

CA

PAKISTAN



**The Institute of
Chartered Accountants
of Pakistan**

Directive 1.04

**SPECIFIED DEGREE AWARDING INSTITUTES (SDAI)
AND
RELEVANT DEGREE AWARDING INSTITUTES (RDAI)**



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SPECIFIED DEGREE AWARDING INSTITUTES (SDAI) AND RELEVANT DEGREE AWARDING INSTITUTES (RDAI)

In exercise of the powers conferred by Section 27(2)(c) of the Chartered Accountants Ordinance, 1961 read with bye-laws 2(1)(ma), 123 and 129A of the Chartered Accountants Bye-Laws 1983, the Council of the Institute has introduced the following scheme that lays down the process of recognition of universities or degree awarding institutes (both hereinafter be called DAI) for the purposes of exemptions from ICAP examinations.

1. RECOGNITION OF DEGREE AWARDING INSTITUTES

- 1.1. There shall be two tiers of DAIs, namely:
 - Tier 1 Specified Degree Awarding Institute (SDAI)
 - Tier 2 Relevant Degree Awarding Institute (RDAI)
- 1.2. An SDAI offers Specified Degree that facilitates the candidate who holds such degree to qualify for exemption from all papers of Pre-Requisite Competencies (PRC) and Certificate in Accountancy and Finance(CAF) levels subject to the criteria prescribed under Chartered Accountants Bye-laws 1983.
- 1.3. An RDAI offers Relevant Degree that facilitates the candidate who holds such degree to qualify for exemption from all papers of Pre-Requisite Competencies (PRC) and Financial Accounting and Reporting-I, Business Law, Managerial and Financial Analysis and Company Law papers of Certificate in Accountancy and Finance(CAF) level subject to the criteria prescribed under Chartered Accountants Bye-laws 1983.
- 1.4. Criteria referred to in paragraph 1.2 and 1.3 provides minimum matching of the contents of syllabus and minimum marks or grades that a student is required to obtain in aggregate and in relevant subjects in order to be eligible for exemptions.
- 1.5. Any DAI desiring to become SDAI shall first be required to gain status of RDAI under this Directive and then achieve prescribed performance level in order to progress to SDAI status.

2. DECLARATION OF RDAI STATUS

- 2.1. Interested DAI shall prepare a proposal for RDAI status. The proposal shall include:
 - a. An expression of interest by the DAI on a prescribed format;
 - b. Detailed profile of the DAI; and
 - c. Necessary details along with required documentation to demonstrate that all the pre-requisites for becoming an RDAI as per this Directive have been complied with.
- 2.2. The proposal shall be submitted by a person authorized by the management of DAI.
- 2.3. *Upon successful completion of all requirements for recognition a certificate to the effect that the DAI is a Relevant Degree Awarding Institute shall be approved by a forum consisting of the President, Chairman ETCOM and Chairman ExCOM. The certificate will be valid for a period of three years after which a fresh evaluation of eligibility will be conducted.
- 2.4. If an RDAI fails to seek renewal of its status the students registered with RDAI at the time of withdrawal of its status shall on completion of their degree programs be deemed to have gained their degree from RDAI if they opt to pursue CA Pakistan; provided their names and details are forwarded by the RDAI to ICAP within 30 days of withdrawal of its status.

3. PRE-REQUISITE TO BECOME RDAI

Any DAI recognized by the Higher Education Commission may become an RDAI if it:

- a. fulfills the eligibility criteria given in this directive; and
- b. offers Relevant Degree Program (a program mapped with ICAP syllabus of required number of papers).

*336th meeting of the council held on December 18-19, 2020.

4. ELIGIBILITY CRITERIA

4.1. Degree awarding institutes of Pakistan

The following are the eligibility criteria for a DAI for becoming RDAI:

- a. The DAI should be in W 3 or above category specified by Higher Education Commission (HEC) or equivalent category and successfully perform a self-evaluation as specified in this Directive.
- b. At least two faculty members, fulltime or adjunct, are members of the Institute.
- c. At least one batch of graduates of relevant degree is available in job market and for further studies. In case of a high ranked DAI which intends to introduce relevant degree program, ETCOM may allow issuance of letter of comfort on the basis of a clear expression of interest by the said DAI. However, RDAI status to such DAI may be granted after two years of successful offering of Relevant Degree Program subject to compliance with all pre-requisites specified in this directive.
- d. It can be reasonably demonstrated that the relationship will bring meaningful benefits to the students.
- e. The number of students enrolled in relevant courses or who are reasonably expected to be enrolled is sufficient to justify the resources to be applied in the exercise of evaluation and recognition. It is expected that on average more than 10% of the graduates of relevant degree program will pursue CA Pakistan qualification.
- f. DAI agrees to award credit to students and members of ICAP in its degree programs for the subjects against which syllabus of the Institute matches at least 70% with that of DAI.

4.2. Foreign degree awarding institutes including those operating in Pakistan

Top 400 institutions on the basis of ranking of Times Higher Education shall be eligible for RDAI status. A foreign DAI shall not be progressed to SDAI status.

5. RELEVANT DEGREE PROGRAM

Relevant Degree program shall be required to fulfill the following conditions:

- a. The program should be a four-year degree program or equivalent to 16-year education;
- b. The syllabus contents and learning outcomes of the relevant subjects should match at least 70% with that of the prescribed syllabus and learning outcomes of all papers of Pre-Requisite Competencies and Certificate in Accountancy and Finance of the Institute.
- c. The examination papers of relevant subjects of RDAI broadly cover the whole syllabus with appropriate balance.
- d. The degree program collectively should qualify for exemption from the following examinations of Pre-Requisite Competencies and Certificate in Accountancy and Finance stages:
 - PRC-1 Business Writing and Comprehension Skills
 - PRC-2 Quantitative Methods
 - PRC-3 Principles of Economics
 - PRC-4 Introduction to Accounting
 - PRC-5 Introduction to Business
 - CAF-1 Financial Accounting and Reporting-I
 - CAF-4 Business Law
 - CAF-6 Managerial and Financial Analysis
 - CAF-7 Company Law

6. SPECIFIED DEGREE PROGRAM

Specified Degree program shall be required to fulfill the following conditions:

- a. The program should be a four-year degree program or equivalent to 16-year education;
- b. The syllabus contents and learning outcomes of the relevant subjects should match at least 70% with that of the prescribed syllabus and learning outcomes of the PRC and CAF level papers of Institute and preferably should be of more advanced level.
- c. The degree program collectively should qualify for exemption from the all examinations of Pre-Requisite Competencies and Certificate in Accountancy and Finance stages.

7. SELF-EVALUATION

- 7.1. The DAI shall prepare a 'self-evaluation report' along with working papers prepared on the basis of benchmarks set forth in this directive.
- 7.2. The DAI shall be required to obtain (i) 700 points in aggregate and (ii) minimum points in certain pre-requisite areas as specified in the benchmark attached with this directive, to be eligible for recognition as RDAI.
- 7.3. The 'self-evaluation report' shall be accompanied by a Reasonable Assurance Report issued under the 'International Standards on Assurance Engagement' by a practicing chartered accountant firm that carries satisfactory QCR rating.
- 7.4. In case the assurance report contains a modification, the Institute shall take decision after taking into consideration the impact of such modification.

*7A. SELF-EVALUATION FOR HIGH RANKED DAI

- 7.A.1. The High Ranked DAI shall prepare a 'self-evaluation report' along with working papers prepared on the basis of benchmarks set forth in this directive.
- 7.A.2. The High Ranked DAI shall be required to obtain (i) 850 points in aggregate and (ii) minimum points in certain pre-requisite areas as specified in the benchmark attached with this directive, to be eligible for recognition as High Ranked DAI.

8. PROGRESSION

- 8.1. There shall be the following progression process for national RDAI to advance to SDAI status:
 - a. RDAI is either already in or progresses to W 4 category specified by the Higher Education Commission of Pakistan and it continues to meet the self-evaluation criteria specified in this directive.
 - b. From the date of declaration as RDAI, the performance of students holding Relevant Degree of RDAI shall be monitored by the Institute on the basis of students passing percentage in the remaining subjects of Certificate in Accountancy and Finance examinations of the Institute or appropriate gateway tests of these subjects. The same shall also be shared with RDAI after each attempt.
 - c. The syllabus of RDAI matches more than 70% of all subjects of PRC and CAF levels and preferably most of subjects of CFAP level.
 - d. The RDAI shall submit an annual declaration that it continues to meet the self-evaluation criteria and there is no significant change in the syllabus over the year except for the changes already informed to and agreed by the Institute.
 - e. The examination papers of relevant subjects of RDAI broadly cover the whole syllabus with appropriate balance.

*240th meeting of the ETCOM held on January 27, 2024

- f. On average more than 10% of the annual graduates of relevant degree program are pursuing chartered accountancy CA Pakistan qualification.
- g. The RDAI shall advance from RDAI to SDAI status if the performance of students holding Relevant Degree of RDAI in three consecutive attempts of the above mentioned examinations is ranked 20% above the average result of ICAP specified under the 'Students' Performance Benchmark' set forth in this directive.
- h. A certificate to the effect that the RDAI has been upgraded to Specified Degree Awarding Institute shall be issued by the Institute.

8.2. The certificate of declaration of SDAI shall be for a period of three years.

9. RENEWAL OF SDAI STATUS

9.1. At the expiry of certificate of declaration of SDAI, the renewal shall be made in the following manner:

- a. From the date of declaration as SDAI, the performance of students holding Specified Degree of SDAI shall be monitored by the Institute on the basis of students passing percentage in Certified Finance and Accounting Professional examinations of the Institute. The same shall also be shared with SDAI after each attempt.
- b. The Institute shall also monitor the registration of the students in chartered accountancy program, which is expected to exceed on average 10% of the total graduates of relevant programs over the last three years.
- c. SDAI is W 4 category specified by the Higher Education Commission of Pakistan and it continues to meet the self-evaluation criteria specified in this directive.
- d. The syllabus of SDAI matches more than 70% of all subjects of PRC and CAF levels and preferably most of subjects of CFAP level.
- e. The examination papers of relevant subjects of SDAI broadly cover the whole syllabus with appropriate balance.
- f. The performance of students holding Specified Degree of SDAI in any three consecutive attempts during three years of SDAI status is ranked 10% above average result specified under the 'Students' Performance Benchmark' set forth in this directive.
- g. The certificate of declaration of SDAI shall be renewed for another three years if the SDAI satisfies the above criteria.
- h. If SDAI fails to satisfy the above criteria, then the SDAI shall be downgraded to RDAI status.

9.2. The students registered with SDAI at the time of declaration of downgraded status shall be deemed to have gained their degree from SDAI if they opt to pursue career as chartered accountants after completion of their degree program; provided their names and details are forwarded to ICAP within 30 days of downgrading.

Benchmark for Self-Evaluation of Relevant Degree Awarding Institute

S. No.	Particulars	Maximum Points	Benchmark	Mandatory Minimum Points
1	Students – institution wide			
1.1	Number of student passed having 16 years of education during last two years.	100	500 students per year passing out	50
1.2	Number of student passing per year having M.Phil./16 + years of education during last two years.	100	250 students per year passing out	50
1.3	Number of Ph.D. Produced	50	5 per year	20
2	Facilities – institution wide			
2.1	Library	50	100,000 books on various subjects	20
2.2	Computer facilities	50	200 systems of good Configuration	25
2.3	Classroom furnished with minimum seating capacity of 40 students (the area on the basis of 10 sq feet per student basis)	50	Each class room 1 Point	25
2.4	Hostel(s)	50	400 students capacity	0
2.5	Auditorium(s)	50	400 students capacity	25
2.6	Sports facility	50	For 500 students	25
2.7	Cafeteria(s)/Mosque(s)	30	Each with 250 persons Capacity	25
3	Faculty – Accounting or Business School, (Accounting, Commerce and Business Administration)			
3.1	Faculty qualification a. PhDs/ Fellow Chartered Accountants b. M Phil/Associate Chartered Accountants and members of professional accountancy bodies recognized by ICAP, c. Faculty having 16 + years of Education d. Faculty having 16 years of Education e. Faculty of Accounting, Auditing and related subjects must be of chartered accountant f. Faculty of Cost Accounting must be of member of recognized professional accountancy body	200	Category (a) 10 points per person Category (b) 8 points per person Category (c) 6 points per person Category (d) 4 points per person The points are for faculty members employed on full time basis. For part time teachers the points will be 25%only.	100

3.2	Student Teacher Ratio	80	25:1	40
3.3	Involvement of external examiners	100	Per relevant subject (10 points)	50
4	Students – Accounting and Business School, (Accounting, Commerce and Business Administration)			
	Total number of student enrolled	100	400 students	50
5	Research – Institution wide			
5.1	Number of Research Papers Published or presented by the Faculty Members & Students and Number of Journals/ books Published by the DAI	90	10 points for each paper and publication per year	10
5.2	Institution Organized Conferences, Symposium, Seminars/Workshops at National and International Level.	50	10 points for each event per year	20
	TOTAL	1200		

Explanatory Notes:

1. Professional bodies recognized by ICAP (Ref. 3.1) are those whose qualified members are offered membership of ICAP without further examinations.
2. Points will be prorated where the points achieved against a benchmark are less than the maximum.

Example:

Benchmark: Student Teacher Ratio

Maximum points 80

Scale 25:1

Achieved 4000 enrolled students

100 teachers

Ratio 40:1

Points $(25/40 * 80)$ 50

3. Qualitative evaluations must be supported by a brief description on the subject matter.

SELF-EVALUATION REPORT

AS AT _____

NAME OF DAI _____

S. No.	Particulars	Evaluation based on scale for achievable points	Maximum Points	Points obtained	Mandatory minimum points	Working paper reference
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Submitted by _____
(Signature and name of authorized person)

Date and place _____

Students' Performance Benchmark Relevant Degree Awarding Institution

Data Analysis

Subjects		Attempt 1		Attempt 2		Attempt 3		Total	
		Total	Pass	Total	Pass	Total	Pass	Total	Pass
Performance of Students holding Relevant Degree of RDAI									
CAF 2	Tax Practices								
CAF 3	Cost and Management Accounting								
CAF 5	Financial Accounting and Reporting – II								
CAF 8	Audit and Assurance								
	Total							A	B
All students of ICAP who attempted the above papers									
CAF-2	Tax Practices								
CAF-3	Cost and Management Accounting								
CAF-5	Financial Accounting and Reporting – II								
CAF-8	Audit and Assurance								
	Total							X	Y

Ranking of Performance of Students holding Relevant Degree of RDAI

Below average

Performance is below the average performance of all ICAP students in aggregate term. i.e. $B/A < Y/X$

Average

Performance is equal to the average performance of all ICAP students in aggregate term. i.e. $B/A = Y/X$

20% Above Average

Performance is 20% greater than the average performance of all ICAP students in aggregate term. i.e. $(B/A) \div (Y/X) = 1.20$

Students' Performance Benchmark Specified Degree Awarding Institution

Data Analysis

	Subjects	Attempt 1		Attempt 2		Attempt 3		Total	
		Total	Pass	Total	Pass	Total	Pass	Total	Pass
	Performance of Students holding Specified Degree of SDAI								
CFAP-1	Advanced Accounting and Financial Reporting								
CFAP -2	Advanced Corporate Laws and Practices								
CFAP -3	Strategy and Performance Measurement								
CFAP -4	Business Finance Decisions								
CFAP -5	Tax Planning and Practices								
CFAP -6	Audit, Assurance and Related Services								
	Total							A	B
	All students of ICAP who attempted the above papers								
CFAP-1	Advanced Accounting and Financial Reporting								
CFAP -2	Advanced Corporate Laws and Practices								
CFAP -3	Strategy and Performance Measurement								
CFAP -4	Business Finance Decisions								
CFAP -5	Tax Planning and Practices								
CFAP -6	Audit, Assurance and Related Services								
	Total							X	Y

Ranking of Performance of Students holding Specified Degree of SDAI

Below average

Performance is below the average performance of the students in aggregate term. i.e. $B/A < Y/X$

Average

Performance is equal to the average performance of the students in aggregate term. i.e. $B/A = Y/X$

10% Above Average

Performance is 20% greater than the average performance of all ICAP students in aggregate term. i.e. $(B/A) \div (Y/X) = 1.10$

Students' Registration Benchmark Specified Degree Awarding Institution

Data Analysis

	Total Enrolled	Passed out	Registered with ICAP
Year 1			
Year 2			
Year 3			
Total			
Average per year	A	B	C

Required Registration of Students holding Specified Degree of SDAI

$C > 10\%$ of B

(260th Council meeting held on 8 January, 2015)

Shoaib Ahmed
Acting Secretary/COO

***Benchmark for Self-Evaluation of High Ranked Degree Awarding Institute**

S. No.	Particulars	Maximum Points	Benchmark	Mandatory Minimum Points
Ranking of DAI				
1	<p><u>Graduation rate</u></p> <p>Graduation rate would be calculated as proportion of students completing the degree as against number of students joining ICAP.</p>	100	Number of students completing the degree divided by number of students joining the institution multiplied by 100.	70
2	<p><u>Years of Existence of DAI</u></p> <p>The DAI will be awarded 10 points for each four years of existence.</p>	100	20 years of existence	50

*240th meeting of the ETCOM held on January 27, 2024

