



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Sub: Rotation of External Auditors by Insurance Organizations

This has been decided by the SECP that from the accounting year 2006, all the insurance organizations (both listed and unlisted) shall be required to change their external auditors after every five years.

An auditor who has already audited the accounts of an insurance organization for five years shall not be treated as approved by the SECP to perform the audit of the same insurance organization as per section 48(1)(a) of the Insurance Ordinance, 2000. In such case, the insurance organization shall be required to appoint another auditor from the list of approved auditors provided through the SECP circular reference # SECP/SCD/INS/AUDITORS/2005 dated June 28, 2005.

This may be noted that the five years period shall be commenced from the first audit performed by the auditor. For example if an auditor has been performing the audit of an insurance organization since the accounting year 2001 or earlier, he shall not be qualified to perform the audit of the same organization for the accounting year 2006. Similarly if an auditor has been performing the audit of an insurance organization since the accounting year 2002, he shall not be qualified to perform the audit of the same organization for the accounting year 2007 and so on.

Sd/-
(Shoaib Soofi)
Director

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