



# Reports of the Boards

Presented by the respective Chairperson of the Boards to give members insight into the yearly performance

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An independent Accounting Standards Board has been established by the Council to strengthen financial reporting in Pakistan through reinforcing the legitimacy of the standard setting process, increasing public confidence with increased transparency and ensuring wider participation of stakeholders.

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## Report of the Accounting Standards Board

It is my pleasure to present the Report as Chair for the year 2024–2025. Since its establishment in 2017, the Accounting Standards Board (ASB/Board) has remained steadfast in advancing high-quality financial reporting in Pakistan through the adoption and implementation of International Financial Reporting Standards (IFRS) and, more recently, IFRS Sustainability Disclosure Standards.

The past year has been particularly significant, marked by progress on multiple projects, active engagement with stakeholders, and notable achievements in aligning Pakistan's financial reporting with global developments. With the issuance of IFRS S1 and S2 by the International Sustainability Standards Board (ISSB) and new IFRS standards such as IFRS 18 and IFRS 19, the Board has maintained a strong focus on ensuring their smooth adoption and implementation.

What follows is a summary of our progress, key initiatives, and international engagement during the year under review, as well as a glimpse into our future priorities.

### 2024-2025 at a Glance

#### IFRS Sustainability Disclosure Standards

The issuance of IFRS S1 and IFRS S2 in June 2023 has set the foundation for globally consistent sustainability reporting. Recognising their importance, ASB established a Multi-stakeholder Sustainability Working Group comprising representatives from SECP, SBP, industry, and practitioners.

Subsequently, following extensive due process and consultation, the Board recommended adoption of IFRS S1 and S2 to SECP after approval from ICAP Council.

SECP, through its order dated December 30, 2024, notified phased adoption, effective for annual reporting periods beginning on or after July 1, 2025.

To support stakeholders, ASB continues to issue guidance materials, disclosure checklists, and educational resources to facilitate ICAP members and industry in implementation of these standards.

Adoption of IFRS Sustainability Disclosure Standards prominently positions Pakistan within the global sustainability reporting ecosystem.

#### IFRS 18: Financial Statements: Presentation & Disclosure

Issued in April 2024, IFRS 18 introduces enhanced performance reporting and disclosure requirements. Following nationwide consultations in Karachi, Lahore, and Islamabad, ASB recommended adoption aligned with IASB's

effective date: January 1, 2027. The Council of ICAP approved this recommendation in August 2025 and standard is recommended to SECP for adoption.

### **IFRS 19: Subsidiaries without Public Accountability**

Issued in May 2024, IFRS 19 offers simplified disclosure requirements for eligible subsidiaries. Similar to IFRS 18, ASB engaged stakeholders through consultations and recommended adoption effective January 1, 2027. The Council of ICAP approved this recommendation in August 2025 and standard is recommended for adoption and notification to SECP.

### **IFRS for SMEs (Third Edition)**

In February 2025, IASB released the updated IFRS for SMEs Accounting Standard (third edition). ASB undertook consultations to assess implications for Pakistan and initiated awareness activities to support adoption of third edition of IFRS for SMEs Accounting Standard. Certain due-process steps are yet to be executed before this standard is recommended to SECP for adoption.

### **Progress on IFRS 17 Implementation**

The Board continued its support for the phased implementation of IFRS 17 Insurance Contracts. Despite initial adoption set for January 1, 2026, SECP extended applicability to January 1, 2027, recognising industry challenges.

ASB's Working Group, with representation from SECP, industry, actuaries, and practitioners, remains engaged in addressing regulatory, taxation, and takaful-related matters.

### **Alignment of Pakistan Reporting Framework with IFRS**

To eliminate deviations from IFRS Accounting Standards and strengthen comparability, ASB finalised a detailed report in prior years on exemptions/relaxations from IFRS Accounting Standards, submitted to SECP for consideration to remove these exemptions and relaxations. This is a crucial step towards harmonising Pakistan's framework with international standards. SECP is taking steps in consideration of our recommendations.  
Implementation Support and Guidance

The Board responded actively to stakeholder needs by issuing following clarifications, circulars, and technical guidance:

- Clarification on earlier Guidance on minimum and final taxes under IAS 12,
- Opinions on deferred tax on export business, and accounting for common control transactions and certain other technical accounting matters
- Clarification on IFRS 14 Regulatory Deferral Accounts.
- Guidelines on applying the IFRS 9 Expected Credit Loss (ECL) model to circular debt balances in the energy sector.
- Clarification on the accounting framework under the State-Owned Enterprises (Governance and Operations) Act, 2023.

Further, the Board also carried out consultations on withdrawal of exemption from IFRIC 12 Service Concession Arrangements.

The above actions ensured timely and practical responses to emerging accounting challenges.

### **Engagement on Sustainability Reporting**

To prepare stakeholders for sustainability disclosures as per requirements of IFRS Sustainability Disclosure Standards, ASB issued comprehensive support materials, including:

- Certain guides and disclosure checklists for IFRS S1 and S2.
- Access to e-learning modules issued by ISSB

Such efforts are critical as listed companies and public interest entities falling within Phase I of implementation of IFRS S1 & S2 (as per SECP order dated December 30, 2024) shall prepare their first sustainability reports for the period beginning on or after July 1, 2025.

## **National and International Engagement**

### **Comments on SECP & SBP on Consultations:**

ASB provided input on SECP's consultation papers on Section 42 companies, Islamic Financial Services Act, SBP's draft Green Taxonomy, and SECP's revised ESG guidelines.

### **International Collaboration:**

ASB actively contributed to international standard-setting forums through:

- Presentations at the "Belt and Road" National Accounting Standards Cooperation Forum (July 2024).
- Participation in AOSSG and ASAF meetings.
- Hosting of the 16th Annual AOSSG Meeting in Islamabad (November 2024), attended by IASB leadership and delegates from across Asia-Oceania.

This global engagement underscores Pakistan's growing voice in the international accounting community.

Thank you

I would like to sincerely thank my fellow Board members, Advisory Group members, Working Group participants, and the dedicated Technical Services staff for their invaluable contributions. I also extend my gratitude to stakeholders, regulators, industry representatives, and retired members of ASB for their engagement and trust.

The progress achieved this year demonstrates the collective commitment of all parties to elevate Pakistan's financial and sustainability reporting in line with international best practices.

**Mohammad Maqbool, FCA**

Chairman, Accounting Standards Board

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The Quality Assurance Board (QAB) leads audit quality management and implementation according to the International Standards on Auditing (ISA) which reflects the Institute's recognition that an active and strategic engagement of quality assurance is instrumental to the fulfillment of the Institute's mission.

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## Report of the Quality Assurance Board (QAB)

It is my privilege to present the Report of the Quality Assurance Board (QAB) for the year 2025.

The audit profession continues to operate in a landscape of rising stakeholder expectations, heightened global regulatory scrutiny, and rapid transformation. In such an environment, the pursuit of consistent audit quality is not only critical but also a collective responsibility across the profession. Our efforts throughout the year remained focused on continuous improvement, innovation, and the strengthening of quality controls to reinforce stakeholder confidence and safeguard the public interest.

### Adoption of the Revised QCR Framework 2024:

A key achievement this year was the adoption of the Revised QCR Framework 2024, as directed by the AOB. The framework introduced major enhancements, including the classification of Large-Sized Firms for annual reviews and the introduction of partner-wise ratings. To support effective implementation, QAB, through QAD, held awareness sessions to help firms adapt to these new requirements, underscoring the need for a highly skilled and capable QAD team to manage the increasing complexity of reviews.

### Strategic Alignment with the Audit Oversight Board:

Our collaboration with the AOB remained strong and constructive throughout the year, ensuring alignment with regulatory priorities and reinforcing our shared commitment to enhancing audit quality in the public interest. This close coordination continues to be essential as we navigate the complexities of the modern audit environment.

### Building Capacity, Strengthening Teams:

In recognition of evolving global standards, we prioritized capacity building for both the profession and QAD. Focused training programs on ISQM 1 and ISQM 2 enhanced alignment with international best practices and strengthened our team's technical capabilities. Encouragingly, we successfully retained QAD's core team despite high global demand for skilled auditors—ensuring stability, continuity, and a stronger foundation for consistently delivering high-quality reviews.

### Partnering for Growth, Not Just Oversight:

A highlight of our outreach initiatives was the QAD session in the SMP Audit Skills Enhancement Series, which drew strong participation from both professionals and students. This platform proved invaluable for deepening awareness of the QCR process, addressing common deficiencies, and fostering engagement with the next generation of auditors.

### From National Oversight to International Impact

Beyond our borders, QAB reached an important milestone by training a foreign regulator on audit quality control practices, a first of its kind for our institution. This achievement not only underscores the credibility and maturity of



Pakistan’s audit oversight framework but also highlights our growing role in fostering international collaboration and knowledge exchange. By contributing to the global dialogue on audit quality, QAB is helping to strengthen cross-border consistency in standards, elevate professional practices, and enhance confidence in the audit profession worldwide.

**QCR: Strengthening Assurance Through Rigorous Reviews**

The QCR program remained central to our mandate, evaluating firms’ compliance with ISAs, IFRS, and other regulatory requirements. Reviews covered both audit engagements and firms’ systems of quality control. In 2025, QAD completed reviews of 67 firms (2024: 65), with findings and ratings presented to the Board for conclusion. A summary of ratings is provided below:

Category of Ratings as Per QCR Framework	2025	2024
Satisfactory	45	38
Satisfactory, with Improvements Required	22	24
Unsatisfactory	0	3
Total	67	65

**Appreciation and Way Forward**

On behalf of the Board, I extend sincere appreciation to audit firms for their cooperation and commitment during the QCR process, and to the QAD team for their dedication and perseverance in this transformative year. Moving forward, QAB remains committed to strengthening audit quality, building professional capacity, and upholding the principles of independence, integrity, and excellence in service of the public interest.

**Kauser Safdar, FCA**  
Chairperson, Quality Assurance Board

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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 FATF Recommendations and Anti-Money Laundering Act, 2020.

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## Report of the AML Supervisory Board

I am pleased to present the Annual Report for the AML Supervisory Board for the period ended June 30, 2025. This period, the Institute has continued to strengthen its role as an AML/CFT regulatory authority under the Anti-Money Laundering Act, 2010 (AMLA 2010), with a strong emphasis on ensuring member firms maintain exemplary standards of AML/CFT compliance.

### Strengthening Regulatory Collaboration

In line with the evolving regulatory environment, ICAP has maintained strong and proactive engagement with the Securities and Exchange Commission of Pakistan (SECP) and the Financial Monitoring Unit (FMU). This collaboration has been instrumental in aligning ICAP's regulatory oversight with national AML/CFT priorities and in effectively addressing emerging compliance challenges. The continued exchange of insights and coordination with these key institutions has reinforced our supervisory framework and enhanced compliance culture within the profession.

### AML Supervision and Monitoring Program

Under the 2024 inspection cycle, the Institute carried out eight (08) comprehensive inspections and five (05) focused thematic inspections. These inspections evaluated firms' adherence to ICAP AML/CFT Regulations, with enforcement actions and directions issued to those found non-compliant. This targeted, risk-based approach reflects our commitment to robust supervision and the effective enforcement of AML/CFT obligations.

### AML/CFT Regulations Awareness and Research Initiatives

Recognizing the importance of building capacity within the profession, ICAP continued its extensive training and outreach efforts.

- Awareness and Training – ICAP, both independently and in collaboration with the South Asian Federation of Accountants (SAFA), conducted multiple comprehensive training programs and webinars. These sessions provided members with practical guidance on AML/CFT compliance requirements, regulatory developments, and global best practices.
- Research Initiative – A joint research project with SAFA, titled "Comparative Analysis of Global AML/CFT Legislations and Exploration of Best Practices in AML/CFT Compliance Regime", was successfully undertaken. This landmark report has offered valuable policy insights and practical recommendations to strengthen AML/CFT compliance frameworks across the region.

### Acknowledgements

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 to contributing to Pakistan's broader financial integrity framework.

**Muhammad Samiullah Siddiqui, FCA**  
Chairman, AML Supervisory Board

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Established in 2018, the Digital Assurance and Accounting Board (DAAB) was an initiative of the Council to serve public interest by imparting digital knowledge and skills, essential in economy. DAAB's aim is to prepare professionals for the dynamic changes in accounting, assurance and other businesses.

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## Report of the Digital Assurance and Accounting Board

### I. Signature Certification Training Programs

The Digital Board's training programs have achieved global recognition and widespread acclaim, attracting participants from diverse geographies. Known for their high-quality content and practical value, these programs equip professionals with the skills needed to excel in an arena where technology drives progress.

The training offerings consist of comprehensive training manuals and are supported by an interactive, state-of-the-art Learning Management System (LMS), enhancing both accessibility and engagement. Initially tailored for finance, accounting, and audit professionals, the programs have seen growing demand from non-finance participants, highlighting their broad applicability across industries.

This expanding appeal underscores the Board's commitment to delivering top-tier programs that adapt to evolving professional needs, enabling participants to thrive in a rapidly changing technological landscape.

#### a. Data Analytics Training Program

With over 1500 participants fully trained in the past 3 years, the program continues to gain momentum and establish itself as a benchmark in professional development.

To address the rapid pace of innovation and technological advancements, the training programs are continuously updated based on feedback from participants and market trends. This ensures the curriculum remains relevant and effective.

To meet the growing demand the Board is launching new batches every month. To support this expansion while ensuring uncompromised quality, a robust pool of trainers has been strengthened through the onboarding of new, carefully vetted vendors including Saylani Mass IT Training (SMIT), National University of Sciences and Technology (NUST), Bizware (Private) Limited and Transformatics.

#### b. Technology Assurance Certificate

The Digital Assurance & Accounting Board of ICAP has successfully trained over 238 professionals through its 44-hour online Technology Assurance Certificate Program. This comprehensive program equips participants with essential skills in cybersecurity, IT audit, risk management, and AI-powered automation.

To broaden the market of this program the board has taken an initiative to revamp the program as per the demand of market.

#### c. Mastering Intelligent Automation with Robotics and Artificial Intelligence



The Digital Assurance and Accounting Board of ICAP has launched Mastering Intelligent Automation with Robotics and Artificial Intelligence, a pioneering program tailored to equip finance professionals, C-suite executives (including CIOs), and other business leaders with cutting-edge automation skills. Designed to eliminate reliance on IT experts, the program empowers participants to automate repetitive tasks, enhance financial operations, and expand expertise across business functions like marketing, HR, and more.

Two successful cohorts have been launched to date, enrolling a total of 129 participants from diverse geographies. These professionals gained hands-on experience with industry-leading tools such as UiPath StudioX, Power Automate Desktop, and Automation Anywhere. Cohort 3 is now set to commence on July 21, 2025. This initiative underscores ICAP's commitment to advancing technological capabilities and professional growth in the finance sector.

II. Digital Technology Awards 2024

Building on the resounding success of its inaugural event, the Digital Assurance and Accounting Board proudly hosted the highly anticipated 2nd Digital Technology Awards on August 2, 2024. This prestigious event celebrated groundbreaking innovation and technological excellence across pivotal categories, including:

Drawing a distinguished gathering of business and finance leaders, along with visionary IT experts, the event served as a bridge between ICAP and the corporate world, solidifying ICAP's brand as a pioneer in fostering digital transformation.

The awards were widely acclaimed by industry leaders, reinforcing ICAP's commitment to positioning itself at the forefront of innovation and excellence in the market.

Viewers' Choice Awards

In an interactive segment on June 10 and 12, the Digital Board introduced the Viewers' Choice Awards, empowering audiences to recognize groundbreaking projects through public voting. This initiative garnered over 5,000 votes, showcasing remarkable engagement.

Award Laureates

Use of Technology in the Areas of Accounting					
S.No	Organizations	Form Number	Project	Ranked	Viewer's Choice Awards
Small & Medium Organizations					
1	Herbion Pakistan	23	Use of RPA, Sales, Builling	1st	JS Investments Limited
2	National Clearing Company of Pakistan Limited	5	Digital Clearing	2nd	
3	JS Investments Limited	20	Provident fund investment & pension scheme	3rd	

Use of Technology in the Areas of Accounting					
S.No	Organizations	Form Number	Project	Ranked	Viewer's Choice Awards
Large Organizations					
1	Pak-Arab Refinery Limited	17	Parco Hana	1st	Pak-Arab Refinery Limited
2	Bank Alfalah Limited	18	Alfa Business APP with Trade and Distribution Merchant's		
3	PPL	8	Power Automate, UI path, Trade Finance Automation	2nd	
4	Faysal Bank Limited	3	WhatsApp Banking and Payments	3rd	
Use of Technology in the Areas of Internal Audit					
1	Easypaisa Bank Limited	3	DARE Audit APP	1st	Habib Bank Limited
Best Dashboard Prepared					
Large Organizations					
1	Meezan Bank Limited	2	The Deposits, Financings, Payments and Monitoring (DFPM) to give an Contextual overview of Bank deposit's and performance	1st	Feroze 1888 Mills Limited
2	Faysal Bank Limited	1	Internal Dashboard for Deposits to judge performance of Deposits	2nd	
3	Habib Bank Limited	27	Self Auditing Tool	3rd	
4	Lucky Core Industries Limited	22	Running Margin Dashboard		
Small & Medium Organizations					
1	House Building Finance Company	16		1st	

### III. Corporate Connect

To showcase ICAP's IT initiatives and reinforce the CA brand, Council Member Mr. Farrukh Rehman and Ms. Khursheed Kotwal, Secretary, Mr. Omair Jamal, and the ICAP team visited the President, C-suite Executives of Parco, PPL, SSGC, K-Electric, JS Bank Ltd, Bank Alfalah, HBFC and Herbion.

These engagements highlighted ICAP's innovative initiatives and the critical role of Chartered Accountants in shaping the future. Industry leaders commended ICAP's commitment to innovation, further solidifying its position as a leader in driving technological transformation.

## IV. Industry Engagement and Future

### Initiatives – A Series of Webinar

The Digital Board has initiated strategic discussions with industry leaders to explore future collaborations. In response to the demands by professionals, ICAP is planning to develop curated programs, webinars and seminars.

## V. Strengthening IT Environments:

### ICAP's Initiative for a Tailored IT Framework

As Pakistani companies are embracing ERP systems, cloud computing, and emerging technologies, digital transformation brings challenges like cybersecurity threats, technological risks, and weak IT controls, jeopardizing data security and financial reporting.

To address these issues, ICAP has proposed a specialized IT Framework for corporate. Based on local directives and global best practices, it provides guidelines for IT governance, cybersecurity, and controls tailored to Pakistan's needs.

This initiative aims to empower organizations to enhance IT resilience, mitigate risks, and ensure compliance. The Project Charter marks a step toward strategic collaboration, reaffirming ICAP's commitment to localized, innovative solutions.

## VI. Celebrating Excellence:

### TAC Huddle Meet-Up

On November 8, 2024, the Digital Board hosted the Technology Assurance Huddle Meet-Up, celebrating milestones, knowledge sharing and building a strong community bond. This vibrant gathering brought together participants, mentors, industry leaders, and tech gurus. Participants were also awarded certifications, symbolizing their expertise and commitment to technology assurance.

## VII. Tech Talk on Finance Reimagined with Artificial Intelligence & Robotic Process Automation

Revolutionizing the financial landscape, the Digital Board in collaboration with the UAE Chapter, hosted an exclusive Tech Talk titled "Finance Reimagined with Artificial Intelligence & Robotic Process Automation" on January 18, 2025, at Khalidiya Palace Rayhaan, Abu Dhabi, UAE.

The event offered an engaging evening of groundbreaking insights and professional networking, highlighting the transformative role of Artificial Intelligence (AI) and Robotic Process Automation (RPA) in reshaping modern financial systems.

The program included real-time demonstrations of AI and RPA applications in finance, followed by hands-on Zoom training sessions on bot-building and workflow automation.

These interactive elements equipped participants with practical skills and a forward-thinking mindset to navigate the evolving digital finance ecosystem.

## VIII. AI Series for Business Excellence

In April 2025, The Voice of CA Pakistan, in collaboration with ICAP's Digital Assurance & Accounting Board, launched an exclusive AI Series for Business Excellence. This thought-leadership initiative brought together top AI experts and industry leaders to explore the transformative impact of Artificial Intelligence across business, finance, and the broader economy.

Each episode provided in-depth insights into how AI is reshaping organizational strategies and operations. Topics ranged from workforce upskilling in the age of automation to the rise of AI-powered entrepreneurship. The series also addressed the importance of ethical AI governance, digital transformation, and innovation. By highlighting global

developments and best practices, the series positioned ICAP at the forefront of promoting AI literacy and strategic adoption in the professional community.

### **IX. Data Analytics Tips and Tricks – Ramadan Series**

In March 2025, during Ramadan, the Digital Assurance & Accounting Board of ICAP introduced a focused Data Analytics series aimed at enhancing members' technical proficiency in Excel and Power BI. This series, scheduled twice weekly throughout the month, was designed to support professionals in making data-driven decisions with greater accuracy and efficiency.

The sessions covered a wide range of practical applications, such as using conditional formatting for trend analysis, mastering Excel Tables for streamlined data management, and applying advanced functions like INDIRECT and OFFSET for dynamic reporting.

Participants also learned to automate year-to-date sales tracking and enhance Power BI dashboards using interactive bookmarks. The sessions remain available for on-demand access via ICAP's social media platforms and YouTube channel, allowing members to revisit and reinforce their learning at their convenience.

### **X. Data Analytics Huddle**

Data Analytics Huddle – Power of Progress:

The Digital Assurance and Accounting Board of ICAP hosted the Data Analytics Huddle – Power of Progress on May 16, 2025—a vibrant gathering of alumni, participants, trainers, and industry professionals. The event marked a key milestone in ICAP's commitment to digital excellence and capacity building.

It celebrated the achievements of those who completed the Data Analytics Training Program and recognized top performers for their skill and dedication.

More than just a ceremony, the Huddle facilitated peer learning, open dialogue, and community building among professionals passionate about evaluating updates in the field of data.

A standout moment was the Power BI activity, where participants worked on a structured business case, turning raw datasets into insightful dashboards and persuasive video pitches. This hands-on session showcased their ability to convert complex data into actionable insights—a critical skill in today's data-driven world.

The Huddle reflected the spirit of progress, practical learning, and innovation, reaffirming the Board's vision to empower professionals with tools that drive decisions, strategy, and transformation.

#### **Khursheed Kotwal, FCA**

Chairperson, Digital Assurance & Accounting Board

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An independent Auditing Standards and Ethics Board has been established by the Council to strengthen auditing, assurance, and ethics standards in Pakistan through reinforcing the legitimacy of the standard setting process, increasing public confidence with increased transparency and ensuring wider participation of stakeholders.

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## Report of the Auditing Standards & Ethics Board

I am pleased to share the first report of the Auditing Standards & Ethics Board (ASEB/ Board), providing an overview of the ASEB projects undertaken and a summary of key milestones achieved during the period of four months from March to June 2025.

The Council has established the Board on February 27, 2025 with the aim to reinforce the legitimacy of the setting high-quality auditing, assurance, and ethics standards and guidance, to increase public confidence with increased transparency and wider participation of stakeholders on matters of audit of financial statements. The board aims to improve audit quality, promote ethical conduct, and strengthen public confidence in the auditing profession in Pakistan.

ASEB comprises of all the key stakeholders, and includes the Securities Exchange Commission of Pakistan, State Bank of Pakistan, Pakistan Stock Exchange, Auditor General of Pakistan, ICAP Quality Assurance Board and members of ICAP from Practice and Industry.

Since its formation, the Board has actively undertaken a range of significant projects and initiatives to advance its strategic objectives.

The Board has published its Due Process and Procedures Handbook, outlining its composition, guiding principles, and operational framework. To ensure effective functioning, five working groups were formed focusing on Audit Quality, Independence, Sustainability Assurance & Ethics Standards, Technical Enquiries, and Capacity Building.

During the period, the Board issued a series of communication to members on reinforcing effective implementation of ISQM standards, including issuance of list of ISQM 1 service providers, extension of ISQM 1 applicability dates for firms auditing small and medium companies, etc.

The Board also issued revised ATR 17 and ATR 18, initiated the adoption process for Sustainability Assurance & Ethics Standards (ISSA 5000 and IESSA), developed the template of Register of Non-Audit Services to strengthen independence requirement of auditors of Public interest companies (PICs) and facilitated member's access to IFAC's e-International Standards platform.

The board has organized two landmark sessions with Audit Committees of Listed Companies on 'Bridging the Gap: Aligning Auditors, Regulators, and Audit Committees' in Karachi and Lahore on May 21, 2025 and June 26, 2025 respectively. The event was well-received and well-attended by auditors, audit committee members/ chairs, audit engagement partners, and regulators bodies.

Beyond working group initiatives, ASEB has completed several significant projects, including submission of ICAP's comments to SECP on AOB letters on matters relating to auditor's independence and auditor's Reporting Obligations on Legal and Regulatory requirements.

The Board also progressed work on developing database of PICs including their auditors and audit fees, database of firms leadership positions (Audit Quality Leader, Independence Leader, Learning & Development Leader) for targeted communications, and also launched a new ASEB webpage for members information.

Collectively, these initiatives reflect ASEB's ongoing commitment to enhancing audit quality, independence, sustainability assurance, and regulatory alignment in Pakistan. A more complete summary of how we have achieved each of our high-level priorities designed to address the Board's strategy & outcomes is contained separately in this report.

As an emerging Board the ASEB has an ambitious strategic agenda with many future projects outlined. Some of the key projects initiated are – adoption, trainings and implementation of Sustainability Assurance & Ethics Standards, aims to issue guidelines and carry out capacity building sessions on ISQM 1, developing guidance on numerous matters including RCA framework, format of valuation report and legal confirmation.

The board looks forward to work in the public interest and will continue to engage actively with all our stakeholders on matters of audit of financial statements. The Board's efforts would also be aimed towards enhancing the international foot print by making substantial contribution on the international forums.

I would like to thank my fellow Board members, Working Groups members, and Technical Services staff for their efforts in helping the Board achieve its objectives. Our achievements would not be possible without the insights and engagement with our stakeholders and on behalf of the Board, I wish to place on record appreciation for their effective contribution and trust.

**Farrukh Rehman, FCA**

Chairman, Auditing Standards & Ethics Board (ASEB)