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**ICAP**

**SECRETARY**

ASEB Circular No. 05/2025

June 04, 2025

**ALL PRACTICING MEMBERS OF THE INSTITUTE**

**Use of Technology/ E-Platform for Bank Confirmations for Audit Purposes**

Dear Member,

1. As part of our ongoing efforts to enhance the efficiency and effectiveness of audit practices in Pakistan, we are pleased to communicate that the Institute has taken steps towards use of Electronic Platform (E-Platform) for Bank Confirmation in Pakistan for obtaining bank confirmations, in line with the requirements set forth in the International Standard on Auditing 505 '*External Confirmations*' and ATR 18 '*Bank Reports for audit purposes*' issued by the Institute.
2. In the current practice, auditors are required to obtain direct confirmations from banks using manual circulation and receiving responses in hard copy form. This process, while comprehensive, has challenges including time delays, increased risk of miscommunication, and environmental considerations associated with paper usage.
3. To address these challenges, the Institute considers the use of an E-Platform designed to streamline the bank confirmation process that would be beneficial to the auditors in obtaining the bank confirmations. The use of an E-Platform would offer a more efficient, secure, and eco-friendly approach to obtaining bank confirmations.
4. The use of E-Platform will provide:
  - Automated workflows that reduce the turnaround time for confirmations.
  - Enhanced data protection measures ensuring the confidentiality and integrity of information exchanged between auditors and banks.
  - A user-friendly interface allowing auditors to track the status of confirmation requests in real time.
  - Reduction in paper usage contributes positively to environmental conservation.
5. In the past months, the Institute has engaged State Bank of Pakistan (SBP), Securities & Exchange Commission (SECP) and Pakistan Banking Association (PBA) for implementation of the use of E-Platform for bank confirmations for audit purposes. Both the SBP and PBA have endorsed such implementation and communicated their respective support in the implementation. The Institute has also conducted members awareness seminars on the electronic bank confirmations.

6. In order to migrate towards mandatory use of an E-platform for bank confirmation for audit purposes, the Institute intends to have a phased implementation with initial voluntary use by the audit firms on the audits of financial statements of public interest companies (PICs) for the year ending from December 31, 2025 and mandatory for the audits of financial statements of PICs for the year ending from December 31, 2026. For the audits of financial statements of other than PICs, it would be initially voluntarily for the year ending from December 31, 2026 and mandatory for the year ending from December 31, 2027. The Institute will issue a specific directive in this regard.
7. Based on the information available, the two major service providers for E-Platform for bank confirmations used by auditors in other jurisdictions are:
  - Thomson Reuters Confirmation, a USA based digital platform ([Confirmation.com](http://Confirmation.com))
  - AppAsia International SDN BHD, a Malaysia's listed IT company ([eConfirm.my](http://eConfirm.my))
8. The Institute has approached both the above service providers and based on discussions Thomson Reuters are not keen and not ready to place the relevant servers in Pakistan, however, the Confirmation.com services can be obtained online. AppAsia has shown their willingness to setup the E-Platform in Pakistan with data to be placed on servers in Pakistan.
9. **The practicing members/audit firms can however select any E-Platform for obtaining the bank confirmations for audit purposes. The Institute assumes no responsibility whatsoever in respect of the selection of the service provider and in any other manner with respect to obtaining of bank confirmations which would solely remain an engagement between the respective audit firm, client and responding bank.**
10. AppAsia has communicated to the Institute that for the audit firms registered with them for use of the E-Platform, they will be conducting pilot testing and providing trainings to audit firms and banks, which will be available from June 2025 onwards. Further, AppAsia will make arrangements to facilitate the audit firms in this transition.
11. The rates offered by Confirmation.com are in foreign currency that is, US \$30 per confirmation. AppAsia has offered the following bulk discount rates:
  - PICs and their subsidiaries – PKR 1,500/ confirmation;
  - Foreign companies – PKR 2,500/ confirmation; and
  - Other companies (SMCs/ Private companies) – PKR 1,000/ confirmation.



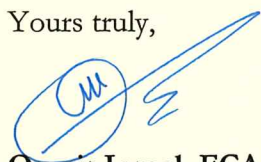
12. We strongly encourage all practicing members/ audit firms to evaluate their use of E-Platform for bank confirmations for audit purposes to follow the dates of implementation mentioned above and start communication with the respective service provider. Their contact details are as follows:
- i) **AppAsia Berhad**  
1-40-1, Menara Bangkok Bank, No. 105 Jalan Ampang, 50450 Kuala Lumpur, Malaysia  
Contact: +6011-1950 0000  
Weblinks: <https://www.appasia.com/> and <https://econfirm.my/>  
Email: [support@econfirm.my](mailto:support@econfirm.my)
  - ii) **Capital Confirmation, Inc.**  
2900 Ames Crossing Road, Suite 100 Eagan, MN 55121  
Contact: +1 866-325-7201 (North America), +1 615-844-6222 (Global)  
Weblinks: <https://www.confirmation.com/audit-confirmations/>  
<https://www.confirmation.com/contact>  
Email: [Confirmation.CS@thomsonreuters.com](mailto:Confirmation.CS@thomsonreuters.com)
13. The practicing members/ audit firms are advised to prepare for this shift by familiarizing themselves with the E-Platform functionalities, engage with the service provider for the rates and ensure that the arrangements for necessary training in this respect have been arranged for smooth transition. We are confident that this initiative will lead to significant improvements in the audit confirmation process and contribute to more robust and reliable financial reporting.

#### Request for Comments/ Feedback:

The Institute would like to seek members/ audit firm comments and feedback on the above. The comments can be shared to us through email at: [dtscomments@icap.org.pk](mailto:dtscomments@icap.org.pk), not later than by June 25, 2025.

For any queries, please contact Ms. Farheen Mirza, FCA, Technical Services ICAP at 021-99251629 or 021-111-000-422 (Ext. 351).

Yours truly,



**Omair Jamal, FCA**

Chief Operating Officer / Secretary