

ICAP HEAD OFFICE

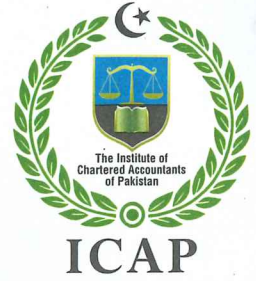
Chartered Accountants Avenue,
Block 8, Clifton, Karachi, 75600
Pakistan.

U: (+92 21) 111 000 422

F: (+92 21) 99251626

W: www.icap.org.pk

Reach Us Out:



ASEB Circular No. 07/ 2025

June 19, 2025

PRACTICING MEMBERS OF THE INSTITUTE

Dear Member

Extension in applicability date of ISQM standards for the firms performing only the audits of small and medium sized companies (SMCs)

Further to ICAP Circular No. 06/ 2022 (dated November 25, 2022) for the adoption and applicability of Quality Management Standards (ISQM standards) issued by the International Auditing and Assurance Standards Board, the Council in its 398th meeting (held on May 30-31, 2025) has decided to allow more time to smaller audit practices, keeping in view of the complexity of ISQM 1 and availability of firm's resources, with the aim to have effective implementation of ISQM standards in Pakistan.

For this purpose, the Council has decided to extend the applicability dates of ISQM standards for the firms that are not performing audits of public interest companies (PICs) and large-sized companies and only engaged in the audits of Small and Medium sized Companies (SMCs) as defined under the Third schedule of the Companies Act, 2017.

For the said firms, the ISQM standards shall now be mandatorily effective from **July 1, 2026. Earlier adoption is however encouraged.**

Members are advised to take note of above.

Yours truly

Farheen Mirza, FCA

Deputy Director Technical Services

& Secretary Auditing Standards & Ethics Board