



**MEMORANDUM OF UNDERSTANDING**

on

**MUTUAL COOPERATION**

between

**AUDIT OVERSIGHT BOARD**

and

**SECURITIES AND EXCHANGE COMMISSION OF  
PAKISTAN**

**Dated: April 7, 2017**

**MEMORANDUM OF UNDERSTANDING** (“**MOU**”) between the Audit Oversight Board of Pakistan (“**AOB**”) the Securities and Exchange Commission of Pakistan (“**SECP**”).

**WHEREAS**

- (i) AOB is an independent body formed under the Securities and Exchange Commission of Pakistan Act, 1997 for regulation of the audit profession in Pakistan. Its functions, *inter alia*, include registration and de-registration of audit firms which intend to carry out audit of public interest companies, and oversight and review of the Quality Assurance Board of the Institute of Chartered Accountants of Pakistan (“**ICAP**”).
- (ii) SECP is an integrated regulator responsible for the beneficial regulation of capital markets, superintendence of corporate entities including Non-Banking Finance Companies, and Insurance Companies.

**NOW, THEREFORE**, SECP and AOB, recognizing that effective oversight of the audit profession and regulation of corporate entities are related roles of the two independent regulatory bodies and realizing the need for cooperation and coordination in effective discharge of their respective functions, have agreed to enter into this MOU to establish a framework for collaboration, coordination and sharing of information in areas of common regulatory and supervisory interest for furtherance of their objectives.

**1. Definitions**

1.1 For the purposes of this MOU:

- (a) “**Party**” means AOB or SECP, as the case may be;
- (b) “**Parties**” means AOB or SECP, jointly referred;
- (c) “**Providing Party**” means the party, which provides information to the Requesting Party under this MOU;
- (d) “**Requesting Party**” means the party making a request for information pursuant to this MOU.



## **2. Sharing of Resources**

- 2.1 The Parties shall cooperate with each other and such cooperation will include sharing of resources, including information, consultations on matters of common regulatory and supervisory interest, written requests as needed, and other practical arrangements as may be developed by the Parties.
- 2.2 This MOU is primarily a statement of intent to support, collaborate, cooperate, and share resources including information in connection with areas of common regulatory and supervisory interest in a manner consistent with, and permitted by, the laws and requirements that govern the Parties.
- 2.3 Nothing in this MOU modifies in any way the ability and responsibility of the Parties to enforce their respective laws, rules and regulations.
- 2.4 Nothing in this MOU shall be deemed to obligate the Parties to create or maintain any information.
- 2.5 The parties may consult and revise the terms of this MOU in the event of a substantial change in laws, procedures and practices affecting the operations of the Parties.
- 2.6 This MOU does not confer upon any third-party the right or ability directly or indirectly to obtain, suppress or exclude any information, or to challenge the execution of a request made hereunder.

## **3. Execution of Requests for information**

- 3.1 A request for information should be made in writing, and addressed to the relevant contact person in Appendix A. A request should generally specify the following:
  - (a) The information sought by the Requesting Party, preferably in the format given (where necessary);
  - (b) A general description of the purpose for which the information is sought; and
  - (c) The desired time period for reply and, where appropriate, the urgency thereof.
- 3.2 Prior to making a request, the Requesting Party should use reasonable efforts, consistent with the urgency of the request, to obtain through other means any of the information that is publicly and readily available.

3.3 Notwithstanding the above, the Parties understand that publicly available information may be requested under this MOU, and Parties intend to assist each other to obtain such publicly available information expeditiously.

#### **4. Confidentiality of Information**

4.1 To the extent permitted by applicable laws and in accordance with the regulations of the Providing Party, the Parties will establish and maintain such safeguards as are necessary and appropriate to maintain the confidentiality of all non-public information obtained under this MOU.

4.2 The Receiving Party will not furnish to any third party or make public any portions of the information or make public use of the non-public information obtained under this MOU without prior written approval by the Providing Party.

#### **5. Coordination**

5.1 Parties will coordinate with each other to facilitate usage of resources/infrastructure to promote the objective of encouraging reliable financial reporting.

#### **6. Denial of Requests for Information**

6.1 Requests for information under this MOU may be denied:

(a) when the request is not made in accordance with the provisions of this MOU; or

(b) where compliance with a request for information would prejudice an ongoing investigation.

#### **7. Facilitation**

7.1 SECP shall, for an interim period of (06) six months, provide, on a reimbursable basis, such facilities as may be required by AOB and agreed to by SECP to enable it to commence its operations.

#### **8. Effective date and termination**

8.1 The MOU shall become effective on the day it is signed by the Parties and will remain effective, until, either Party gives thirty days (30) written notice to the other Party of its intention to terminate.



- 8.2 The MOU will continue to have effect with respect to all requests for assistance that were made before the effective date of termination. In case the MOU is terminated, all the information provided under this MOU will remain confidential and will be treated according to the provisions of this MOU.
- 8.3 In the event that any dispute arises between the Parties concerning the interpretation of this MOU or any matter arising under it, the Parties shall endeavor to amicably resolve such differences within thirty (30) working days of the dispute arising.

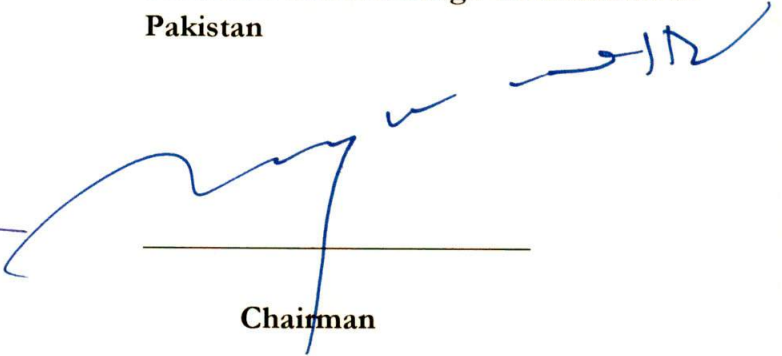
Signed by the duly authorized representatives of the Audit Oversight Board and the Securities and Exchange Commission of Pakistan on this 7<sup>th</sup> day of April, 2017.

**For and on behalf of  
Audit Oversight Board**

**For and on behalf of  
Securities and Exchange Commission of  
Pakistan**



Chairman



Chairman

## **APPENDIX A**

The Requested Party's contact officers pursuant to paragraph 3.1 of this Memorandum of Understanding are:

### **For the Audit Oversight Board**

**Ms. Falak Raja**

Secretary

Audit Oversight Board

M-Floor, NIC Building,

63 Jinnah Avenue, Blue Area, Islamabad – 44000, PAKISTAN

VOICE: (Direct): +92 (51) 92100468

### **For the Securities and Exchange Commission of Pakistan**

**Ms. Khalida Habib**

Director

Investor Education and International Relation

Securities and Exchange Commission of Pakistan

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