Annual Report
2026

The Institute of Chartered Accountants of Pakistan
ICAP



Impacting the Future – Sustaining Trust

Anti-Money Laundering Supervisory Board

> The purpose of creating the Anti-Money Laundering (AML) Supervisory Board was to prepare the members to comply with their obligations to prevent, recognize and report money laundering and terrorist financing under the FATF Recommendations and the Anti-Money Laundering Act, 2010 (AMLA 2010).

Report of the AML Supervisory Board

I am pleased to present the Annual Report of the AML Supervisory Board for the year ended June 30, 2026. During the reporting period, the Institute continued to strengthen its role as the AML/CFT regulatory authority under the Anti-Money Laundering Act, 2010 (AMLA 2010) and AML/CFT Regulations issued by ICAP, with a strong focus on ensuring that member firms maintain the highest standards of AML/CFT compliance.

AML Risk Based Supervision and Monitoring Program

For the 2025 inspection cycle, a total of thirty-one (31) reporting firms comprised the supervisory population. In accordance with the approved ICAP Risk Based Approach, all reporting firms were assessed to be within Medium and Low risk categories. ICAP uses a risk-based approach to assess these firms based on inherent vulnerabilities and mitigating controls, including enterprise risk assessment, policies, customer due diligence, and internal controls. Based on this risk assessment, the AML Supervisory Board selected thirteen (13) reporting firms for inspection. The risk-based selection methodology ensured appropriate supervisory coverage of the reporting population while enabling the Board to effectively assess key AML/CFT risk areas through a combination of full-scope and thematic inspections.

The Institute conducted inspections of thirteen (13) reporting firms, comprising nine (09) full-scope inspections and four (04) thematic inspections. The full-scope inspections assessed firms' overall compliance with the ICAP AML/CFT Regulations.

AML/CFT Regulations Awareness and Research Initiatives

As part of its ongoing commitment to strengthening AML/CFT awareness and enhancing professional competence, ICAP conducted an AML Master Class which was designed to strengthen the knowledge and practical understanding of finance and business professionals, including ICAP members and reporting firms, regarding key AML/CFT obligations and emerging risk areas.

A guideline was developed and circulated to the SAFA AML Committee to enhance understanding of Countering Proliferation Financing (PF) risks and regulatory obligations and to provide practical guidance on implementing targeted financial sanctions, and strengthening client due diligence and reporting practices in line with FATF standards.

Appreciation and Way Forward

On behalf of the Board, I express my deep appreciation to the ICAP Council, management, and AML Department staff for their unwavering commitment and dedication. Their collaborative efforts have been central to strengthening AML/CFT supervision, enhancing member awareness, and ensuring adherence to regulatory requirements. We remain committed to upholding ICAP's role as a trusted AML/CFT regulatory authority and contributing to Pakistan's broader financial integrity framework.

Muhammad Samiullah Siddiqui, FCA
Chairman, AML Supervisory Board