



PRESIDENT

December 5, 2008

President's Communication - 2 (Special Edition)

Dear Members

As you may have already learned, the Competition Commission of Pakistan (CCP) had taken a Suo Moto notice in respect of Council's Directive, ATR 14 relating to Minimum Rates and Fee to be charged by auditors for auditing various entities.

CCP had called the Institute for hearing on November 28, 2008. ICAP during the hearing had submitted its written arguments and explained the rationale behind issuance of ATR 14. However, CCP while appreciating ICAP's efforts in improving the standards of the profession has not agreed with the Institute's contention and asked ICAP to withdraw ATR 14 through its Order dated December 4, 2008. We consider that this Order of the CCP, which has also been published in some newspapers, is against the interest of the profession and public interest.

The Council of the Institute believes that ATR 14, which was introduced to regulate the minimum fees for audits of financial statements, is essential to ensure high quality of audit services. It is therefore imperative that ICAP should do all that is needed for continuity of this Directive of the Council. The Council has therefore decided to Challenge the Order of the CCP in appropriate appellate forum so as to ensure that the Institute's endeavors to maintain high quality of audit profession in the country are not undermined. Accordingly, we are taking necessary steps, based on the advice of our legal counsel.

We are attaching copy of CCP's Order dated December 4, 2008 for your information and look forward to your continuing support in the Council's endeavors in maintaining high quality of audit profession.

Asad Ali Shah

President