

**CRITERIA FOR EVALUATION OF AUDITORS TO BE APPROVED U/S 48(1)
OF THE INSURANCE ORDINANCE, 2000**

A. Pre-requisites:

- The auditor must be the firm of Chartered Accountants of more than two partners who are members of the ICAP.
- The auditor must be satisfactorily qualified Quality Control Review (QCR) conducted by the ICAP.
- The audit firm or/and its partner must not have been penalized by the Securities and Exchange Commission of Pakistan, State Bank of Pakistan or Institute of Chartered Accountants of Pakistan for infringement of any law during the last five years.

B. Supplementary Requirements

Applications received shall be scrutinized / reviewed strictly on the basis of the Commission's approved criteria. The list of Approved Auditor u/s 48(1) of the Insurance Ordinance, 2000 shall be made available on the website.

C. Disqualification

The Securities and Exchange Commission of Pakistan reserves the right to remove the name of the firm from the list of approved auditors under Section 48(1) of the Insurance Ordinance, 2000 on the following grounds but not limited to:

- If material misstatement of facts and figures is observed in the statement or reports submitted to the Securities and Exchange Commission of Pakistan duly certified by the auditing firm, which will materially alter the assessment of financial position of the Insurance Companies in an adverse manner.
- If serious regulatory issues against the auditing firm are observed by the Securities and Exchange Commission of Pakistan under any of the law being enforced by it.
- If the information submitted to the Securities and Exchange Commission of Pakistan in application form for the purpose of enlistment as approved auditor, is found incorrect or not in harmony with the information provided to the ICAP.
- If any change in the nomenclature of the firm or in the composition of its partners or a reduction of more than 25% staff takes place and the same is not communicated to the Securities and Exchange Commission of Pakistan within fifteen days of the occurrence of such change.
- If any information sought by the Securities and Exchange Commission of Pakistan, whatsoever, about the firm is not supplied to the Commission in a stipulated time-frame.