

ICAP HEAD OFFICE

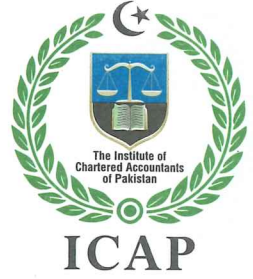
Chartered Accountants Avenue,
Block 8, Clifton, Karachi, 75600
Pakistan.

U: (+92 21) 111 000 422

F: (+92 21) 99251626

W: www.icap.org.pk

Reach Us Out:



ASEB Circular No. 16/2025

September 30, 2025

ALL PRACTICING MEMBERS

Dear Practicing Members

ATR 21, Maintenance of Register of Non-Assurance Services to Public Interest Companies

The Council of the Institute in its 401st meeting held on September 12-13, 2025, has approved the Auditing Technical Release (ATR) 21, Maintenance of Register of Non-Assurance Services to Public Interest Companies, on the recommendations of the Auditing Standards & Ethics Board.

In this regard, we are pleased to enclose the Auditing Technical Release 21, Maintenance of Register of Non-Assurance Services to Public Interest Companies.

Members are advised to take note of the above.

Yours truly

Muhammad Imran Khan
Director Technical

Encl: As above.

AUDITING TECHNICAL RELEASE (ATR) 21

MAINTENANCE OF REGISTER OF NON-ASSURANCE SERVICES TO PUBLIC INTEREST COMPANIES

1. Auditors' integrity and independence are crucial for public trust in financial reporting. In the current business environment, where audit firms offer various services, maintaining auditor independence, especially for Public Interest Companies (PICs), is essential. The Institute is dedicated to upholding the highest ethical and professional standards for its members.
2. The ICAP Code of Ethics, particularly Section 600 on "*Provision of Non-Assurance Services to an Audit Client*," sets out requirements and prohibitions to safeguard auditor's independence. Furthermore, the PSX Listing Regulations impose specific restrictions and requirements concerning the types of services that an auditor of a listed company may or may not provide.
3. The International Standard on Quality Management 1 (ISQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, requires firms to design and implement a System of Quality Management (SOQM). This includes processes for the acceptance and continuance of client relationships and specific engagements, including non-assurance engagements.
4. ISQM 1 requires audit firms to assign operational responsibility to the individual who shall be responsible to ensure compliance with all the matters related to independence.
5. Proper documentation is an essential element of the ISQM 1 quality objectives, and require firms to prepare documentation of their SOQM, including an understanding of the personnel roles and responsibilities and the performance of the firm's engagements of various nature and their alignment with the independence requirements as are contained in the ICAP Code of Ethics for Chartered Accountants.
6. Taking into consideration the above, the Council has decided to require auditors of PICs as defined in the Companies Act, 2017 to maintain a comprehensive Register of Non-Assurance Services (NAS) to PICs. The required format/ template is attached as **Appendix**. The Register of NAS will:
 - provide a comprehensive record of all NAS provided to PIC clients, necessary for effective independence monitoring.
 - ensure that all NAS rendered to PIC clients comply with the ICAP Code of Ethics, PSX Listing Regulations and the requirement of applicable corporate governance regulations.
 - confirm that each NAS has been approved by the appropriate authority within the client company, ensuring compliance with applicable corporate governance regulations.
 - record all necessary details about NAS, separately for each engagement, including the nature of the service, its scope, fees, rationale, and safeguards applied to mitigate threats to independence.
 - allow audit firms to transparently demonstrate their compliance with relevant laws and regulations to oversight bodies.
7. The Register of NAS will exclude services which are to be performed by the statutory auditor under any legal or regulatory provision.

8. The objective of this ATR is to:
- Emphasize the importance of adhering to independence requirements when providing NAS to PIC audit clients.
 - Require the establishment and maintenance of a formal Register of NAS as a key control within a firm's SoQM, as required under ISQM 1.
 - Highlight that the requirement to document a record of the firm's engagements including details of NAS provided to PIC audit clients is not a new obligation. These responsibilities already exist under current professional standards and are expected to be complied with by firms and professionals.
 - Provide a standardized approach for documenting and monitoring NAS provided to PICs so that information is documented in a more organized and structured way, enhancing transparency and demonstrating compliance to regulators and the public.
9. The ultimate responsible partner assigned by the firm for the firm's quality management system under the requirements of ISQM 1 shall hold the responsibility for the maintenance of the Register of NAS to PICs as required by this directive. This individual must ensure the register is maintained and updated at least annually or more frequently as new NAS are engaged, or existing services are modified.
10. All engagement partners involved in providing NAS to PICs clients to promptly inform the ultimate responsible partner of such engagements and provide all necessary details for inclusion in the Register.
11. The Register of NAS to PICs shall be implemented by audit firms as part of their SOQM documentation under ISQM 1.

Effective Date: ATR 21 (2025) is effective from **January 01, 2026**, and all NAS to PICs in progress shall be recorded in the Register along with the required information given in the **Appendix**.

NAME OF AUDIT FIRM
REGISTER OF NON-ASSURANCE SERVICES TO PUBLIC INTEREST COMPANIES (PICs)
(this excludes services which are to be performed by statutory auditor under any legal or regulatory provision)

List of PICs audited by the Audit Firm

S. No.	Name of PIC	Auditor of the Company since	Name of Audit Partner of the Engagement	Audit Partner on the Engagement since	Year end	Audit Fees for the year	Has Non-Assurance Services (NAS) provided to audit client	Nature of NAS	Relevant section reference of PSX regulations / ICAP Code of Ethics under which services are provided	Fees of NAS *				
						Rs.	(Yes/ No)			Tax	Advisory	Technology	Others	Total
										Amount in Rs.				
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														

* The purpose of maintaining the Register of NAS is to ensure auditor's independence. The amount of fee in the financial statements can be different depending on the period in which service is provided and the manner of recording by the company. Also in case, fixed amount of fee is not provided in the engagement letter, a best estimate would still be recorded in the Register.

Note:

- 1. The Register is updated at least annually and shall form part of the ISQM 1 annual documentation.
- 2. The maintenance of the Register is the responsibility of the person appointed by the firm as Ultimate Person Responsible as per ISQM 1.

REGISTER OF NON-AUDIT SERVICES TO PUBLIC INTEREST COMPANIES (this excludes services which are to be performed by statutory auditor under any legal or regulatory provision)

Company Name: XYZ Company Limited
Legal status: State as per PIC definition in the Third Schedule of the Companies Act, 2017
Audit Partner: Name of Audit Engagement Partner

S. No.	Details	Engagement Contract Reference (refer note 1)	Engagement Contract Reference (refer note 1)	Engagement Contract Reference (refer note 1)
1	Service description			
2	Specify the type of service as per ICAP Code of Ethics			
3	Specify that ICAP Code of Ethics, CCG Regulations of PICs, and PSX Listing Regulations do not restrict these services: - ICAP Code of Ethics clause(s) reference - CCG Regulation clause(s) reference - PSX Regulation clause(s) reference			
4	Engagement letter specifies the name and designation of person signing contract on behalf of the company and mentions that the Board of Directors has approved the contract on the recommendation of Audit Committee.			
5	Amount of Fee			
6	Safeguards applied in accordance with the ICAP Code of Ethics, where applicable			
7	Consultation detail if carried out			
8	Date and reference of approval by Audit Engagement Partner/ Group Audit Partner (as applicable)			
9	Additional Details (if considered relevant for the non-assurance engagement)			

Instructions for Use:

1

Please add information for each Engagement Contract in a separate column

2

The above information is to be maintained for each PIC audit client in a separate worksheet

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