



Securities and Exchange Commission of Pakistan

Securities Market Division

Policy, Regulation and Development Department

No. SMD/SE/2(322)/2022

April 03, 2023

Circular No. 04 of 2023

APPOINTMENT OF AUDITORS FOR SECP REGULATED ENTITIES

In supersession of Circular No. 21 of 2021 dated July 06, 2021; Circular No. 04 of 2014 dated January 31, 2014; Circular No. 28 of 2009 dated September 4, 2009 and in partial modification of S.R.O.2310(I)/2022 dated December 28, 2022, the Securities and Exchange Commission of Pakistan, in exercise of the powers under section 20(4)(jb) of the Securities and Exchange Commission of Pakistan Act, 1997, read with section 2 (iii) of the Securities Act, 2015; section 2 (3) of the Futures Market Act, 2016; section 15 and 41B of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 read with rule 19 of the Modaraba Companies and Modaraba Rules, 1981; section 17 of the Corporate Restructuring Companies Act, 2016; sub-section (1)(a) of section 48 of the Insurance Ordinance 2000; section 282B of the Companies Ordinance, 1984; rule 7(1)(ba) of the NBFC Rules, 2003; and regulation 38(2)(h) of the Non-Banking Finance Companies and Notified Entities Regulations 2008 has decided to maintain and notify a list of auditors for audit of SECP Regulated Entities. Accordingly, the list of approved auditors is attached herewith as **Annexure I**, which shall be applicable on appointment of auditors for the financial years starting from or after July 01, 2023;

Any audit firm, having satisfactory rating from the Institute of Chartered Accountants of Pakistan (ICAP) under its Quality Control Review (QCR) program, may apply to the Commission for assessment and placement on the list of approved auditors, by submitting duly filled Form-A, available on SECP website.

Further, any update or change of information may be submitted by the audit firm through updated Form-A in the prescribed manner. In light of updated/ revised information submitted by the firm, the revised list shall be notified, if required, by the Commission. In case, any audit firm becomes ineligible to be part of the group of approved auditors for specified entities, subject ineligibility shall be applicable for future appointment of audit firm.

Following SECP Regulated Entities shall appoint their auditors as specified in **Annexure I**, -

- | | |
|---|---|
| a) Securities Brokers; | l) Futures Exchanges |
| b) Futures Brokers; | m) Modarabas |
| c) Non-Banking Financial Companies (NBFCs); | n) Collective Investment Schemes |
| d) Insurance/ Reinsurance Companies; | o) Voluntary Pension Schemes |
| e) Takaful Operators; | p) Professional Clearing Member |
| f) Insurance/ Reinsurance Brokers; | q) REIT Schemes |
| g) Third Party Administrators; | r) Credit Rating Companies |
| h) Securities and Futures Advisor; | s) Collateral Management Companies |
| i) Securities Exchanges; | t) Corporate Restructuring Companies (CRCs)
and trusts created by CRCs |
| j) Clearing Houses; | |
| k) Depository Companies; | u) Share Registrars and Balloters |

(Asif Iqbal)
Director/HOD



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ANNEXURE I

LIST OF APPROVED AUDITORS FOR SECP REGULATED ENTITIES

[see Circular No. 04 of 2023]

- i. Audit firms given under this clause are eligible to conduct audit of all the SECP regulated entities specified in the circular. Further, Securities Exchanges, Futures Exchanges, Clearing Houses and Depository Companies; Securities Brokers with Trading and Clearing Category license; Asset Management Companies or Pension Fund Managers or NBFCs with Assets under Management (AuM) of equal to or more than Rs. 50 billion and lending NBFCs (deposit-taking); Modarabas having asset size equal to or more than Rs. 1 billion; Collective Investment Schemes or Voluntary Pension Schemes or REIT schemes having asset size of equal to or more than Rs. 10 billion; Insurance, Reinsurance or Takaful Operators having total assets of more than Rs. 10 billion; Collateral Management Companies; Credit Rating Companies and Professional Clearing Member, shall only appoint auditors from the following list under this clause:

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| 1. A. F. Ferguson & Co. | 9. Muniff Ziauddin & Co. |
| 2. Baker Tilly Mehmood Idrees Qamar | 10. Nasir Javaid Maqsood Imran |
| 3. BDO Ebrahim & Co. | 11. Rahman Sarfaraz Rahim Iqbal Rafiq |
| 4. Crowe Hussain Chaudhury & Co. | 12. Reanda Haroon Zakaria & Co. |
| 5. EY Ford Rhodes. | 13. Riaz Ahmad & Co |
| 6. Grant Thornton Anjum Rahman | 14. RSM Avais Hyder Liaquat Nauman |
| 7. KPMG Taseer Hadi & Co. | 15. Yousuf Adil |
| 8. Kreston Hyder Bhimji & Co. | 16. UHY Hassan Naseem & Co. |

- ii. Securities Brokers having license of Trading and Self Clearing category; Asset Management Companies or Pension Fund Managers or NBFCs with AuM of less than Rs. 50 billion; non-deposit taking NBFCs undertaking lending activities through mobile applications; Modarabas having asset size of less than Rs. 1 billion; Collective Investment Schemes or Voluntary Pension Schemes or REIT Schemes having asset size of less than Rs. 10 billion; Insurance, Reinsurance or Takaful Operators having total assets of Rs 10 billion or less, shall appoint audit firm from the following list under this clause or from the list provided under clause (i) above:

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|--------------------------------------|-------------------------------------|
| 1. Amin Mudassar & Co. | 7. PKF F.R.A.N.T.S. |
| 2. Fazal Mahmood & Co | 8. Riaz Ahmad Saqib Gohar & Co. |
| 3. Ilyas Saeed & Co. | 9. Rizwan & Co. |
| 4. Mushtaq & Co. | 10. ShineWing Hameed Chaudhri & Co. |
| 5. Naveed Zafar Ashfaq Jaffery & Co. | 11. Tariq Abdul Ghani Maqbool & Co |
| 6. Parker Russell-A. J. S | |

- iii. Securities brokers having license under Trading-Only category; Futures Brokers of PMEX, Securities and Futures Advisers; Modarabas having asset size of less than Rs. 200 million; Lending NBFCs (other than deposit-taking); Insurance brokers, Reinsurance brokers; Third Party Administrators; Corporate Restructuring Companies, trusts created by Corporate Restructuring Companies and Share Registrars and Balloters, shall appoint any audit firm having Satisfactory QCR Rating from ICAP.

- iv. In case, if any entity mentioned under clause i, ii and iii, is a Public Interest Company as per the Third Schedule of the Companies Act, 2017, the audit firm to carry out audit of such Public Interest Company shall also be required to be registered from Audit Oversight Board under section 36K(a) of the Securities and Exchange Commission of Pakistan Act, 1997.