparison between the top products of HS Code 61 and HS Code 62 imported by the US from its trading partners including Pakistan. The study relies primarily on secondary data supplemented with interviews with Pakistani apparel exporters to the US. The study aims to show how Pakistan is competing with other countries supplying the US with apparel.

3. The recent trend in apparel is shifting to blended clothing (Synthetic fibers). China and Vietnam are top trading partners for the US for those products, each holding a large market share. Pakistan can also potentially increase its share in US market if Pakistan diversifies its product mix and focuses on products that are in high demand and have been projected to have high growth rates in the coming years.

E. Key findings of the Study:

In 2022, the US's total imports for HS Code 61 (Articles of apparel and clothing accessories, knitted or crocheted) and HS Code 62 (Articles of apparel and clothing accessories, not knitted or crocheted) amounted to \$105.4 billion USD. The top exporting partners for apparel for US in 2022 were China, Vietnam, Bangladesh, and India.

US Imports of Apparel by Percentage Share:

1. China: 22.6%
2. Vietnam: 18.0%
3. India: 5.7%
4. Bangladesh: 9.3%
5. Pakistan: 2.9%

F. Pakistan's Per Unit Price Advantage – but not translating into increasing market share:

From a per unit price perspective, Pakistan's per unit price has been consistently lower for almost all products in both HS Code 61 and HS Code 62. In both HS-61 and HS-62, India, China and Bangladesh perform consistently better than Pakistan on a per unit price comparison. For HS-61, Vietnam dominates, while for HS-62 Bangladesh consistently remains in the top 3 exporters for nearly all significant tariff lines. India, which like Bangladesh is a regional competitor for Pakistan, in both HS-61 and HS-62, performs better than Pakistan even though Pakistan's per unit price is lower than both India's and Bangladesh's.

As expected, China is in the top 3 exporters for major lines in both HS-61 and HS-62 with a higher per unit price as compared to Pakistan.

G. Increasing Use of Alternate Fiber in Apparel

The synthetic fiber which is currently most used for manufacturing apparel is polyester. Its demand overtook that of cotton in 2002, and since then, it has increased much more rapidly than any other type of fiber. Of the top 20 apparel products imported by the US under HS Code 61, 50.0% of the products were made of synthetic fiber valued at \$ 17.7 billion USD while at least 25.0% of the tariff lines imported under HS Code 62 were made out of synthetic fiber valued at \$ 12.6 billion USD in 2022.

2. An analysis of tariff lines of HS-61 & HS-62 with annual imports into the US of \$ 50.0 million USD and more, shows that imports of apparel made from synthetic fiber were valued at \$ 23.7 billion USD in 2022 whereas for HS Code 62 the corresponding number was \$ 17.5 billion USD. The total imports of the US under HS-61 & HS-62 was \$ 105.0 billion USD. In 2022, the US's total imports of apparel from Pakistan were worth just \$ 2.9 billion USD.

3. For imports from Pakistan, a total of 10 apparel tariff lines had values of more than \$ 50.0 million USD. Out of these, 7 were in HS-61 with total imports of \$ 1.4 billion USD while there were 3 tariff lines in HS-62 which had imports greater than \$ 50.0 million USD with total imports of \$ 1.0 billion USD.

4. For apparel using MMF, there is only one tariff line from Pakistan with imports greater than \$50.0 million USD; 611596 – (Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied soles, of synthetic fibres, knitted or crocheted (excl. graduated compression hosiery, pantyhose and tights, women's full-length or knee-length stockings, measuring per single yarn < 67 decitex, and hosiery for babies) with imports of \$ 93.8 million USD in 2022.

5. There are no tariff lines in HS-62 made from synthetic fibre with annual imports of more than USD \$ 50.0 million to the US from Pakistan.

6. There is thus a disconnect between what the US imports and what Pakistan has to offer in both HS-61 & HS-62, especially when it comes to apparel using synthetic fibers. China and Vietnam are major players for products under HS Code 61 while under HS Code 62, China, Vietnam, and Bangladesh are the top importing partners for the US.

H. Global Trend is Shifting in Apparel

Global demand trends show that man-made fiber apparel has been gaining popularity. The reasons for this include an increase in athleisure, durability, price, and the perception that these are better for the environment. Synthetic textiles are now softer, hang better, and even have a superior ability to absorb moisture as compared to cotton. They also fulfil international safety and protection standards. This trend is clearly visible in imports of apparel by the US and other major markets for Pakistan.

26. Pakistan, thus, cannot ignore the potential that the global markets and especially the US market offers for import of apparel (HS-61 & HS-62) made using synthetic fibers.

I. Recommendations

1. Need to develop a consensus among various stakeholders

A consensus needs to be developed between the various industry players; i.e., the apparel manufacturers and the local industry involved in the production of synthetic/polyester fiber. For synthetic/polyester apparel exports to increase, the local apparel industry must have access to raw material at comparable prices to their international competitors. At the same time a considerable amount of investment has been made by the polyester industry in plants which will need to be safeguarded.

2. Correct Customs classification of raw materials

Most of the new synthetic yarns/fabrics developed in the past 10 to 15 years are not classified separately by the Pakistan Customs. In the absence of an updated classification, these new materials are subjected to tariffs which have been imposed to protect domestic industry which does not exist for most of these materials. It is therefore important that proper HS-codes be allotted to these products.

3. Facilitate Pakistan becoming an apparel manufacturing hub

The government needs to have in place a policy which encourages manufacturers to import for export duty free all raw materials including yarn, fabric, accessories, packing material used in the manufacture of apparel.

4. Promote JVs in the apparel sector

JVs in the apparel sector need to be promoted, in addition to ease of issuance of work visa for technical and managerial staff, tax holidays for the units and zero or very low-income tax rates for expatriate staff need to be offered. In addition, there should be on restrictions on repatriation of profits or salaries of expat staff.

5. Upskilling of Manpower

A comprehensive plan needs to be implemented for upskilling manpower. Though some processes are common, others need to be learnt.

6. Industry Standards Need to be Mandated

Industry standards need to be mandated to ensure that locally produced MMF apparel meets international standards, not just of the fabric but also the apparel.

7. Incentivize apparel made from Synthetic fiber/MMF

Government incentives for the apparel sector need to be focused on apparel made from synthetic or man-made fiber.

8. Special Economic Zones for Apparel

SEZ for apparel are needed to promote the sector, clustering will help the sector grow at a faster rate. However, the size of the plots in the SEZ need to reflect the demands of the sector.

9. In-dept Global Market Research

Better information is needed by the apparel sector regarding trends in the global synthetic apparel sector. Government & industry need to work to identify the key markets and the marketing strategies for each.

10. Trade delegations to promote exports

Industry needs to have greater exposure through visits to the key markets and through industry specific exhibitions in the key markets.

11. Promote sustainability & eco-friendly practices:

Industry will need to embrace sustainability and eco-friendly practices including carbon footprint.

J. Kasbati & Co Views

Although the Recommendations as per Para I.1 to I.11 above are apparently for Textile Apparels, however, may be used by Other Sectors too, by adapting the same for Other Sectors and taking up the matters by their relevant Association.

K. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, please feel free to email Mr Amsal at amsal@786tax.com with CC to info.kasbati@professional-excellence.com.

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