



PRESIDENT

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February 7, 2009

Dear Member

We are continuing our efforts to achieve the goals we have set for ourselves for the current year. Here I would like to share the progress we have made in three important matters i.e. IFRS Diploma, the amendments in the Chartered Accountants Ordinance, 1961 (CA Ordinance) and ATR-14.

IFRS DIPLOMA

This month, your Institute has launched the program “Diploma in IFRS” and its first examination will be held in the third week of June 2009. We hope to have reasonable number of candidates. To obtain this Diploma, a candidate has to pass two exams. First examination will be based on “Multiple Choice Questions” whereas second examination will be scenario based. As you are aware, the SECP and the Institute have agreed to take steps for full adoption of IFRS for all listed companies by end of 2009. Also, with the adoption of IFRS by more than 100 countries around the world, the IFRS are expected to become single set of global financial reporting standards. Therefore, we foresee substantial demand for IFRS professionals, both within and outside Pakistan. This program is a great opportunity for anyone who wishes to specialize in IFRS. I look forward to your support for this initiative.

AMENDMENTS TO CA ORDINANCE

We are actively pursuing the Federal Government to bring the necessary statute for amendments in the CA Ordinance, that are considered necessary for further enhancing the effectiveness of our regulatory framework, including strengthening our quality control and investigation systems. However, as the process of amending our statute takes considerable time, on the advice of SECP’s legal department and our legal advisors, we decided to implement some of the changes through Federal Government notification and amendment in our Bye-laws.

In addition to strengthening our investigation and quality assurance processes, the proposed amendments in the CA Ordinance will include provisions to allow non-members as partners in the Chartered Accountants firms (with some limitations), relaxation in restrictions on advertising by firms in line with the IFAC guidelines, allowing contingent fees for services for other than assurance services, formation of “Nominations Committee” to establish a robust process for nominations to key positions by the Council.

Proposed Amendments in Bye-laws

You will be glad to know that your Council has decided to increase the number of elected members on the Council to fifteen from twelve. Out of these, nine will be from Southern Region and six from the Northern Region. This means one additional elected member for Zone A (Sindh) in Southern Region and two additional elected members from Zone A (Punjab and Federal Capital) North. The aforementioned segregation of seats is based on the number of members in each region as of end January 2009. These amendments are being introduced in Bye Law 14. As required by law, the draft of these changes has already been issued in the form of a Gazette notification to seek opinion of the members and other persons likely to be affected, besides placing it on our website.

Our endeavor was to have a separate Zone for Federal Capital and Rawalpindi in the Northern Region, however, it was neither possible to bring that change through the Bye Laws, and it was unlikely that amendments in CA Ordinance could be effected prior to this year's elections. We have, however, recommended appropriate changes in the proposed CA Ordinance to cater for this.

Your Council has approved names of the members who will constitute the "Election Committee" for the forthcoming elections. The Committee will soon issue a detailed election schedule.

ATR-14

We had appealed against the decision of the Competition Commission of Pakistan (CCP) on the issue of minimum fees in the Appellate Bench of the CCP. Hearing took place in January and we presented our views and arguments and await the outcome. As stated in my earlier communication, the Council of the Institute feels that prescribing minimum fees is extremely essential to ensure high quality of audit services by our members, and therefore, it is in public interest.



Asad Ali Shah

President