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**CA**  
**PAKISTAN**

ICAP/QAD/000029/121331/Circular-01-2025

March 19, 2025

**ALL QCR RATED FIRMS**

**Compliance with Timelines for Arrangement of QCR Review Visit**

Dear Sir/Madam,

We refer to Clause 6.3 of the Quality Control Review (QCR) Framework 2024, which outlines the mandatory timeline for arranging a QCR review visit to ensure the continuity of a firm's Satisfactory QCR Rating.

Clause 6.3 of the QCR Framework 2024 states:

*"A Firm shall arrange a review visit to begin at least three (3) months before the expiry of its last QCR rating so that fresh QCR rating could be assigned on a timely basis. Additional time not exceeding one month for arrangement of QCR may be granted by the Head of QAD, after consideration of justifiable reasons submitted by the Firm in writing. Such extensions, if any, shall be communicated to QAB for its information. A Firm that fails to meet the timelines shall be immediately removed from the List of Firms having Satisfactory QCR Rating after the expiry of its last QCR rating."*

Further, we draw your attention to Directive No. 1 of 2025 issued by the Audit Oversight Board (AOB) (attached herewith), which reinforces the requirement for timely arrangement of QCR review visits. The directive emphasizes that firms failing to initiate a QCR at least three months before the expiry of their current QCR rating shall be removed from the List of Firms having Satisfactory QCR Rating.

In view of the above, all QCR rated firms are hereby reminded of the critical importance of adhering to these timelines. Failure to arrange a QCR review visit within the specified timeline will result in immediate removal from the List of Firms having Satisfactory QCR Rating after the expiry of the firm's last QCR rating.

Should a firm require an extension of up to one (1) month, a written request providing justifiable reasons must be submitted to the Head of Quality Assurance Department (QAD) for consideration in line with clause 6.3 of QCR Framework, 2024.

We urge all firms to take necessary steps to ensure compliance with this requirement to maintain their status on the List of Firms having Satisfactory QCR Rating.

For any queries or clarifications, please feel free to contact the Quality Assurance Department.

Yours faithfully,

Shaikh Muhammad Yasin  
Secretary, Quality Assurance Board

Sheikh Bilal Shams  
Head Quality Assurance Department

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GOVERNMENT OF PAKISTAN  
AUDIT OVERSIGHT BOARD  
Independent Audit Regulator



AOB/RD/DIR/GEN/1/2025/1

18 February 2025

**Directive No. 01 of 2025**

**Removal of audit firms with expired Quality Control Review (QCR) ratings**

**WHEREAS**, statutory functions of the Audit Oversight Board ("AOB") under Part IXC of the Securities and Exchange Commission of Pakistan Act, 1997 ("Part IXC"), include registration of audit firms which are authorized to carry out audit of public interest companies ("PICs"), review and examination of work of Quality Assurance Board ("QAB") under the Quality Control Review Framework ("QCRF") and take such actions as deemed necessary for ensuring an effective oversight of quality of audit of PICs.

2. **WHEREAS**, pursuant to Sections 36K, 36T, and 36W, of Part IXC read with Regulations 4, and 6, of the AOB (Operations) Regulations, 2018 ("AOB's Regulations") and Clause 15.4 of QCRF, only audit firms with a valid satisfactory QCR rating are eligible to apply and maintain AOB's registration. Pursuant to Clause 6.3 of QCRF, audit firms are responsible to arrange a QCR visit at least three (3) months before the expiry of its last QCR rating so that a fresh QCR rating shall be assigned before its expiry, failing which such audit firms shall be immediately removed from the list of firms maintained under QCRF. Further, pursuant to Regulation 7(2) of AOB's Regulations and Clause 5.1 of QCRF, it is also the responsibility of QAB to ensure compliance with QCRF and assign fresh QCR ratings to audit firms before its expiry and AOB may take actions as deemed necessary in this regard.

3. **WHEREAS**, it was observed that those audit firms registered with AOB which had not undergone fresh QCRs on a timely basis as specified in QCRF, had their QCR ratings expire. The matter was pursued with QAB, the Institute of Chartered Accountants of Pakistan ("ICAP") and Quality Assurance Department ("QAD") through meetings, letters and regular inspection reports to resolve the matter of expired QCRs.

4. **NOW THEREFORE**, in exercise of powers conferred under Sections 36K(c), 36K(d) and 36AA of Part IXC read with Regulation 7(3) and 7(4) of the AOB's Regulations, to ensure compliance, AOB hereby directs QAB to remove audit firms from the list of firms having satisfactory QCR ratings upon expiry of their last QCR rating which fail to approach QAB/QAD to arrange a QCR visit to begin at least three (3) months before the expiry of its last QCR rating or extended date, if any, not exceeding one month as granted by Head of QAD for justifiable reasons under clause 6.3 of the QCRF. For the purposes of QCR rating, those audit firms shall be treated as non-QCR rated audit firms after the expiry of its last QCR rating.

5. This directive shall be implemented with immediate effect except in the cases where a review visit for renewal QCR rating has already been arranged.

(Shahid Karim, FCA)  
Acting CEO/GRO

For information and necessary action to:

1. President, The Institute of Chartered Accountants of Pakistan
2. Secretary, The Institute of Chartered Accountants of Pakistan
3. Secretary, Quality Assurance Board of ICAP
4. Head of Quality Assurance Department of ICAP
5. Audit Partners of audit firms registered with AOB
6. IT Manager AOB, for uploading on AOB's website