

RASG IMPACT

November, 2025

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RIAZ AHMAD, SAQIB, GOHAR & CO.
CHARTERED ACCOUNTANTS

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TECHNICAL UPDATES

FEDERAL INCOME TAX LAWS

Expansion of asset declaration framework from civil to public servants - SRO 2263(I)/2025

The Federal Board of Revenue, through its S.R.O.2263(I)/2025 dated November 27, 2025, has confirmed amendments to the Sharing of Declaration of Assets of Civil Servants Rules, 2023, that were earlier proposed via S.R.O. 1912(I)/2025 dated October 7, 2025.

Through the above amendment, the scope of assets declaration has been broadened to include declaration by "public servants" and not just "civil servants". Thus imposing the requirement for asset declaration by officers and employees of autonomous bodies, corporations and government-owned companies in grade 17 and above.

Amendments to sub-rule (2DD) of rule 73 of the income tax rules, 2002 - SRO 2107(I)/2025

The Federal Board of Revenue, through S.R.O. 2107(I)/2025 dated November 10, 2025, has confirmed amendments to sub-rule (2DD) of rule 73 of the Income Tax Rules, 2002, which were earlier published vide Notification No. S.R.O. 2070(I)/2025 dated November 3, 2025.

In the aforesaid Rules, for sub-rule (2DD) of rule 73, the following has been substituted:

"(2DD) In the case of an individual, electronic filing of income tax return and withholding statement shall be mandatory."

Previously, this requirement applied only to individuals declaring taxable income of one million rupees or more, or having turnover/receipts exceeding fifty million rupees. Now every individual is required to file his/her returns electronically.

Remuneration of the alternate dispute resolution committee members under section 134a of the income tax ordinance, 2001 - SRO 2076(I)/2025

The Federal Board of Revenue, through its S.R.O.2076(I)/2025 dated November 06, 2025, has confirmed amendments to the remuneration of the Alternate Dispute Resolution Committee members under section 134A of the Income Tax Ordinance, 2001, that were earlier proposed via SRO 765(I)/2025 dated May 8, 2025.

SALES TAX LAWS

Establishment of check posts – SRO 2185(I)/2025

The Federal Board of Revenue, through S.R.O. 2185(I)/2025 dated November 20, 2025 has established new check posts under rule 69F of the Sales Tax Rules, 2006, on routes originating from tax-exempt areas for enforcement under section 40D of the Sales Tax Act, 1990. The notified check posts are as follows:

- Kohala Bridge Check Post – located at Kohala Bridge on the route from Muzaffarabad (AJK) towards Murree and Abbottabad.
- Nakoder Check Post – located at Nakoder (Dina) on the Mangla–Mirpur (AJK) route towards Jhelum Road

Amendments in the sales tax rules, 2006 – SRO 2071(I)/2025

The Federal Board of Revenue, through S.R.O. 2071(I)/2025 dated November 03, 2025, has introduced an amendment to rule 150Q of the Sales Tax Rules, 2006.

A new sub-rule (3) has been added, requiring that retailers whose deductible withholding tax under sections 236G or 236H of the Income Tax Ordinance, 2001, in the immediately preceding period exceeds Rs. 100,000 or Rs. 500,000 (as applicable) shall be mandatorily required to integrate their business for purposes of clause (g) of section 2(43A) of the Sales Tax Act, 1990.

CORPORATE LAWS

Amendments to the seventh schedule of the companies act, 2017 – SRO 2121(I)/2025

The Securities and Exchange Commission of Pakistan, through S.R.O. 2121(I)/2025 dated November 10, 2025, has introduced amendments to the Seventh Schedule of the Companies Act, 2017. The amendments mainly revise fee structures relating to:

- Increase in share capital
- Inspection of documents
- Sharing of company information through FI Portal/API

Disclosure requirements for pension fund managers – CIRCULAR 32 OF 2025

The Securities and Exchange Commission of Pakistan through its circular No. SECP/PD/Circular/2025 dated November 28, 2025 has directed the Pension Fund Managers (PFMs) to maintain a website and disclose the following on the said website:

- Latest financial statements, constitutive documents, notices.
- Product info (daily NAV, FMR), expense ratio, management fees.
- Complaint mechanism, investor education, SECP complaints link.
- Monthly Fund Manager Report shall be uploaded on the website and submitted to the SECP as well.
- Constitutive Documents shall be uploaded approved and updated documents, including amendments.

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- Daily NAV (Net Asset Value) to be published by 18:30 on website and forwarded to MUFAP.

Amendments in the sales tax rules, 2006 – SRO 2071(I)/2025

SECP has issued S.R.O. 2120(I)/2025 introducing significant amendments to the NBFC & Notified Entities Regulations, 2008. The reforms expand regulatory coverage of new digital financing models, strengthen governance standards, and overhaul exposure and capital frameworks. The amendments formally recognise Buy Now Pay Later (BNPL) arrangements, nano-loans, and credit-guarantee institutions, while introducing new concepts such as callable and contingent capital to improve the capital resilience of NBFCs. Investment Finance Services NBFCs may now undertake leasing, housing finance and discounting without obtaining separate licences.

Exposure limits for single borrowers and groups have been tightened, with clearer caps on fund-based exposure and specialised limits for credit-guarantee institutions. Lending controls have also been strengthened. NBFCs may not finance any borrower with an unsettled default or write-off in the past three years, and digital lenders must collect borrower information through a standardised digital fact sheet.

Governance requirements have been enhanced through mandatory separation of the chairman and CEO roles, mandatory female board representation, and minimum experience requirements for key directors and CEOs, particularly for digital lending NBFCs.

The P2P lending framework has been substantially expanded through higher equity thresholds, exposure caps for borrowers and lenders, establishment of a platform contingent fund, and stricter rules on auto-disbursal and lender onboarding.

Finally, the SECP has introduced a comprehensive IT, cybersecurity and data-protection regime for all digital lending and P2P platforms, requiring strong authentication, encryption, secure coding practices, and periodic independent IT audits, with restrictions on offshore data storage. These changes collectively aim to modernise the regulatory environment, strengthen consumer protection and ensure safer growth of Pakistan's digital credit ecosystem.

CHALLENGES / OPPORTUNITIES

ESG Risks for Small and Medium Enterprises: Why SME ESG Matters Now

Prof. Dr. Muhammad Ovais, Executive Director

Small and medium enterprises form the backbone of most economies, yet many still view environmental, social, and governance practices as a concern only for large corporations. This assumption is changing rapidly. The global shift toward responsible business is reshaping supply chains, finance, customer expectations, and regulatory environments. SMEs that delay ESG adoption now face material risks that can directly affect growth, financing, talent retention, and long-term competitiveness.

Why ESG Matters for SMEs Today

SMEs are increasingly integrated into regional and global value chains where ESG performance is no longer optional. Buyers, lenders, and regulators want transparency, ethical practices, and environmental responsibility. For many SMEs, the real disruption is not future regulation but immediate commercial pressure from clients demanding ESG data, compliance evidence, and improvement plans.

In short, ESG readiness has become a business survival factor. The risks of ignoring it are now more pronounced than ever.

Key ESG Risks Facing SMEs

1. Supply Chain Exclusion

Large corporations are under pressure to report emissions, labor practices, and ethical sourcing across their entire value chain. SMEs that cannot provide ESG disclosures risk being replaced by more compliant suppliers.

2. Limited Access to Finance

Banks and investors increasingly integrate ESG criteria in lending decisions. Weak sustainability practices or lack of ESG reporting can lead to higher financing costs or outright rejection of loan applications. Green financing opportunities become inaccessible.

3. Regulatory Non Compliance

Even when not directly regulated, SMEs operate in environments influenced by national and sectoral ESG policies. New requirements related to emissions, safety, labor conditions, and waste management can impose penalties, business interruptions, or forced corrective actions.

4. Talent Drain and Employer Brand Risk

Younger professionals prefer organizations that uphold fair treatment, safe workplaces, and social responsibility. SMEs that ignore social and governance practices risk higher turnover and difficulty attracting skilled employees.

5. Operational Disruptions

Climate related risks such as heat waves, heavy rainfall, energy shortages, and rising material costs can damage assets, halt production, and increase insurance premiums. SMEs with no environmental and resilience planning absorb these shocks directly.

6. Customer Reputation and Market Loss

Consumers and business partners are seeking responsible, transparent brands. An SME failing to demonstrate responsible practices risks reputational damage and erosion of market share.

7. Data, Cyber, and Governance Risks

Weak governance structures expose SMEs to fraud, non compliance, cybersecurity incidents, and leadership gaps. As governance expectations rise, SMEs without proper controls and reporting structures face increasing scrutiny.

Why the Shift is Urgent

ESG adoption is no longer driven by corporate goodwill. It is driven by:

- Global investors pushing for sustainability disclosures
- Governments aligning with international climate targets
- Supply chain requirements from multinational companies
- Customers demanding ethical and responsible products
- Employees valuing safe, inclusive, and fair workplaces

SMEs that act now can enhance their credibility, reduce business risks, and become preferred partners in the supply chain.

The Business Case for ESG in SMEs

The advantages of implementing ESG are significant:

- Improved efficiency and reduced waste lower operating costs.
- Better financing options through green loans and sustainability linked products.
- Stronger resilience against regulatory, climate, and operational risks.
- Enhanced brand trust that strengthens customer loyalty.
- Higher employee engagement driven by ethical and inclusive culture.

ESG can become a strategic advantage instead of a compliance burden.

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How SMEs Can Start Their ESG Journey

The foundation does not require major investments. SMEs can begin with straightforward steps:

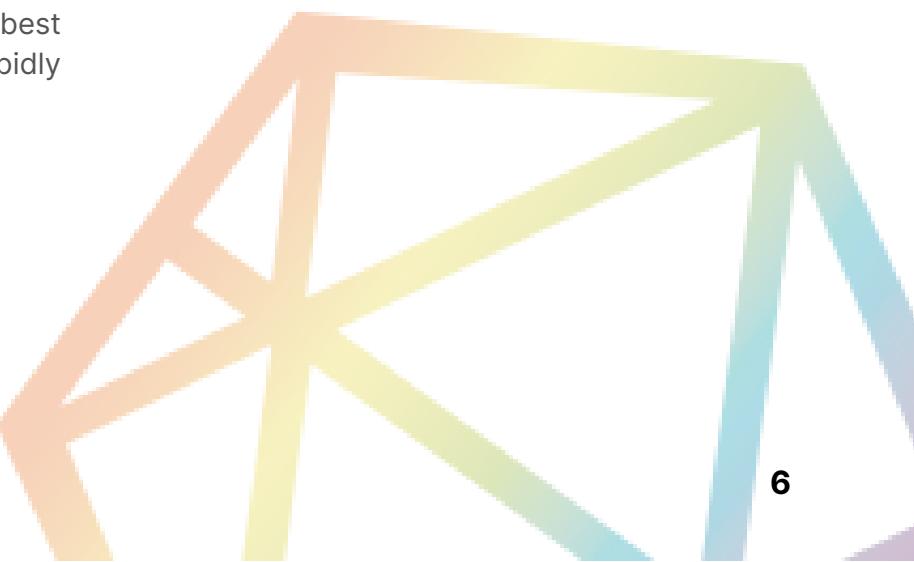
- Conduct a basic ESG risk assessment.
- Set environmental and social improvement priorities aligned with their business model.
- Track key indicators such as energy use, waste, employee safety, and governance controls.
- Develop simple ESG policies and communicate them to stakeholders.
- Report progress annually in a short ESG summary for clients and partners.

These early actions build maturity over time and help SMEs integrate into sustainable supply chains.

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Conclusion

ESG is reshaping business expectations in every sector, and SMEs can no longer afford to stay on the sidelines. Addressing ESG risks today strengthens long term competitiveness, opens new market opportunities, and protects enterprises from growing regulatory and commercial pressures. The organizations that invest early in sustainability and responsible governance will be the ones best positioned for growth in the rapidly changing economic landscape.



LIFE AT RASG

Elevating Professional Image – RASG Trainees Development Session

RASG successfully conducted a high-impact training session titled “Elevating Professional Image”, designed to strengthen the personal effectiveness and workplace presence of our trainees.



The session focused on professional etiquette, communication excellence, personal grooming, respect in workplace culture, emotional intelligence, and the mindset required to grow as future leaders in the profession.



Participants engaged in practical activities, real-world scenarios, and reflective learning to enhance how they present themselves in professional settings.

The goal was simple yet powerful—to help every trainee develop a confident, credible, and leadership-aligned professional image.



RASG remains committed to investing in its young professionals through continuous learning and development opportunities that build strong careers and stronger characters.



RASG IS HIRING

Secondment

Job Title: Audit Senior

Location: Muscat, Oman

Duration: 5 Months

Commencement Date: 01 December 2025

Assignment Overview

RASG invites applications for secondment opportunities in Oman for professionals aiming to elevate their careers through valuable regional exposure. This five-month international assignment will be hosted by a leading firm in Muscat, offering a strong platform to enhance audit experience and technical competence in a dynamic professional environment.

Key Requirements

- Graduation plus CA Finalist, ACA or ACCA
- Strong command of IFRS
- Ability to work in a structured audit environment
- Commitment to represent RASG with professionalism

Compensation and Benefits

- Market competitive stipend
- Daily meals: Included within the stipend
- Accommodation provided
- Professional development: Hands on international audit experience

- Travel support:
 - Transport between office, clients, and accommodation
 - Return air ticket

Why Apply

This assignment provides a valuable opportunity to gain global exposure, strengthen technical expertise, and work directly with experienced teams in Oman. It offers a practical pathway to accelerate professional growth and broaden your regional audit experience.

RASG Placement

Join a legacy of integrity, innovation, and impact.

NATIONAL TRAINEES' INDUCTION
WINTER 2025

Your journey to excellence begins here!

RASG Chartered Accountants is inviting passionate and ambitious CA Trainees to join its dynamic teams in:

Karachi | Lahore | Islamabad

The application window will open from November 10 to November 23, 2025.

Eligibility Criteria: CAF Qualified students (Batch 38 & above)

Key Contacts

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