



NEWSLETTER

THE INSTITUTE OF FORENSIC ACCOUNTANTS OF PAKISTAN (IFAP)

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The Forensic Accountant Pakistan (FAP)

Official Organ of the Institute of Forensic Accountants of Pakistan (IFAP)

The Newsletter for Forensic Accounting & Forensic Auditing Professionals
&
The Voice of the Forensic Accounting & Forensic Auditing Professionals

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The Global Mark of Excellence in Forensic Accounting & Forensic Auditing
Pioneer Forensic Accounting Institute/Body in Pakistan

05 May, 2025

PRESIDENT COMMUNICATION

IFAP PAKISTAN

NEWSLETTER



BARRISTER SOHAIL NAWAZ
PRESIDENT, IFAP

Forensic accounting is a burgeoning field for accounting professionals, merging bookkeeping, auditing, and analytical skills to tackle financial and white-collar crimes. Its scope has broadened significantly due to rising corporate scams and financial frauds, establishing it as a dynamic and strategic tool against corruption through forensic auditing techniques. Consequently, there's a high demand for Forensic Auditors across various sectors like insurance, banking, law enforcement, and government.

Globalization and technological advancements have made the accounting profession more dynamic. However, the surge in financial crimes and inadequate frameworks have challenged governments and financial institutions. Traditional auditors, focused on numerical data and compliance, offer reasonable assurance that is insufficient to deter the increasing number of fraudulent activities, contributing to corporate scandals. Their role isn't designed to detect deliberate financial misstatements or uncover frauds, eroding investor confidence. This scenario positions forensic accounting as a compelling and attractive career path for accountants seeking to address these critical issues.

Forensic accounting, a specialized field, requires a blend of financial (accounting and auditing) and investigative skills, offering the highest level of assurance through legal review. Unlike traditional external audits, it plays a crucial role in detecting fraud impacting transparent financial reporting, exemplified by past corporate scandals in globalized businesses. Forensic accounting helps bridge the expectation gap between auditors and financial statement users by uncovering court-presentable fraud, often revealed after significant fund disappearances.

The field is continuously evolving due to technological advancements, globalization, and increased financial regulations, including the rise of cybercrime and digital fraud, posing complex challenges for Forensic Accountants (FAs). As businesses increasingly prioritize fraud prevention and detection, the demand for FAs is projected to grow, presenting exciting career opportunities. This intriguing field is vital in unraveling financial crimes by combining accounting knowledge, investigative skills, and legal expertise, illuminating financial wrongdoing. Attorneys increasingly rely on experienced FAs for litigation support and expert testimony in complex financial crime cases, proving them crucial assets in investigations and court proceedings, ensuring thorough processes and accurate quantification of fraudulent activities, leading to better potential outcomes as the detectives of the accounting world.



In Pakistan, the role of forensic accounting has become increasingly critical due to the complex financial landscape and the rise in sophisticated financial crimes. This specialized field bridges the gap between traditional accounting and legal processes, providing essential services in the detection and prevention of fraud. In the backdrop of increasing levels of frauds, the demand for Forensic Accountants (FAs) is bound to substantially increase in the future. So, it is beyond doubt that the role of Forensic Accountant (FA) is an immediate requirement in Indian Scenario to prevent the further loss due to the hidden frauds in corporate world, public accounting and awareness of government in future. Hence, proper attention is required by the regulators, Government and the educational Institutes to support Forensic accounting.



DR. TAHIR IQBAL
SECRETARY, IFAP

In today's increasingly complex financial environment, forensic accounting has become a vital field in Pakistan, where economic growth and globalization have made companies more susceptible to financial fraud and corporate misconduct. As one of the fastest-growing branches of accounting, it combines investigative prowess with in-depth financial expertise, creating a unique role that protects businesses and upholds financial integrity. Tasked with the responsibility of detecting and preventing financial irregularities, Forensic Accountants (FAs) are like detectives, meticulously analyzing financial data to uncover fraud, embezzlement, and other forms of misconduct. With the expansion of financial regulations, corporate governance standards, and the complexity of financial crimes, forensic accounting is expected to continue growing in Pakistan. Professionals with strong analytical abilities, attention to detail, and the appropriate certifications are well-positioned for successful careers. From government bodies like the SFIO and ED to multinational corporations, the demand for forensic accounting expertise spans industries and job functions. For those interested in a challenging and rewarding career that combines finance, investigation, and law, forensic accounting is a compelling choice in the modern Pakistani job market.

The rise in global financial crimes and corruption has propelled forensic accounting into a significant area within academia and business. Essentially, it involves the study of evidence related to current or potential litigation, with "forensic" denoting its use in legal proceedings and public discourse. The AICPA defines it as applying accounting principles to facts or hypotheses in legal disputes, encompassing all accounting knowledge.

Forensic accounting is crucial for fraud examination, covering allegations from inception to resolution, including evidence gathering, interviews, reporting, and testimony. In today's climate of financial instability, white-collar crime, and occupational fraud, its primary role lies in providing investigative functions and litigation support to understand the scope of financial scams. It's a vital scientific tool for investigating and settling disputes across sectors like banking, insurance, and the cyber world. Fraud, at its core, involves deception for personal gain at another's expense.

Forensic accounting requires expertise in fraud, financial skills, and a strong understanding of corporate realities and the legal system. Its development often involves on-the-job training and collaboration with investigators and legal counsel. Forensic accountants excel at detecting fraud and illegal activities in financial records across various organizations. Increased financial cases, stock market frauds, banking collapses, and corporate demands have amplified the necessity for forensic accounting, making its application highly relevant.

Forensic accounting is a highly specialized field that is rapidly growing in importance in Pakistan. As such, it is important that educational institutions realize its importance and take steps to introduce forensic accounting as a subject or as a separate degree so as to create awareness about the subject and meet increasing demands of Forensic Accountants (FAs) in Pakistan and globally. Because forensic accounting is relatively a new area of study, a series of working definitions and sharing of corporate experiences should be undertaken and encouraged to ensure a common understanding. Indeed, there is great future in forensic accounting as a separate "niche" consulting. On account of global competition, the accounting profession must convince the marketplace that it has the best equipped professionals to perform such services.

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IFAP NEWS

Introduction-IFAP

We are a Learned Professional and Technical Institute/Body on Forensic Accounting and registered as The Institute of Forensic Accountants of Pakistan (IFAP). Registered under the Islamabad Capital Territory Charities Registration, Regulation and Facilitation Act, 2021/formerly Societies Registration Act of XXI of 1860, Federal Government of Pakistan also registered with the Intellectual Property Organization (IPO Pakistan).



The Institute of Forensic Accountants of Pakistan (IFAP) plays a significant role in forensic accounting by providing education, training, resources, and standards to its members and the public. The IFAP offers Certificate Program, Diploma Program, Professional Forensic Accountant (FA) Program on Forensic Accounting, Forensic Auditing and Fraud Detection to equip professionals with the skills to assess damages, find facts related to fraud, collect evidence, and analyze financial information. They also provide online resources and a learning management system for members to track their progress. The Institute of Forensic Accountants of Pakistan (IFAP) sets guidelines for the education, training, and examination of Forensic Accountants (FAs).

The Institute of Forensic Accountants of Pakistan (IFAP) plays a vital role in promoting and regulating corporate governance in Pakistan. It sets ethical standards, provides guidelines for financial forensic reporting, and monitors compliance with regulations. The IFAP also works with the government and other bodies to improve corporate governance practices and foster a just business environment. In essence, the IFAP's role in corporate governance is multifaceted, encompassing regulation, standard-setting, promotion of financial literacy, collaboration with government, and guidance on best practices. By fulfilling these roles, the IFAP contributes to a more transparent, accountable, and ethical corporate environment in Pakistan.

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Functions of IFAP

- Regulate the profession of Forensic Accountants and Forensic Auditors (FAs) and matters connected therewith.
- Provide Forensic Accounting and Forensic Auditing education, training and support to its students and members.
- Conduct Forensic Accounting and Forensic Auditing professional examinations leading to membership.
- Licensing for governing the practice.
- Set up and ensure the code of ethics for its members.
- The IFAP maintains a comprehensive register of its members.
- The IFAP strives to maintain the highest technical and ethical standards, contributing to the economic well-being of Pakistan. The IFAP is actively involved in enabling Pakistan to become a global hub for forensic accounting and forensic accounting services.

Objective of IFAP

The main objective of The Institute of Forensic Accountants of Pakistan (IFAP) is to develop professional programs/courses on Forensic Accounting, Forensic Auditing, Forensic Accounting Investigation, Fraud Examination, Anti-Money Laundering Measures & Business Ethics, Corporate Governance, Internal & External Auditing, Corporate & financial investigation, management and its allied subjects with a view to produce Forensic Accountants, Forensic Auditors, Forensic Investigators, Fraud Examiners and Forensic Accounting Professionals in Pakistan.

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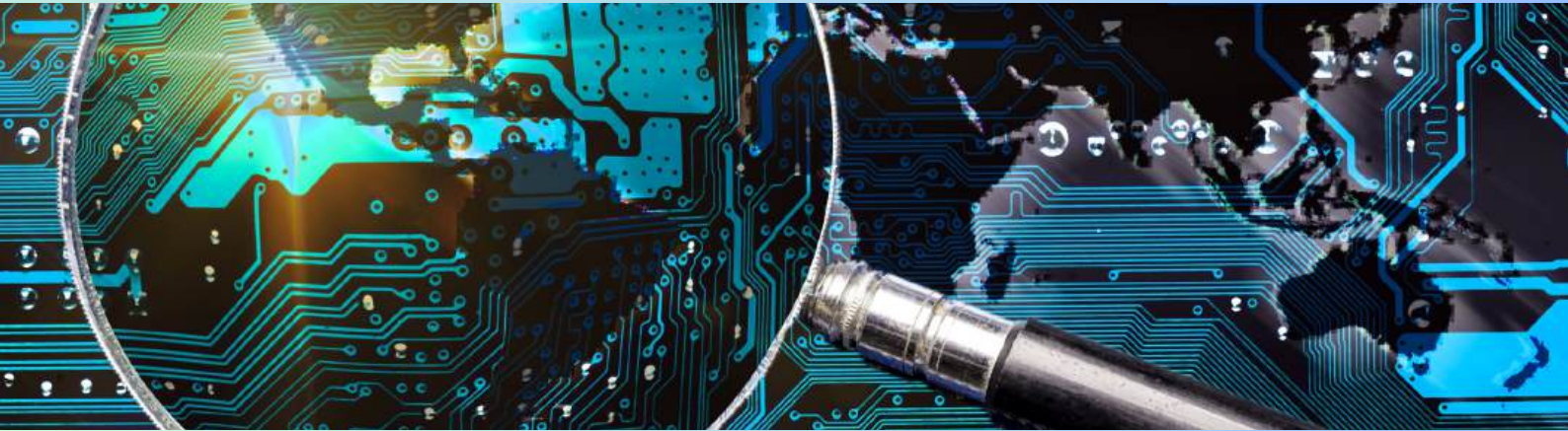
Role of IFAP

The Institute of Forensic Accountants of Pakistan (IFAP) has a very vital role to play not only in disseminating professional education in Forensic Accounting and Forensic Auditing but also to enforce a Code of Professional Conduct/Ethics for its members, students and Forensic Accountants (FAs) and at the same time to meet for Forensic Accounting Professionals/Specialists not only in Pakistan but also in other countries of the world with a view to support and advance their educational standards, frame and establish rules for observance in all matters pertaining to their education and training. The Institute of Forensic Accountants of Pakistan (IFAP) sets guidelines for the education, training, and examination of Forensic Accountants (FAs). The IFAP enforces the Code of Ethics and takes disciplinary action against members for professional misconduct. The IFAP has the authority to investigate and discipline members for violations of professional conduct. The IFAP is responsible for the education and examination process for aspiring Forensic Accountants (FAs). The IFAP offers various post-qualification courses to enhance the skills and knowledge of its members. The IFAP develops and updates forensic accounting standards in line with evolving economic scenarios. The IFAP provides guidelines for auditing procedures to ensure consistency and quality. The IFAP provides ongoing learning opportunities for its members to keep them updated with the latest developments in their field. The IFAP is actively involved in preparing Forensic Accountants (FAs) for the evolving landscape of outsourcing services.

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Mission Statement

To foster professionalism among Forensic Accountants, Forensic Auditors, Forensic Investigators, Fraud Examiners, Financial Professionals, Investment Consultants and Working Executives to serve the needs and interests of members and the public.

Vision Statement

To be recognized as the Premier Professional Institute/Body representing Forensic Accountants, Forensic Auditors, Forensic Investigators and Professionals who uphold the highest standards in Forensic Accounting, Forensic Auditing, Forensic Investigation and Fraud Examination that benefit the public and the profession.

Professional Designatory Letters & Their Use



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Subject to fulfilment of conditions laid down in the Constitution/Articles of Association, persons admitted to the membership of the Institute shall be eligible to use the following designation and the designatory letters except as otherwise provided:-



Associate Member (AFA)

A person may be admitted as an Associate Member if he fulfils the conditions laid down in the Constitution/Articles of Association of the Institute shall be entitled to use the designatory letters AFA (Associate of The Institute of Forensic Accountants of Pakistan (IFAP)).

Fellow Member (FFA)

An Associate Member of the Institute who has attained the practical Forensic Accounting and Forensic Auditing experience described in the Constitution/Articles of Association of the Institute aggregating to at least five (05) years or more shall be entitled to use the designation Fellow of The Institute of Forensic Accountants of Pakistan (IFAP) and shall be entitled to use the designatory letters FFA (Fellow of The Institute of Forensic Accountants of Pakistan (IFAP)).



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Membership Benefits

We have described below a non exhaustive list of the benefits expected to accrue to IFAP members. These benefits will require establishment of structures that ensure that they are delivered by the team that will be mandated to oversee the programs. The IFAP is driven by the need to create and offer lifelong value to our members, who as professional Forensic Accountants (FAs), are expected to be effective in their work, adding value to those who rely on them including their clients, employers and the public in general.

Industry Recognition

Members of IFAP are allowed to use the professional designations AFA and FFA after their name. This qualification/designation will be aggressively branded and marketed to employers to enhance its recognition and value locally and internationally.

Job Recruitment & Advice

A job recruitment platform/job placement arm caters for placement of the Forensic Accountants and Forensic Auditors (FAs). This function also offer advice on careers.

CPD Training Events

Members receive highly subsidized CPD training to enable them get CPE hours towards meeting their CPD obligations consistent with International Federation of Accountants (IFAC) obligations. Our rich calendar of events comprising of seminars, conferences, workshops and professional forums.

Exemptions for further study/FA Reciprocity

The Institute will use best endeavors to negotiate for exemptions for members seeking to pursue further accounting studies. This will include ensuring that the forensic accounting FA designation is widely recognized. To promote the recognition of the FA designation, the IFAP has entered into partnerships with like-minded forensic accounting Institutes to extend their benefits to its members and vice versa.

Networking And Events

Members attend forums organized by the secretariat and this will offer a variety of networking benefits.

Member Professional Journal/ Magazine

A technical Journal is used for keeping members up to date with news, events, and industry developments. Regular updates on the latest trends and developments within the Institute, the profession and the business world in general through our news bulletin and The Forensic Accountant Journal/Magazine.



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NEW MEMBERS (ASSOCIATES-AFAS & FELLOWS-FFAS)

1. Mr. Zain Karim (AFA) (Karachi – Pakistan)
2. Mr. Nabeel Munawar (AFA) (Lahore – Pakistan)
3. Ms. Hina Waqar (AFA) (Lahore – Pakistan)
4. Mr. Syed Muhammad Kumail Haider Rizvi (AFA) (Rawalpindi – Pakistan)
5. Mr. Mohammad Ali Osman Anwar Chowdhury (FFA) (Dubai – UAE)
6. Mr. Alam Zaib Jaffar (AFA) (Quetta – Pakistan)
7. Mr. Muhammad Waqas (AFA) (Islamabad – Pakistan)
8. Mr. Dania Hassan Bugti (AFA) (Quetta – Pakistan)
9. Mr. Hanaish Kumar (AFA) (Doha – Qatar)
10. Mr. Waqas Rehan (AFA) (Karachi – Pakistan)
11. Mr. Sameer Ahmad (AFA) (Peshawar – Pakistan)
12. Mr. MBONIGABA Celestin (FFA) (Florida – USA)
13. Mr. Qamar Hussain (AFA) (Bahawalpur – Pakistan)
14. Mr. Muhammad Rizwan (AFA) (Islamabad – Pakistan)
15. Mr. Shahbaz Rahmat (AFA) (Lahore – Pakistan)
16. Mr. Yasir Ali (AFA) (Dubai – UAE)
17. Mr. Muhammad Iqbal Afridi (AFA) (Peshawar – Pakistan)
18. Mr. Mohammad Abdul Kader (AFA) (Dhaka – Bangladesh)
19. Mr. Hassam Khan Toru (AFA) (Islamabad - Pakistan)
20. Mr. Muhammad Asif (AFA) (Dubai - UAE)
21. Mr. Wasif Shahid (FFA) (Islamabad - Pakistan)



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ELIGIBILITY FOR ADMISSIONS

1.For FA Program: Minimum Entry eligibility required for admission is graduation from any disciplines or any other recognition qualification equivalent to graduation.

2.For DIFA Program: Minimum entry eligibility Intermediate or equivalent.

3.For CIFA Program: All Professionals and Working Executives.

Special Exemptions to Members of Professional Accounting Bodies/Institutes

The Institute of Forensic Accountants of Pakistan (IFAP) offers special exemption to Members of Professional Accounting Bodies/Institutes, limited time offer, last date September 30, 2025 for Forensic Accountant (FA) Program. Apply today.

ADMISSIONS ARE OPEN FOR DECEMBER/WINTER 2025

IFAP Admissions are open in

- (1). Forensic Accountant (FA) Program, .
- (2). Diploma in Investigative & Forensic Accounting (DIFA) Program.
- (3). Certificate in Investigative & Forensic Accounting (CIFA). Program for December/Winter 2025 examinations. The last date of registration for December/Winter 2025 Examinations is July 31, 2025. The examinations will be held in the last week of June/July 2025.

FOR ADMISSION INFORMATION CONTACT AT



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admissions@ifap.org.pk



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Forensic Accounting (FA) Training At NUST PDC

Dr Majid Latif Bhatti on behalf of The Institute of Forensic Accountants of Pakistan (IFAP) with the collaboration with NUST PDC conducted the two days training session on Forensic Accounting (Awareness, Importance and Application) on January 29 & 30 , 2025. The session was attended by the corporate employees from the various organizations.

IFAP Signed DoU with NUST PDC



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The Institute of Forensic Accountants of Pakistan (IFAP) and NUST Professional Development Centre (NUST PDC) have signed a Document of Understanding (DoU) on Tuesday dated March 11, 2025 to establish a general framework for collaboration and cooperation between the both parties on matters of mutual interest. The both parties aim to work together to achieve the following objectives:-

1. The IFAP and NUST PDC aim to collaborate under this DoU in the fields of Forensic Accounting, Auditing, Finance, Corporate Governance and related areas to build capacity in the financial and corporate sectors.
2. Expand cooperation to include emerging fields such as Data Analytics, Artificial Intelligence (AI) in Finance, Block chain Technology, Cyber security and Digital Transformation.
3. Organize joint events, training programs, seminars, workshops, conferences and certificate courses in areas of shared interest.
4. Promote awareness of financial literacy, ethical practices and compliance with international standards in the public and private sectors.
5. Collaborate on research projects, case studies and publications in forensic accounting, auditing and related disciplines.
6. Develop joint certification programs in forensic accounting, auditing and related fields to enhance professional qualifications.
7. Explore opportunities to develop innovative solutions for financial fraud detection, risk management and corporate governance.
8. Leverage each other's networks to establish international collaboration with global institutions, professional bodies and industry leaders.
9. Integrate climate change, sustainable development goals (SDGs) and environmental, social and governance (ESG) principles into training programs and initiatives.
10. Promote ethical practices and corporate social responsibility (CSR) in the financial and corporate sectors.

The Document of Understanding (DoU) was signed in a ceremony attended the officials of IFAP and NUST PDC to collaborate for this joint initiative. The DoU was formally signed by Secretary/Member Executive Council IFAP, Dr. Tahir Iqbal and GM NUST PDC, Mr. Muhammad Ali Khan. Others Officials of both sides were also attended the ceremony.



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IFAP MEMBERS PROFILES



Mr Syed Imran Ahmed
AFA (Dubai-UAE)

B.Com, FCPA Jordon, CMA Australia, FCPA Pak, AFA Pak, FIFA UK, FIPA Australia.

Having more than 25 years practical job experience in Accounting and Auditing. Currently, engaged as Partner in Allcott Hadi Shahid Chartered Accountants –Dubai, UAE involved in Forensic Accounting, Forensic Auditing, Financial Forensic Investigation, Fraud Examination, external and Internal Auditing, Taxation and Compliance.

Cell #00971 50 631 3385, Email: imran@allcottuae.org



Mirza Muhammad
Zafar Baig, AFA
(Lahore-Pakistan)

B.Com, M.Com, AFA, LLB, ACPA, ACCA Finalist.

Providing financial and business advisory services to clients, managing client portfolios, and offering strategic solutions to improve financial performance. Developed strong client relationship management and problem-solving skills. Provided Financial Crime investigation services at prominent companies. During these investigations gathered data, converted into information, highlighted the nature of the financial crime and its committer. Explained the process of financial crime and its quantification. Independent and ethical reporting to relevant persons. During these investigations 160 Million Rupees Revenue understatement was discovered as a result of misapplication of International Financial Reporting Standard.



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Mr. Abid Ali Anwar
FFA (UK)

Mr. Abid earned his Masters of Business Administration in Finance and Accounting before becoming a Certified Public Accountant and later the Fellow member of the Institute. He became a Forensic Accountant and earned the Fellowship of the prestigious Institute of Forensic Accountants of Pakistan. Mr. Abid is also a Fellow member of Association of International Accountant - UK (AIA) and a full member of The Association of Accounting Technicians.

He has extensive experience in property management, event management, joinery business, textiles sector, aviation industry, and energy efficiency management business. He has been significant in his 30 years of competence, rising to the level of Senior Management and serving on the Board of Directors of several companies. His primary areas of specialization are Business strategy, Strong internal controls, Forensic Accounting, Financial forecasts, Budget management, ERP deployment and Reporting on Financial performance. Mr. Abid was previously involved in corporate expansion endeavors and offers a wealth of knowledge from his work in several industries to the Group Finance Director in UK. Mr. Abid also runs his practice in UK.



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Haziq Neshat Akhtar

BSC, FFA FIPA, CISA, ACCA , CICA, FFA, CAMLP, CSAA, CIA & CRMA (in progress)

Engagement & Signing Partner - Ex-Forvis Mazars Bahrain & BDO Pakistan Partner, Risk, Financial Crimes and Transaction Services.

Haziq, Partner and Head of Advisory at Wathiq a Network Firm of athGadlang, brings over 17 years of expertise in fraud risk assessments, forensic investigations, Internal audits & Risk advisory, delivering strategic solutions across diverse industries. A committed advocate for ethical and sustainable business practices, he has spearheaded ESG frameworks and sustainability projects.

His extensive experience includes finance, internal audits, transformations, business process re-engineering, forensic investigations, and providing consulting in developing governance frameworks such as GRC and ERM for organizations of national and international repute.

Haziq has led significant projects, in establishing internal audit departments from scratch for SMEs to developing internal control frameworks based on COSO and IPPF guidelines for large organizations. With professional experience in Pakistan, the UK, KSA, Bahrain, and the UAE, he has managed Internal audit, compliance and financial crimes projects and collaborated with central banks, stock exchanges, and the British and French Chambers of Commerce, particularly in Bahrain.

He has worked with financial services organizations in providing strategic advice on the implementation of FATF recommendations. Working alongside a talented and dynamic team at Wathiq, Haziq strives to deliver value and impact for clients and stakeholders. Prior to joining Wathiq, his career includes significant roles in prestigious global organizations such as Forvis Mazars, Grant Thornton, BDO, Gerry's International, and British Petroleum.



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IFAP TESTIMONIALS



Mr. Hanaish Kumar (AFA) (Manager Risk Advisory Services, Mazars & Co, Chartered Accountants, Bahrain)

Forensic Accounting is a specialized field that is essential in the detection, prevention and resolution of financial crimes. It requires a unique set of skills and expertise, including an in-depth knowledge of accounting skills and principles, auditing techniques and investigative skills. It is more critical than ever before, given the increasing complexity of financial transactions, the rise of cybercrime, and the growing sophistication of financial criminals. By providing expert analysis and testimony, Forensic Accountants (FAs) play a vital role in the legal process, helping to ensure that justice is served and that financial crimes are detected and punished.



Mr. Muhammad Ali (FFA) (Representative Islamic Development Bank in Pakistan)

The increasing rate of fraudulent activities in Pakistan has become so wearisome that there need to be put in place a means of curbing or if need be, eradicating it. Forensic accounting, though, a new branch of accounting can be an effective tool in combating fraudulent activities within and outside the organization. The application of forensic accounting practice in Pakistan can help to detect and prevent fraud, validate the true and fair view of audited accounts and that Professional Accountants are well equipped to use forensic accounting to combat fraud if well designed legislation is put in place.



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IFAP TESTIMONIALS

Mr. Hassam Khan Toru (AFA) (Section Officer, Ministry of Economic Affairs, Islamabad)



Due to increased number of frauds in banking, insurance, stock market, cyber world and other sectors, forensic accounting has become need for the day for unveiling the financial scams, giving justice and providing decisive information about the facts found from such financial frauds. The term 'fraud' involves using deception to dishonestly make a personal gain for oneself and/or create a loss for another. It includes acts as theft, corruption, conspiracy, embezzlement, money laundering, bribery, extortion etc. Forensic accounting is the application of different accounting facts collected through auditing methods and procedures to resolve financial irregularities.

Mr. Muhammad Asif (AFA) (Chief Accountant, R Evolution Project Management LLC, Dubai-UAE.)



Forensic accounting is the application of accounting principles, theories and disciplines to facts or hypothesis at issues in a legal dispute and encompasses every branch of accounting knowledge. In other words, forensic accounting is the assimilation of accounting, auditing and investigative skills. It is used for examination of fraud from inception to disposition, including obtaining evidence, interviewing, writing reports, and testifying. Although of recent origin, but in recent years, banks, insurance companies and even police have started taking help of Forensic Accountants (FAs). Significant increase in white collar crime now these days and the problems faced by the law enforcement agencies in resolving them have also contributed to the growth of the profession of forensic accounting and forensic auditing.



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FORENSIC ACCOUNTING LEGISLATION IN PAKISTAN

In Pakistan, while there isn't a specific national law dedicated solely to forensic accounting, the practice is supported by various existing laws and regulations, particularly those related to financial crimes and litigation. There's a growing need for a more robust legal framework to regulate and standardize forensic accounting practices.

Key aspects of forensic accounting in Pakistan:-

Legal Framework:

1. Existing laws like the Criminal Justice Act, Penal Code, and Corruption and Other Related Offenses Act provide the foundation for investigating and prosecuting financial crimes.
2. Litigation support services, a key aspect of forensic accounting, rely on court procedures and rules of evidence for admissibility of forensic accounting evidence.
3. There's a need for a more comprehensive legal framework to specifically address forensic accounting, including the establishment of a national regulatory body to set standards and guidelines.

Role of IFAP:

1. Professional body like The Institute of Forensic Accountants of Pakistan (IFAP) plays a role in education and training and certifying Forensic Accountants (FAs).
2. This body also develops and promotes forensic accounting and forensic auditing standards and guidelines.

Challenges and Opportunities:

1. **Challenges** include a lack of awareness, education and training about forensic accounting and forensic auditing, limited resources for education, training and investigation, and resistance to change.
2. **Opportunities** include the increasing demand for forensic accounting and forensic auditing services in the public and private sectors, especially in areas like fraud detection, investigation, and litigation support.

Impact on Economic Growth:

1. Forensic accounting and forensic auditing plays a crucial role in combating financial crimes and promoting transparency and accountability, which are essential for economic growth and development.
2. By uncovering fraud and corruption, forensic accounting and forensic auditing helps to improve financial reporting quality and build investor confidence.
3. The growing awareness of forensic accounting's role in detecting and preventing financial irregularities is leading to its wider adoption in various sectors, including the financial sector, corporate sector, and government.

In summary, while specific legislation for forensic accounting and forensic auditing is still developing in Pakistan, existing laws and regulations provide a foundation for its practice. The need for a more comprehensive legal framework and the establishment of a regulatory body are crucial for enhancing the profession and ensuring its effective use in combating financial crimes and promoting economic growth.



CAUSES FOR THE GROWTH OF FORENSIC ACCOUNTING IN PAKISTAN

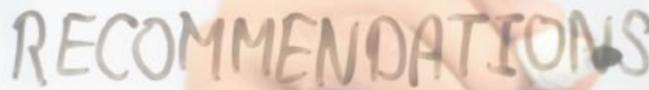
The need for forensic accounting was felt because of the failure of internal and external audits in the organization to ascertain errors in the managerial system. The important reasons for the growth of forensic accounting:-

1. Pakistan was not having enough Forensic Accountants (FAs) and lack of awareness and understanding of the profession.
2. Because internal and external audits of the firm failed to detect numerous financial irregularities that are harmful to the interest stakeholders, conventional accounting was unable to do so.
3. Culprits are sophisticated technologies in committing frauds hence to replace old investigation methodology in right way to new technology on the IT platform.
4. Rotation and appointment of the audit committees by the corporation in Pakistan through cooperation and lobbying.
5. Auditors' certificates are scrutinized in the situations where the reports are unclear, doubtful and qualified.
6. The growth of forensic accounting in Pakistan is driven by increased awareness of financial crimes, the need for specialized expertise in fraud detection and prevention, and the growing complexity of financial transactions and legal investigations. This demand is further fueled by regulatory and legal frameworks that are increasingly emphasizing financial accountability and integrity.
7. The increasing prevalence of financial fraud, corruption, and related crimes in Pakistan has spurred a greater need for specialized skills in detecting and preventing these activities.
8. This includes instances of embezzlement, asset misappropriation, bribery, and tax evasion, which are often difficult to uncover through traditional auditing methods.
9. Forensic accounting provides a specialized skill-set that goes beyond traditional auditing, enabling the analysis of complex financial data and the collection of evidence for legal investigations.
10. Forensic Accountants (FAs) are equipped to identify patterns of fraud, analyze financial documents, and provide expert testimony in court, which traditional auditors may not be trained to do.
11. As financial transactions become more complex, the need for forensic accounting services to unravel intricate financial schemes and recover assets has increased.
12. Forensic Accountants (FAs) are also increasingly involved in litigation support, providing expertise in cases involving financial disputes and regulatory investigations.
13. The Federal Government of Pakistan has taken steps to strengthen regulatory and legal frameworks to combat financial crimes, which in turn has created a greater demand for forensic accounting services.
14. This includes initiatives to establish anti-corruption agencies, enforce financial regulations, and provide legal backing for forensic investigations.
15. The establishment of IFAP has played a significant role in promoting and advancing the forensic accounting profession in Pakistan by setting standards, providing training, and raising awareness.
16. The IFAP has also collaborated with government authorities and regulatory bodies to develop forensic accounting standards and support regulatory initiatives.



THE KEY CHALLENGES IN IMPLEMENTING FORENSIC ACCOUNTING IN PAKISTAN

1. **Premium service:** Compared to investigative auditing, this service is quite expensive.
2. **Lack of separation of duties:** When duties are not separated, it unintentionally permits personnel to engage in fraud.
3. **Political Fancy and a Complex Judicial System:** Issues with gathering evidence against politicians and bureaucrats for judicial admission.
4. **Compliance with Ethics Program:** Employees are subtly encouraged to disregard or transgress the organization's message of integrity and ethical ideals by top management's conduct and pressure to reach objectives.
5. **Technologies-related fraud:** Fraudsters and criminals employ continually evolving technology.
6. **Corporate Image:** It will be very expensive if any cases involving financial fraud or defalcation are taken to court and need expert testimony.
7. **Multi-jurisdictional Fraudster:** Indian law makes it challenging for forensic accountants to prosecute fraudsters from other nations.
8. **Implementing Forensic Accounting in Pakistan:** faces several key challenges, including a lack of comprehensive legal frameworks, inadequate training and professional standards, and a cultural resistance to acknowledging financial irregularities. Additionally, concerns about ethical conflicts, data privacy, and the evolving nature of fraud schemes present significant hurdles.
9. **Inadequate Laws:** Pakistan's legal framework may not be fully equipped to handle the complexities of financial fraud and forensic investigations.
10. **Lack of Specialized Courts:** The absence of specialized courts with the expertise to handle complex forensic accounting cases can hinder the legal process.
11. **Data Protection Concerns:** Ensuring the legal admissibility of evidence collected during forensic investigations, particularly in the digital realm, requires a strong legal foundation.

RECOMMENDATIONS

RECOMMENDATIONS FOR THE DEVELOPMENT AND IMPROVEMENT OF FORENSIC ACCOUNTING PRACTICE IN PAKISTAN BY IFAP

The following recommendations were made for the development and improvement of the current state of forensic accounting in Pakistan by IFAP:-

1. It is recommended that the government should make forensic accounting compulsory for all accounting majors in the University and create enabling environment for the practice of forensic accounting in the country.
2. It is recommended that forensic accounting experts be employed to carry out more litigation support services to serve as expert witness that will assist the court to reach a conclusion on issues which the court may not ordinarily have the knowledge to decide while more Forensic Accountants (FAs) be engaged to reduce rate of fraudulent cases in the Pakistani public sector.
3. It is recommended that the Federal Government Pakistan, through the enabling Acts of Parliament/National Assembly, should uphold the decision to establish statutory/regulatory body, such as the The Institute of Forensic Accountants of Pakistan (IFAP). This Institute (IFAP) should have autonomous power to pursue a strong research agenda to confirm the evidence reliability of methodologies used in forensic accounting and forensic auditing practices in Pakistan, set standards for the validity and reliability of extant forensic accounting and forensic auditing techniques, establish standards for their use in the courts of law, and create a system to enforce standards, push for improvements and secure the integrity of the final forensic products meeting the international quality assurance accreditation standards on forensic accounting and forensic auditing.
4. It is recommended that to improve forensic accounting practice in Pakistan, it's crucial to establish clear standards, integrate it into education, and foster collaboration between professionals and regulatory bodies. This includes developing national forensic accounting standards, enhancing forensic accounting education in academic institutions, and promoting continuous learning and development among professionals. Additionally, utilizing technology like data analytics and AI to detect financial irregularities is key to strengthening the field.
5. It is recommended that The Institute of Forensic Accountants of Pakistan (IFAP) should lead in developing and implementing national forensic accounting standards, potentially drawing from International Standards on Forensic Accounting and Auditing.
6. It is recommended that these standards should be tailored to Pakistan's specific business and legal environment, especially in sectors like banking, finance, and insurance.
7. It is recommended that collaborate with regulatory bodies like the State Bank of Pakistan to assess and potentially amend existing regulations and laws.
8. It is recommended that to introduce forensic accounting as a core subject in accounting and finance programs at Pakistani universities and professional institutions.
9. It is recommended that to offer continuous professional development programs for practicing accountants to keep them updated on emerging forensic accounting techniques and best practices.
10. It is recommended that to encourage research in forensic accounting to address specific challenges and develop innovative solutions in the Pakistani context.

IFAP PAKISTAN

FORENSIC AUDIT ELIGIBILITY IN PAKISTAN

Who is Eligible for Forensic Audit in Pakistan?

A forensic audit is one of the essential tools for detecting financial fraud, corruption, and misconduct, but it is not just reserved for corporations or high-profile cases. In Pakistan, forensic audits can be conducted on a wide range of entities, including companies, government organizations, financial institutions, and even individuals. These audits are triggered when there are suspicions of financial irregularities, mismanagement, or fraudulent activities. When the company is facing unexplained financial losses, a government body suspected of embezzlement, or an individual accused of financial misconduct, a forensic audit serves as an investigative approach to trace and reveal the truth. By using specialized techniques and in-depth scrutiny, forensic auditors dive deep into financial records to uncover discrepancies and provide crucial evidence. In this blog, we'll explore who can be subjected to a forensic audit in Pakistan, the reasons behind it, and the process involved.

What is a Forensic Audit?

A forensic audit functions similarly to a financial detective's work, in contrast to routine financial audits that verify the accuracy of a company's financial data. It looks more closely for indications of money laundering, embezzlement, fraud, or other illegal activity. These audits are helpful when the company is facing or about to face legal action; the findings of the audit can often serve as key evidence in court.

Who Can be Subjected to a Forensic Audit?

In Pakistan, several kinds of entities or individuals can be subjected to a forensic audit. If the situation warrants it, even smaller businesses and individuals can be scrutinized.

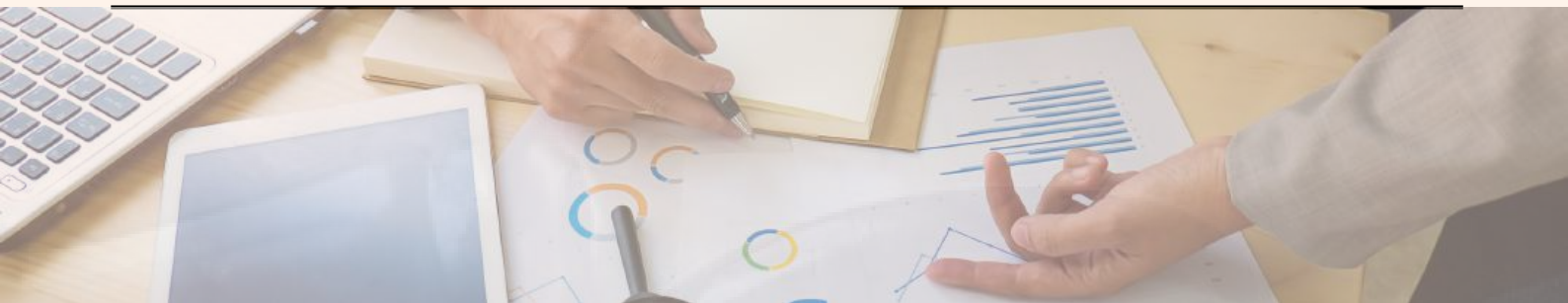
Corporations and Companies

Forensic audits in Pakistan often target businesses, especially when there is a suspicion of financial irregularities, such as:

- 1. Fraud and Mismanagement:** If there is an internal suspicion or an external tip-off like from a whistle blower, forensic audits are often conducted to uncover fraudulent activities and check if it is embezzlement by employees or misuse of company funds by top executives.
- 2. Irregular Financial Statements:** A WA forensic audit may be initiated when there are inconsistencies or inconsistencies in a company's financial accounts. It may also occur if there is an unexpected increase in costs or inexplicable profits that raise suspicions.
- 3. Investor or Shareholder Concerns:** If shareholders or investors suspect financial mismanagement or fraud, they may request a forensic audit. In some cases, creditors might also seek it, especially if they feel the company is hiding critical information about its financial status.
- 4. Tax Evasion and Money Laundering:** In cases where there is suspicion of tax evasion, money laundering, or other illegal activities, a forensic audit becomes necessary to uncover financial malfeasance.

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FORENSIC AUDIT ELIGIBILITY IN PAKISTAN



Banks and Financial Institutions

Banks and financial institutions hold a large amount of public and corporate money. Therefore, they come under strict scrutiny, and forensic audits are often conducted for the following reasons:

- 1. Loan Default and Fraud:** If a borrower is suspected of fraudulently securing a loan or misusing the funds, banks may initiate a forensic audit to trace the flow of funds.
- 2. Money Laundering:** If a financial institution is involved, knowingly or unknowingly, in money laundering, forensic audits are conducted to follow the financial trails and identify illicit activities.
- 3. Internal Mismanagement:** In cases where there is a suspicion of misappropriation of funds or breaches of internal control systems within a financial institution, a forensic audit can help uncover what's gone wrong.

Government Organizations and Public Sector Units

Forensic audits are essential for ensuring that the government of India uses public money appropriately. The government entities may come under scrutiny of forensic audit due to the following reasons:

- 1. Corruption or Financial Mismanagement:** Government departments or public sector units (PSUs) are frequent subjects of forensic audits when there is a suspicion of corruption, bribes, or other forms of financial misconduct.
- 2. Unexplained Transactions:** If a government body is found to have made unexpected, unusual, and questionable transactions or have allocated funds without clear justification and approval, forensic audits can help to track where the money is.
- 3. Public Fund Misuse:** Any misuse of public resources, be it for personal gain or misdirected projects, can trigger a forensic audit. The Auditor General of Pakistan (AGP) can recommend a forensic audit to trace the source and flow of funds.

Non-Governmental Organizations (NGOs)

Non-profit organizations also find themselves on the radar of forensic audits, primarily if they handle substantial sums of donations or government grants:

- 1. Misuse of Donated Funds:** If there is a doubt or concern that funds donated for a charitable cause are being misused or diverted for personal use or non-charitable activities, forensic audits are used to investigate the situation.
- 2. Financial Misreporting:** NGOs may face scrutiny if there are discrepancies in their financial statements, such as unaccounted donations or irregularities in their financial reporting.

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FORENSIC AUDIT ELIGIBILITY IN PAKISTAN



High Net-Worth Individuals (HNIs)

Forensic audits are not just limited to businesses or government organization. High net-worth individuals (HNIs) can also be subjected to the Forensic Audit in the following situations:

- 1. Tax Evasion:** If there is a suspicion that an individual is evading taxes by hiding assets or manipulating financial statements, they can be subjected to a forensic audit to uncover these activities.
- 2. Asset Tracing:** In cases of financial disputes such as divorce settlements and inheritance cases), forensic audits may be used to trace assets and verify financial claims.
- 3. Money Laundering:** If an individual is suspected of involvement in money laundering, a forensic audit helps follow the money trail and identify the sources and destinations of illicit funds.

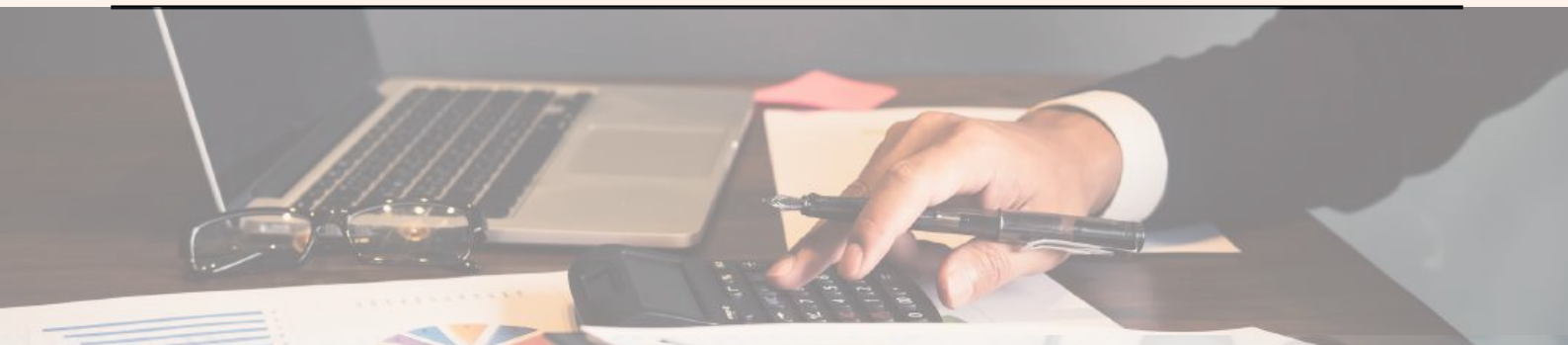
Startups and Small Enterprises

Though less common, even small businesses and startups can face forensic audits, primarily when they deal with large sums of money or have investors. The reasons might include:

- 1. Internal Fraud:** If a startup's founders or employees are suspected of embezzling funds, a forensic audit can uncover the fraudulent activity.
- 2. Disputes with Investors:** Forensic audits can help settle disputes between investors and company founders (e.g., over financial performance, profits, or resource allocation) by verifying financial records.

IFAP PAKISTAN

DIFFERENCE BETWEEN FORENSIC ACCOUNTANT (FA) AND CHARTERED ACCOUNTANT (CA)



A Forensic Accountant (FA) is a specialist who investigates financial crimes and fraudulent activities, using accounting and investigative skills to analyze financial data and provide evidence in legal proceedings. A Chartered Accountant (CA) is a broadly qualified accountant who can work in various areas like financial reporting, taxation, and auditing, and may specialize in areas like forensic accounting.

Key Differences (Features)

Focus:

Forensic Accountant (FA). Investigating financial fraud and providing evidence in legal matters.

Chartered Accountant (CA). General financial management, reporting auditing and potentially specializing.

Skillset:

Forensic Accountant (FA). Accounting, Auditing, Investigation and legal knowledge.

Chartered Accountant (CA). Accounting, financial reporting, auditing, taxation and possibly specialization.

Role:

Forensic Accountant (FA). Primarily involved in fraud investigations and litigation support.

Chartered Accountant (CA). Can work in various roles including auditing, taxation and financial management.

Specialization:

Forensic Accountant (FA). Specialization in forensic accounting is a primary area of expertise.

Chartered Accountant (CA). May specialize in forensic accounting or other areas like taxation and auditing.

In essence, Forensic Accountants (FAs) are detectives of the financial world, using their accounting knowledge to uncover financial irregularities and build cases for legal proceedings. Chartered Accountants (CAs) are broader financial professionals who can work in various areas, including some specialized in areas like forensic accounting.

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FORENSIC ACCOUNTANT: SKILLS AND IMPORTANCE



What Is a Forensic Accountant (FA)?

A Forensic Accountant (FA) uses accounting and analytical skills to investigate financial transactions of a person or business. They are often relied upon as experts in legal cases that deal with financial fraud or embezzlement. Due to their training that combines accounting alongside the ability to see the story numbers may tell, they are able to use their skills to uncover what those numbers are trying to hide. In an intricate global economy that relies more and more heavily on technology with every passing year, the demand for Forensic Accountants (FAs) is expected to grow. But is it the right field for you? What sorts of tasks will you be responsible for performing, what education requirements will you need to complete, and what sort of job outlook or earning potential can you expect in the coming decade?

What Do Forensic Accountants (FAs) Do?

Forensic Accountants (FAs) assist corporations, government entities, and other organizations with the increasingly complex—and increasingly critical—task of identifying fraud, embezzlement, and related financial crimes, along with providing critical investigative insight into civil issues such as breaches of contract or bankruptcy filings. Applying specialized skills like the collection of evidence and reconstruction of transactions, Forensic Accountants (FAs) perform in-depth financial analyses, which serve as key evidence in civil and criminal legal proceedings, along with helping organizations identify and mitigate fraud risks.

As the U.S. Bureau of Labor Statistics (BLS) explains, “Many Forensic Accountants (FAs) work closely with law enforcement personnel and lawyers during investigations and often appear as expert witnesses during trials.” But don’t think that means your days as a Forensic Accountant (FA) will be repetitive or routine. According to Peter Grupe, formerly special agent in charge of white-collar crime cases for the FBI’s New York office, “There really isn’t a typical day in forensic accounting. Some days you might be crunching numbers, some days, you might be conducting interviews, and on other days, you might be reviewing documents.”

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FORENSIC ACCOUNTANT: SKILLS AND IMPORTANCE



Importance of Forensic Accountants (FAs)

In today's increasingly complex and interconnected business world, the importance of Forensic Accountants (FAs) cannot be overstated. As financial transactions become more intricate and sophisticated, the need for skilled professionals to unravel financial mysteries and detect fraudulent activities has grown significantly. Here are some reasons why Forensic Accountants (FAs) are essential in the modern business landscape: -

Combating Fraud: Fraudulent activities, such as embezzlement, asset misappropriation, and financial statement fraud, can cause significant financial losses to businesses, investors, and governments. Forensic Accountants (FAs) use their expertise to identify, investigate, and prevent fraud, helping organizations maintain financial integrity and protect their assets.

Regulatory Compliance: As businesses face increasing scrutiny from regulatory bodies and growing compliance requirements, Forensic Accountants (FAs) play a crucial role in ensuring that organizations adhere to financial regulations and standards. They help companies identify potential risks, develop internal controls, and maintain accurate financial records.

Litigation Support: Forensic Accountants (FAs) are often called upon to assist in legal disputes and litigation, providing expert testimony, calculating damages, and conducting financial analyses. Their specialized knowledge helps attorneys build strong cases and navigate complex financial disputes.

Mergers and Acquisitions: During mergers and acquisitions, Forensic Accountants (FAs) can uncover hidden liabilities, assess the true value of target companies, and identify potential financial risks. Their expertise enables organizations to make informed decisions and avoid costly mistakes during these critical transactions.

Enhancing Transparency: Forensic Accountants (FAs) contribute to the overall transparency and credibility of financial reporting by ensuring that businesses follow accounting standards and maintain accurate financial records. This, in turn, boosts investor confidence and promotes ethical business practices.

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CHALLENGES IN FORENSIC ACCOUNTING



Forensic accounting, a field that merges accounting, auditing, and investigative skills, plays a critical role in uncovering financial fraud and ensuring justice in legal proceedings. However, the path of a Forensic Accountant (FA) is fraught with numerous challenges that require not only technical proficiency but also exceptional problem-solving abilities. This article delves into the primary challenges faced by Forensic Accountants (FAs) and explores strategies to overcome them.

1. Complexity of Financial Data: Challenge: One of the most significant challenges in forensic accounting is the sheer complexity of financial data. Forensic Accountants (FAs) often deal with large volumes of data that can span several years and involve multiple entities and transactions. The intricate nature of financial records, coupled with sophisticated methods used by fraudsters to conceal their activities, makes the task of identifying irregularities extremely challenging. Strategy to Overcome: Leveraging advanced data analysis tools and software can help Forensic Accountants (FAs) manage and analyze large datasets efficiently. Additionally, continuous education and training in the latest forensic accounting techniques and technologies are crucial for staying ahead in this rapidly evolving field.

2. Evolving Nature of Fraud: Challenge: Fraudsters are becoming increasingly sophisticated in their methods, constantly developing new schemes to bypass traditional controls and detection mechanisms. This evolving nature of fraud means that Forensic Accountants (FAs) must continually update their knowledge and skills to effectively identify and combat new types of financial crimes. Strategy to Overcome: Forensic Accountants (FAs) must engage in ongoing professional development and stay informed about the latest trends in financial fraud.

3. Legal and Regulatory Issues: Challenge: Forensic Accountants (FAs) operate within a complex legal and regulatory framework. Navigating these regulations, which can vary significantly by jurisdiction, is a critical aspect of forensic investigations. Ensuring compliance with legal standards while collecting and presenting evidence can be a daunting task. Strategy to Overcome: Developing a thorough understanding of the relevant legal and regulatory environment is essential. Forensic Accountants (FAs) should collaborate closely with legal professionals to ensure that their investigations and evidence collection methods are compliant with the applicable laws and can withstand legal scrutiny.

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CHALLENGES IN FORENSIC ACCOUNTING



4. **Uncooperative Parties: Challenge:** During investigations, Forensic Accountants (FAs) often encounter uncooperative parties, including witnesses, employees, and organizations that may be reluctant to provide necessary information. This lack of cooperation can significantly hinder the investigative process. **Strategy to Overcome:** Building strong interpersonal and communication skills is crucial for Forensic Accountants (FAs). They must be adept at conducting interviews and negotiations to obtain critical information. In some cases, legal avenues such as subpoenas or court orders may be necessary to compel the production of documents and testimony.

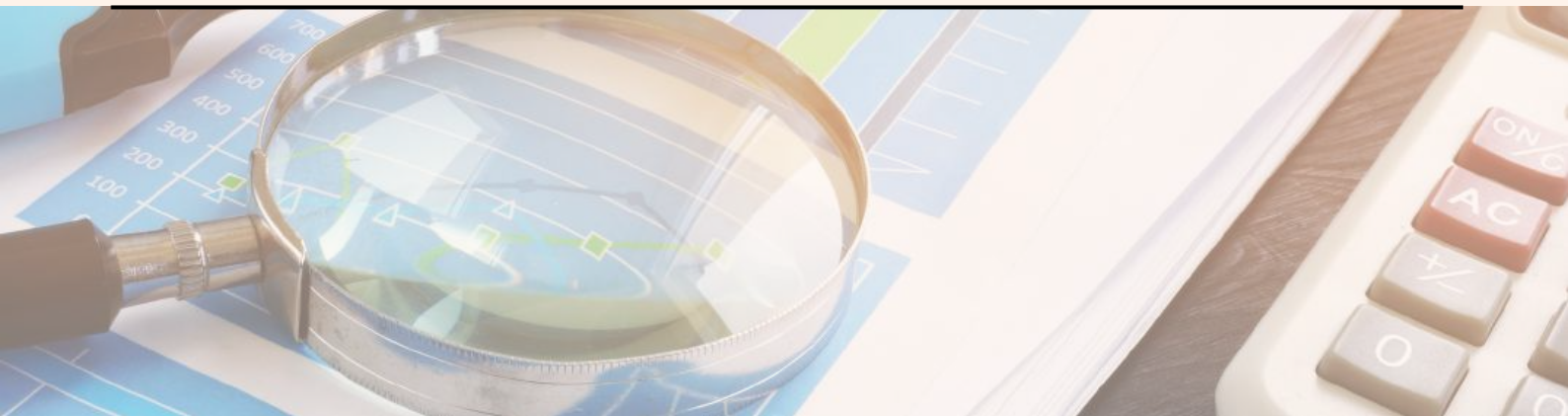
5. **Maintaining Objectivity and Ethical Standards:** **Challenge:** Maintaining objectivity and adhering to high ethical standards is paramount in forensic accounting. Forensic Accountants (FAs) must remain impartial and avoid conflicts of interest, even when under pressure from clients or employers to reach a particular conclusion. **Strategy to Overcome:** Establishing a strong ethical foundation and adhering to professional codes of conduct. Regular ethics training and seeking guidance from mentors or professional networks can help Forensic Accountants (FAs) navigate ethical dilemmas.

6. **Resource Constraints:** **Challenge:** Forensic accounting investigations can be resource-intensive, requiring significant time, personnel, and financial investment. Smaller firms or organizations with limited resources may struggle to conduct comprehensive investigations. **Strategy to Overcome:** Efficient resource management and prioritization are key. Forensic Accountants (FAs) should focus on high-risk areas and utilize cost-effective tools and techniques. Collaborating with external experts or consultants can also provide additional expertise and resources when needed.

Conclusion: Forensic accounting is a challenging yet rewarding profession that plays a vital role in upholding financial integrity and justice. By understanding and addressing the complexities of financial data, staying abreast of evolving fraud techniques, navigating legal issues, fostering cooperation, maintaining ethical standards, and managing resources effectively, Forensic Accountants (FAs) can overcome these challenges and excel in their field. Continuous learning, professional development, and a commitment to ethical conduct are the cornerstones of success in this dynamic and impactful career.

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THE EVOLUTION OF FORENSIC ACCOUNTING



Importance of Forensic Accountants (FAs)

Forensic accounting, a specialized field combining accounting, auditing, and investigative skills, has a rich history that dates back to ancient times. Its evolution reflects the growing complexity of financial transactions and the increasing need for accountability and transparency in both private and public sectors. This article delves into the historical development of forensic accounting and explores how it has evolved into the sophisticated discipline it is today.

Ancient Roots: The Early Beginnings: The origins of forensic accounting can be traced back to ancient civilizations. In Egypt, scribes meticulously recorded financial transactions on papyrus scrolls to prevent fraud and ensure accurate record-keeping. Similarly, the Roman Empire had officials known as "cognitors" who were responsible for managing financial disputes and verifying the authenticity of financial records.

Medieval Era: The Birth of Auditing: During the medieval period, the rise of trade and commerce necessitated the development of more structured financial oversight. The Italian city-states, particularly Venice and Florence, became hubs of financial innovation. The concept of auditing emerged as merchants and bankers sought to verify the accuracy of their financial records. The introduction of double-entry bookkeeping by Luca Pacioli in the 15th century marked a significant milestone, laying the groundwork for modern accounting practices.

19th Century: The Emergence of Forensic Accounting: The Industrial Revolution brought about significant economic changes, leading to the proliferation of businesses and an increase in financial fraud. It was during this period that the term "forensic accounting" began to gain recognition. In 1824, the first known case of forensic accounting was documented in the United Kingdom, where a court employed a Forensic Accountant (FA) to investigate the insolvency of a bank. This case highlighted the need for specialized skills to uncover financial discrepancies and fraudulent activities.

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THE EVOLUTION OF FORENSIC ACCOUNTING

Early 20th Century: Professionalization and Recognition: The early 20th century witnessed the formalization of forensic accounting as a distinct profession. In 1927, the American Institute of Certified Public Accountants (AICPA) established a committee to address fraud detection and prevention. This move underscored the growing importance of forensic accounting in ensuring the integrity of financial reporting. High-profile cases, such as the Teapot Dome scandal in the United States during the 1920s, further emphasized the need for Forensic Accountants (FAs) to investigate financial misconduct involving government officials and corporate entities.

Post-World War II: Expansion and Integration: The post-World War II era saw significant advancements in forensic accounting techniques and methodologies. The increasing complexity of corporate structures and financial transactions necessitated a more sophisticated approach to fraud detection. Forensic Accountants (FAs) began to integrate statistical analysis, computer technology, and advanced auditing techniques into their investigative processes. The establishment of specialized forensic accounting firms provided businesses and governments with the expertise needed to tackle financial crimes effectively.

Late 20th Century: Technological Advancements and Globalization: The late 20th century marked a transformation period for forensic accounting, driven by rapid technological advancements and the globalization of financial markets. The advent of computers and the internet revolutionized the way financial data was stored, processed, and analyzed. Forensic Accountants (FAs) started utilizing digital forensics to uncover electronic evidence of financial fraud. The globalization of businesses also brought new challenges, as financial crimes often spanned multiple jurisdictions, requiring Forensic Accountants (FAs) to navigate complex international regulations.

21st Century: The Modern Landscape: In the 21st century, forensic accounting has become an indispensable tool in combating financial fraud and ensuring regulatory compliance. The Enron scandal and the subsequent Sarbanes-Oxley Act of 2002 in the United States underscored the critical role of Forensic Accountants (FAs) in maintaining corporate accountability. Today, forensic accounting encompasses a wide range of activities, including fraud investigation, litigation support, cyber-crime analysis, and anti-money laundering efforts.

The Future of Forensic Accounting: The evolution of forensic accounting reflects the changing dynamics of the global economy and the increasing sophistication of financial crimes. As technology continues to advance, Forensic Accountants (FAs) will need to stay ahead of emerging threats and develop innovative techniques to detect and prevent fraud. The future of forensic accounting lies in its ability to adapt to new challenges and uphold the principles of transparency, integrity, and accountability in the financial world.

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FORENSIC ACCOUNTING: IMPORTANCE AND ITS APPLICATIONS



Investigative, accounting, auditing, and other abilities are used in forensic accounting to look into someone's or a company's financial situation. An accounting analysis suitable for use in court proceedings is provided by forensic accounting. To go beyond the numbers and deal with the situation's business reality, Forensic Accountants (FAs) receive special training. In fraud and embezzlement prosecutions, forensic accounting is sometimes utilized to describe the specifics of a financial crime in court.

In-depth financial and business issues are analyzed, interpreted, and summarized by Forensic Accountants (FAs). They could work for public accounting firms, banks, police departments, insurance companies, or the government. Forensic Accountants (FAs) gather financial proof, create computer programs to manage the data gathered, and offer their conclusions in reports or presentations.

When calculating damages is necessary in a lawsuit, forensic accounting is used. The quantification are used by the parties in legal disputes to aid in settlement negotiations or court rulings. For instance, disagreements over pay and benefits could lead to this. If the argument goes to court, the Forensic Accountant (FA) might be called as an expert witness.

In order to determine whether a crime took place and gauge the likelihood that it had malicious intent, forensic accounting is also used. Employee theft, securities fraud, information falsification in financial statements, identity theft, and insurance fraud are a few examples of such crimes. Investigations into construction claims, expropriations, product liability claims, or trademark or patent infringements are examples of forensic accounting tasks. To top it all off, forensic accounting can also be utilized to estimate the financial impact of a nondisclosure or non-compete agreement breach. Determining the amount the customer should want from the insurer is necessary for an insurance claim. A thorough examination of the insurance policy would be the first step to ascertain "coverage," or what is insured, as well as any provisions that would limit the amount that can be claimed or render the claim invalid.

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FORENSIC ACCOUNTING: IMPORTANCE AND ITS APPLICATIONS



To quantify the loss, or the amount to be claimed, the second stage would be to acquire evidence. Claims resulting from the misuse of assets, such as the theft of products or money, may be included in insurance claims. To balance the amounts possessed and ascertain the value of the products or cash stolen in such situations, the Forensic Accountant (FA) will examine inventory or cash records as well as specifics of sales and purchases. By counting a sample of current inventory or cash and comparing it to the client's records, they will also check the accuracy of the data held. The Forensic Accountant (FA) will not automatically presume that there has been a theft; instead, they will take into account various scenarios, such as a data error.

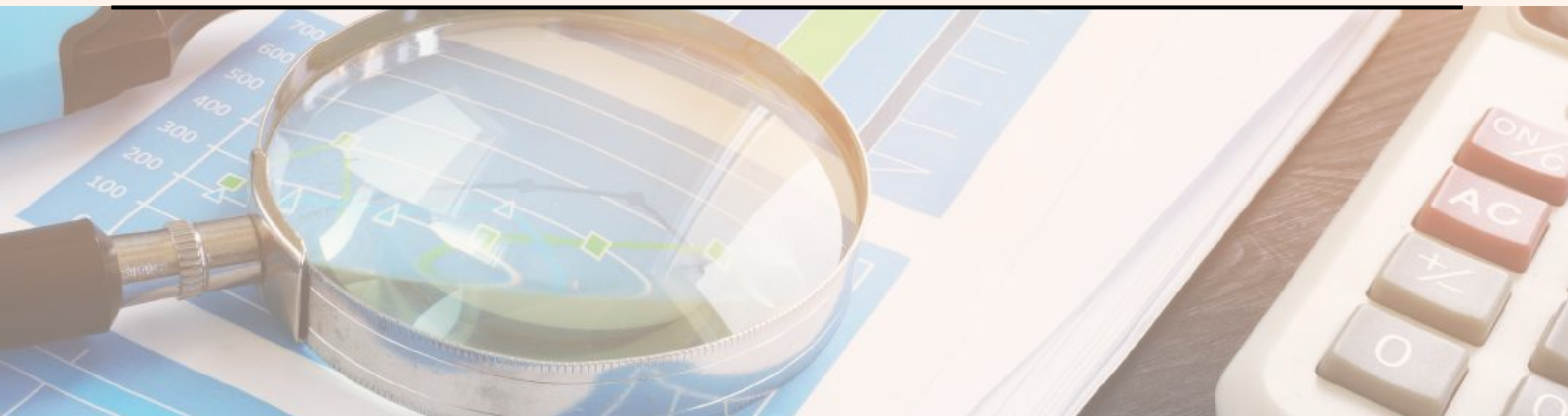
However, there are instances where insurance claims are far more difficult than this, such as when business interruptions result from a fire or flood. The Forensic Accountant (FA) will study anticipated financial data and compare it to reported results in these types of engagements to assess the profit loss brought on by the disruption of operations. The Forensic Accountant (FA) will take other factors into account, such as a simple loss of market share to a competitor, before assuming that there has been any loss of profit as a result of the business disruption.

The Forensic Accountant (FA) is frequently asked to estimate a loss in forensic engagements. One such engagement is dealing with accusations of professional negligence, or where another accountant has violated their duty of care to a client or third party and caused that client to suffer a loss. The Forensic Accountant (FA) would also offer an opinion on whether the duty of care due has been violated in these types of engagements, i.e., if the audit or other accounting service was carried out in accordance with current standards in practice, legislation, and procedures. This would necessitate taking into account whether the International Standards on Auditing were followed in regard to an audit.

When two parties cannot agree on the amount that one party owes another and the accountant is called in to provide an expert assessment, such as of a business, the need for a Forensic Accountant (FA) may also arise. In a divorce dispute, this could occur when a divorcing couple hires a Forensic Accountant (FA) to appraise the business in order to achieve a settlement. The couple's assets include shares in a corporation or partnership. When one partner wants to quit a partnership and is being bought out by the other partner, a similar procedure may be used.

IFAP PAKISTAN

DIGITAL IDENTITY VERIFICATION



Bolstering Ecommerce Security Against Rising Fraud Threats

Digital identity verification has emerged as a linchpin in the rapidly evolving digital landscape, bridging the gap between online operations and trustworthiness.

As more services transition online, from banking to healthcare, ensuring that a user is who they claim to be becomes paramount. This process, beyond just securing transactions, underpins the safety of personal data, helps combat fraudulent activities, and fortifies regulatory compliance.

Leveraging advanced technologies such as artificial intelligence, biometrics, and blockchain, modern identity verification platforms are equipped to provide quick yet robust validations. Yet, as we embrace this technology, it's essential to address inherent challenges like data privacy and potential biases to foster a more secure and inclusive digital future.

Digital Identity Verification

In this digitalization business environment, buying and selling have become user friendly than ever before, however, some questions remain regarding security and fraud.

With the ever-increasing growth in ecommerce globally, there are breaches observed in online transactions which have led retailers to worry about business security. Higher product sales now come with higher numbers of imposters. That being said, there are proven solutions to encountering imposter threats via verification of user identity.

Digital identity verification is an important part of retailers' arsenal in the fight against identity fraud, making it possible to quickly spot and stop fraudsters in their tracks while delivering the frictionless experience that customers demand when making purchases online or via mobile apps.

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DIGITAL IDENTITY VERIFICATION

Ecommerce serves as a command center for merchants and consumers, allowing them to control trades, payments, and marketing. A large number of physical outlets (especially the bigger ones) have shifted to ecommerce to supplement their store sales with new online orders, reaching a bigger audience. The convenience that comes with eCommerce has made it a core business operation for retailers.

The ecommerce sector is a top target for fraudsters, who are increasingly using false or stolen identities to target online transactions. Threats include payment card fraud, account takeovers, and phishing attacks, where fraudsters impersonate retailer messages to access shoppers' accounts.

The fraudsters adapted swiftly, advancing their capabilities and targeting online transactions more aggressively. In particular, fraudsters made greater use of phishing, identity theft, and ransomware attacks to target businesses and consumers transacting online. Faced with the increasing scale of identity fraud, the e-commerce sector has had to double down on its efforts to ensure that transactions are secure and customers are genuine.

The e-Commerce businesses need to ensure that the contextual data, such as the user's IP addresses and device information are also used to verify the identity. For instance, by requiring extra ID checks when a shopper's account is accessed from a new device or location. Often, shoppers will be asked to provide proof of identity. This could be by typing in a unique security code sent to a known and verified e-mail address or mobile device.

There are several other important moments when online stores may be required to verify a customer's identity. Some of the most common include when shoppers open an account, make a high-value purchase, or attempt to buy age-restricted products, such as alcohol.

Conclusion

In the burgeoning digital era, while the convenience and accessibility of ecommerce have transformed business operations and broadened market reach, it's accompanied by escalating threats of fraud and security breaches. The transition to online platforms has undeniably made trade more user-centric, yet the mounting sophistication of fraudsters, employing tactics like phishing and ransomware, underscores the imperative for robust digital identity verification. As the e-commerce sector grapples with these challenges, harnessing contextual data, coupled with adaptive verification processes—like unique security codes sent to verified devices—emerges as a critical bulwark against impersonation and identity theft, ensuring both secure transactions and a seamless customer experience.

IFAP PAKISTAN

NAVIGATING THE UNDERWORLD: A DEEP DIVE INTO AML INVESTIGATIONS



Understanding AML Investigations

As the fight against financial crime intensifies globally, anti-money laundering (AML) investigations have become a crucial element in regulatory compliance. This section delves into the definition and importance of AML investigations.

Definition of AML Investigations

AML investigations refer to the detailed examination of financial transactions and customer data to detect suspicious activities and possible violations of AML regulations. These investigations are complex, time-consuming, and resource-intensive procedures that require specialized training and experience. In an AML investigation, vast amounts of financial data, including transaction records, customer information, and other relevant documentation are analyzed to detect potential money laundering activities and ensure compliance with regulations. Financial institutions and businesses are legally required to establish robust AML compliance programs, conduct thorough due diligence on customers, and file Suspicious Activity Reports (SARs) to regulatory authorities when suspicious transactions are identified.

Importance of AML Investigations

The significance of AML investigations cannot be overstated. Compliance with AML regulations is crucial to preventing money laundering, terrorist financing, and other financial crimes that can have significant societal impacts. Non-compliance with AML regulations can lead to severe consequences, including hefty fines, reputation damage, loss of business opportunities, and even criminal prosecution of individuals and organizations involved. In recent years, regulatory authorities around the world have intensified their focus on AML compliance and enforcement, leading to increased scrutiny and penalties for entities found to be in violation of AML regulations. For professionals working in compliance, risk management, and anti-financial crime, gaining a thorough understanding of the AML process is vital. Proper AML training can equip these professionals with the necessary skills to effectively carry out AML investigations, ensuring their organizations stay compliant and avoid the negative consequences of regulatory breaches.

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NAVIGATING THE UNDERWORLD: A DEEP DIVE INTO AML INVESTIGATIONS

The Scope of Money Laundering

In the world of anti-money laundering (AML), understanding the scope and impact of money laundering is integral to an effective AML process. This is a vast and complex issue with global repercussions and severe penalties for non-compliance.

Global Impact of Money Laundering

Money laundering affects economies and societies on a global scale. It facilitates a broad range of illicit activities, including terrorism financing, drug trafficking, corruption, and more. The funds laundered are often vast, and the effect on economies, particularly those of developing countries, can be devastating. Compliance with AML regulations is crucial to prevent these crimes. AML investigations often involve complex analysis of financial transactions and customer data to detect suspicious activities and possible violations of AML regulations. Hence, a robust AML compliance program is a necessity for financial institutions and businesses.

Consequences of Non-Compliance

Non-compliance with AML regulations can lead to severe consequences for businesses. These consequences range from hefty fines to reputation damage, loss of business opportunities, and in severe cases, criminal prosecution of individuals and organizations involved. In recent years, regulatory authorities around the world have intensified their focus on AML compliance and enforcement, leading to increased scrutiny and penalties for entities found to be in violation of AML regulations.

Key Elements of AML Investigations

To effectively prevent and combat money laundering, professionals working in AML and financial crime prevention must understand the key elements of AML investigations. These include identifying suspicious activities and understanding AML red flags.

Identifying Suspicious Activities: In the context of an AML investigation, identifying suspicious activities is an intricate process. It often involves a complex analysis of financial transactions and customer data to detect possible violations of AML regulations. Investigators follow a five-step process to determine if an alert should be investigated. This process includes revisiting the customer's profile, establishing a baseline and eliminating normal behavior, checking for changes in behavior and activity, and determining if the activity warrants filing a Suspicious Activity Report (SAR). During this process, investigators look for unusual transaction patterns, large cash payments, unexplained payments from third parties, and the use of multiple or foreign accounts. Transactions involving suspicious funding sources, especially those involving large cash deposits or complex crypto assets, could also be indicative of money laundering.

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NAVIGATING THE UNDERWORLD: A DEEP DIVE INTO AML INVESTIGATIONS

Understanding AML Red Flags: AML red flags are indicative of potential money laundering activities. They aim to alert firms and law enforcement to transactions that could be suspicious, as outlined by the Financial Action Task Force (FATF) international standards. The FATF classifies red flags into four categories, with 42 indicators that companies should be aware of to prevent money laundering activities (Sumsb). Some of these red flags include:-

1. Unusual transactions inconsistent with expected behavior.
2. Unusually large transactions.
3. Transactions with unusual features, sizes, natures, or frequencies.
4. Regular exchanges of fiat into crypto without an apparent reason.
5. Presence on sanctions lists.

It's worth noting that these red flags do not necessarily mean the customer is a criminal by default. They simply indicate signs of potential money laundering activity. Understanding these elements forms the basis of AML compliance. By identifying suspicious activities and recognizing AML red flags, professionals can contribute significantly to the prevention of financial crimes and uphold the standards of their AML policy.

Steps in AML Investigations

The journey of an AML investigation often involves complex analysis of financial transactions and customer data to detect suspicious activities and possible violations of AML regulations. There are several steps involved in the AML investigation process, particularly in analyzing and reporting suspicious activities.

Analyzing Suspicious Activities: The process of analyzing suspicious activities is a critical component in an AML investigation. The goal here is to determine if customers or entities are using the financial institution for money laundering purposes. The process of analyzing suspicious activities follows a five-step process:-

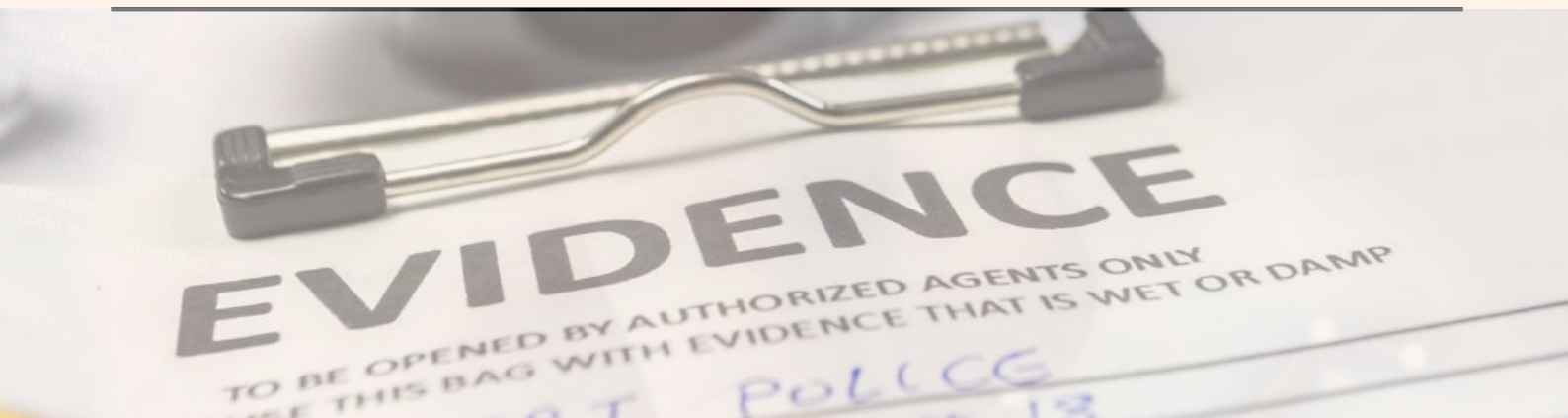
1. Determine if the alert should be investigated.
2. Revisit the customer's profile.
3. Establish a baseline and eliminate normal behavior.
4. Check for changes in behavior and activity.
5. Determine if the activity warrants further investigation

These steps provide a structured approach to detecting and analyzing suspicious activities, enabling investigators to effectively identify potential AML red flags.

Reporting Suspicious Activities: Once suspicious activities have been identified and analyzed, the next step is to report these activities. This is where the Suspicious Activity Report (SAR) comes into play. A Suspicious Activity Report is a document that financial institutions submit to the Financial Crimes Enforcement Network (FinCEN) to report known or suspected violations of law or suspicious activity. If the analyzed activity is determined to be a true threat, a SAR should be filed with FinCEN. This report should provide a detailed account of the suspicious activity, including who is involved, what actions were taken, when and where the activity occurred, and why it is suspicious. The SAR is a crucial tool in the fight against money laundering and other financial crimes, as it provides valuable information that can aid in subsequent investigations and legal actions.

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NAVIGATING THE UNDERWORLD: A DEEP DIVE INTO AML INVESTIGATIONS



In conclusion, the steps involved in an AML investigation are crucial in maintaining the integrity of financial institutions and ensuring compliance with AML regulations. By effectively analyzing and reporting suspicious activities, financial institutions can play a significant role in combating money laundering and other financial crimes. For more information about AML investigations, consider taking an AML training course or refer to your institution's AML policy.

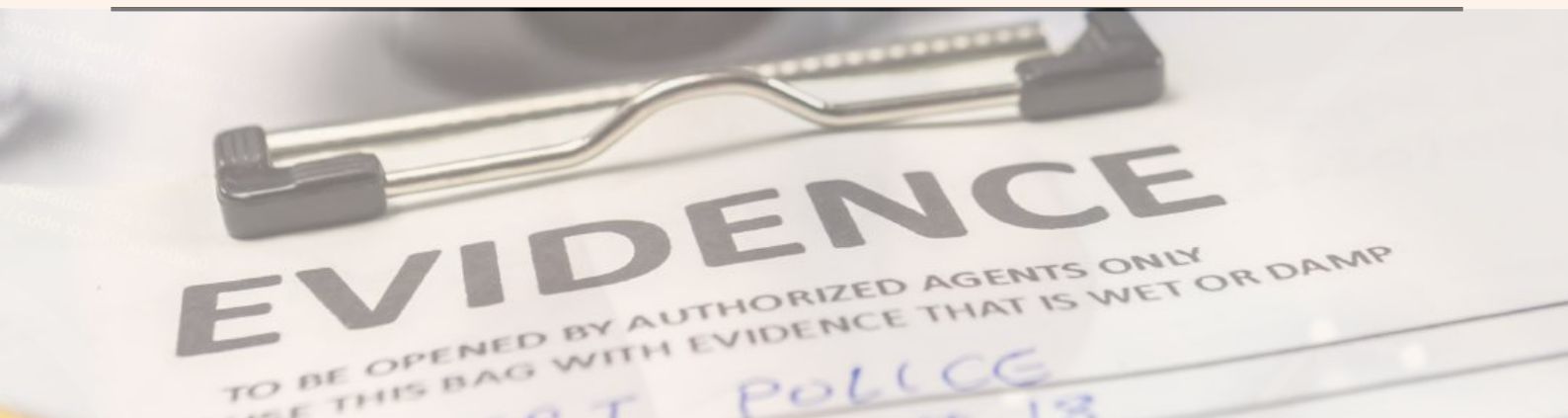
Challenges in AML Investigations

Complexity of Financial Transactions: AML investigations involve the analysis of vast amounts of financial data, including transaction records, customer information, and other relevant documentation. This is done to detect potential money laundering activities and ensure compliance with regulations. The complexity of financial transactions, particularly in today's digital age, makes this task increasingly difficult. Money launderers often use sophisticated schemes and techniques to conceal their illicit activities, making detection more challenging. Furthermore, the large volume of financial transactions that take place daily can make it difficult to identify suspicious activities. This requires AML compliance programs to be highly efficient and effective in their AML transaction monitoring.

Dealing with International Standards: Compliance with international standards is another significant challenge in AML investigations. Non-compliance with AML regulations can lead to severe consequences, including hefty fines, reputation damage, loss of business opportunities, and even criminal prosecution of individuals and organizations involved. In recent years, regulatory authorities around the world have intensified their focus on AML compliance and enforcement, leading to increased scrutiny and penalties for entities found to be in violation of AML regulations. This has further increased the pressure on financial institutions to ensure that their AML compliance programs are robust and up-to-date. Furthermore, the international nature of many financial transactions necessitates that institutions understand and comply with AML regulations in multiple jurisdictions. This can be particularly challenging given the diverse and often changing nature of these regulations. Overcoming these challenges requires specialized AML training and experience, as well as robust AML compliance systems. By understanding these challenges and developing strategies to address them, financial institutions can enhance their AML investigation processes and better protect themselves from the risks of financial crime.

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NAVIGATING THE UNDERWORLD: A DEEP DIVE INTO AML INVESTIGATIONS



Improving AML Investigation Efficiency

AML investigations are complex and require careful analysis of financial transactions and customer data to detect suspicious activities and possible violations of AML regulations. However, there are ways to improve the efficiency of these investigations.

Leveraging AML Compliance Platforms: The use of AML compliance platforms can greatly enhance the efficiency of AML investigations. These platforms provide tools and resources that simplify the process of identifying and analyzing suspicious activities. For instance, the FINRA Data platform allows for the non-commercial use of data, including the ability to save data views and create and manage a Bond Watchlist. Furthermore, platforms like the FINRA Gateway are designed for Member Firms, enabling firm compliance professionals to access filings and requests, run reports, and submit support tickets. This empowers firms to manage their AML compliance more effectively. For continuing education requirements and other compliance tasks, professionals can use platforms like FinPro. Case Participants involved in arbitration and mediation, as well as FINRA neutrals, can view case information and submit documents through the DR Portal.

Ongoing Monitoring and Updates: Ongoing monitoring and updates play a critical role in improving the efficiency of AML investigations. AML investigations are triggered by suspicious activities identified through transaction monitoring rules. Certain combinations of seemingly harmless activities can raise suspicion. A successful AML investigation involves analyzing suspicious activities to determine if customers or entities are using the financial institution for money laundering purposes. This process follows a five-step process: determining if the alert should be investigated, revisiting the customer's profile, establishing a baseline and eliminating normal behavior, checking for changes in behavior and activity, and determining if the activity warrants filing a Suspicious Activity Report (SAR). By leveraging AML compliance platforms and maintaining consistent monitoring and updates, organizations can improve the efficiency of their AML investigations. This not only helps to ensure compliance with AML regulations, but also aids in the broader fight against financial crime. For more information on AML investigations and the processes involved, consult our guide on the AML process.

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EXEMPLARY METHODS OF MONEY LAUNDERING IN BANKS AND FINANCIAL INSTITUTIONS



Banks and financial institutions are exposed to exemplary methods of money laundering activities and risks because they offer their services to wide range of customers, who may be from diversified back grounds and jurisdictions. Banks and Financial Institutions are attracted by the money launderers because they find it easier to hide, use or transfer their black money.

Money laundering may be committed by anyone including the senior management or employees of the organization, customers, other stakeholders, general public or declared criminals. Usually, money laundering is performed by organized criminals to hide the illegal money or support other criminals. Money launderers approach banks to inject and transfer their illegal funds, causing the banks to process the transactions.

As banks are aware of the time and resources required to combat laundering activities in traditional banking, they oversee investments in these areas diligently. However, the loopholes of online banking are often undermined in the banking systems of many countries. This weakness proves to be a thriving ground for criminals who make use of these loose standards for money laundering and terror financing purposes.

Exemplary Methods of Money Laundering

Online banking is currently the playground of many fraudsters who are using social engineering methods to access other people's bank accounts in their favour. For money laundering purposes, a criminal may transfer money directly to such a victim's account and trick the person into sharing sensitive information such as passwords or into getting remote access to the victim's computer. Then, the criminal can make an unauthorized payment from the victim's account.

Using the banking channels and their online banking support, money launderers also utilize these channels for transferring digital currencies. They make payments through their bank accounts and buy or sell the digital currencies. Cryptocurrencies such as bitcoin, due to their inherent anonymity feature, are one the most convenient ways to wash money. These currencies are not connected to a person's identity and only depend on the private key connected to an account. In addition, individuals, who use digital currencies, do not have to rely on intermediaries for value transfers. Digital currency platforms often do not carry out checks for the source of money, politically exposed persons (PEPs) and sanctions.

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EXEMPLARY METHODS OF MONEY LAUNDERING IN BANKS AND FINANCIAL INSTITUTIONS



In other Financial Institutions, such as Money Service Businesses or Remittance Companies, the money launderers approach them and open their accounts for availing the products and services offered by these institutions. Using FIs, the money launderers inject their money through buying the foreign currencies and selling them later to generate more funds, or they may transfer the illegal funds, to another location or country using the remittance methods provided by FI. Other Financial Institutions like leasing companies, are also used by money launderers where they invest the illegal funds into the assets such as Cars, Property etc. Money transfer and receiving are few of the core objectives of money launderers, regarding the Financial Institutions.

Many regulators have restricted FIs from dealing with cryptocurrency exchanges, and banks have restricted customers transacting in virtual currencies. However, both these transactions are happening in many countries, and there is a mounting risk of financial crimes involved. These modern methods of money laundering and the rising transaction volumes in them are becoming a major headache for regulators across the globe.

Given the complexity involved in their technology and the difficulties in regulating them, many governments have blocked dealings in cryptocurrencies. The regulators are now required to step up their oversight to counter money laundering via these modern methods. Holding the general hostility of central banks towards cryptocurrencies apart, some prominent global banks have started active cooperation with cryptocurrencies.

Conclusion:

In a June 2021 report, the United States Financial Crimes Enforcement Network (FinCEN) stated that convertible virtual currencies (CVCs), another term for cryptocurrencies have grown to become the currency of choice in a wide range of online illicit activities. CVCs are increasingly being used to layer transactions and obfuscate the origin of money derived from criminal activity, in addition to being the preferred form of payment for purchasing ransomware tools and services, online exploitative material, drugs, and other illegal goods online. Criminals use a variety of cryptocurrency money-laundering techniques, including “mixers” and “tumblers,” which break the connection between an address or crypto wallet, sending cryptocurrency and the address receiving it.

IFAP PAKISTAN

TOP 10 INTERNATIONAL ANTI-CORRUPTION DEVELOPMENTS FOR JANUARY 2025



Designed for the busy in-house counsel, compliance professionals, and anti-corruption lawyers, this newsletter summarizes some of the most important anti-corruption law and enforcement developments from the past month, with links to primary sources. This month we ask: How many foreign bribery cases did the U.S. Department of Justice (DOJ) bring in 2024? How many corruption cases did Chinese authorities file in 2024? Which company was convicted in Switzerland for foreign bribery? The answers to these questions and more are here in our January 2025 Top 10.

DOJ Releases Final Criminal FCPA Statistics for 2024

On January 17, 2025, DOJ's Fraud Section published its annual Year in Review for 2024. According to the Year in Review, in 2024, the Fraud Section's Foreign Corrupt Practices Act (FCPA) Unit obtained nine corporate resolutions, which resulted in total U.S. criminal monetary amounts of more than \$1.357 billion and total global monetary amounts of more than \$2.306 billion. According to the Year in Review, the FCPA Unit charged 23 individuals and convicted 16 individuals, either through guilty pleas or at trial. The Year in Review noted that, in December 2024, DOJ published an addendum to the Resource Guide to the U.S. Foreign Corrupt Practices Act (2d ed), discussing the Foreign Extortion Prevention Act (FEPA), which was amended in July 2024. The Year in Review also stated that in May 2024, four experienced FCPA Unit prosecutors were selected to serve as regional representatives for the Criminal Division's International Corporate Anti-Bribery (ICAB) initiative, the creation of which was announced in November 2023.

Swiss Commodities Trader and Former Senior Executive Convicted in Switzerland for Bribing Angolan Official

On January 31, 2025, trading company Trafigura and Mike Wainwright, the company's former chief executive officer, were found guilty of corruption after Switzerland's top criminal court found the defendants made over \$5 million in payments to an Angolan official in exchange for oil contracts. Trafigura was fined \$148.9 million and Wainwright was sentenced to 32 months with 20 months suspended. He is appealing his conviction. For Switzerland, this was the first time that a company was charged at its highest court with corrupting a foreign official. Charges against Trafigura were first announced in December 2023. Its parent company, Trafigura Beheer B.V., pleaded guilty to FCPA-related charges in March 2024 after the U.S. government alleged the company paid officials at Brazil's national oil company nearly \$20 million in exchange for business advantages in the oil market.

IFAP PAKISTAN

TOP 10 INTERNATIONAL ANTI-CORRUPTION DEVELOPMENTS FOR JANUARY 2025

Former U.S. Senator Sentenced to 11 Years in Prison Following Bribery and Corruption Conviction

On January 29, 2025, former U.S. Senator for New Jersey, Bob Menendez, was sentenced to 11 years in prison following his July 2024 conviction on 16 counts of bribery, conspiracy, acting as a foreign agent, wire fraud, extortion, and obstruction of justice. The trial focused on overlapping bribery schemes in which the senator and his wife allegedly accepted hundreds of thousands of dollars of bribes in the form of cash, gold bars, a car, and mortgage payments in exchange for, among other things, helping to steer billions of dollars in American aid to Egypt and making favorable statements about Qatar. In addition to his prison sentence, Menendez was ordered to forfeit \$992,000 in allegedly ill-gotten gains. Two alleged co conspirators in the bribery scheme, Fred Daibes and Wael Hana, were also sentenced. Daibes, a New Jersey real estate developer accused of delivering gold and cash to Menendez, was sentenced to seven years in prison, fined \$1.75 million, and ordered to forfeit \$125,000. Hana, an Egyptian American businessman accused of brokering deals between Menendez and the Egyptian government, was sentenced to eight years in prison and a \$1.25 million fine.

Former Finance Minister of Mozambique Sentenced in \$2 Billion Fraud and Money Laundering Scheme

On January 17, 2025, Manuel Chang, the former Finance Minister of Mozambique, was sentenced to 102 months in prison following his August 2024 conviction for conspiracy to commit wire fraud and conspiracy to commit money laundering in connection with his role in an alleged scheme to steal approximately \$200 million from a total of \$2 billion in loans issued to state controlled companies between 2012 and 2016 for three maritime projects, including one related to tuna fishing. In addition to his prison sentence, Chang was ordered to forfeit \$7 million, the amount he allegedly received in exchange for signing guarantees to secure the loans, with restitution to be determined later.

United States Enters into Agreement to Transfer Corruption Proceeds to Nigeria

On January 10, 2025, DOJ announced that the United States has entered into an agreement to transfer approximately \$52.88 million in forfeited assets to the Federal Republic of Nigeria in recognition of Nigeria's assistance in a corruption investigation involving the Nigerian oil industry. The funds, forfeited through the Kleptocracy Asset Recovery Initiative, will support electrification projects and counterterrorism efforts in Nigeria. Specifically, \$50 million will be allocated to the Nigeria Distributed Access Through Renewable Energy Scale-Up project, an existing electrification project, while \$2.88 million will support Nigeria's contribution to the International Institute for Justice and the Rule of Law. The agreement, signed in Abuja by Nigerian and U.S. officials, includes measures to ensure transparency and accountability, with funds managed under World Bank oversight and subject to auditing and public reporting requirements.

DOJ Secures Civil Forfeiture Related to Venezuelan Bribery Scheme

On January 10, 2025, DOJ announced that Southern District of Florida Judge Melissa Damian had ordered the forfeiture of over \$20 million in proceeds from an alleged foreign bribery and money laundering scheme involving Venezuelan national Naman Wakil. From 2008 to 2014, Wakil allegedly paid tens of millions in bribes to secure lucrative food contracts with Venezuela's state-owned food agency, Corporación de Abastecimiento y Servicios Agrícola (CASA). The illicit proceeds were allegedly laundered through accounts in the Cayman Islands, Switzerland, and subsequently into South Florida. DOJ announced charges against Wakil in August 2021.

IFAP PAKISTAN

TOP 10 INTERNATIONAL ANTI-CORRUPTION DEVELOPMENTS FOR JANUARY 2025

DOJ Recovers More Assets Misappropriated from Malaysia

On January 17, 2025, DOJ announced that it had reached an agreement to recover an additional \$20 million in funds misappropriated from 1Malaysia Development Berhad (1MDB), a state-owned strategic financing company formed to promote economic development in Malaysia through global partnerships and foreign direct investment. According to DOJ, the misappropriation was facilitated by bribes paid to 1MDB officials and other Malaysian officials. This adds to the approximately \$1.4 billion already recovered and returned to Malaysia as of June 2024. The recovery is part of a broader effort involving 43 civil forfeiture actions, making it the largest-ever recovery under the Kleptocracy Asset Recovery Initiative.

Former French President's Corruption Trial Begins in Paris

On January 6, 2025, the trial of former French President Nicolas Sarkozy began in Paris. Sarkozy faces allegations that his 2007 campaign received illegal financing from the Libyan government of Colonel Muammar el-Qaddafi. French prosecutors are calling the scheme a "corruption pact" and say that they plan to introduce evidence showing that Sarkozy's campaign received at least \$6.2 million from the Libyan government. Sarkozy was placed under formal investigation for the Libyan conduct in March 2018. In December 2024, Sarkozy exhausted his final appeal in a separate corruption and influence peddling case and became the first former French president sentenced to actual detention, although his time will be served under house arrest.

Chair of OECD Working Group Highlights Anti-Corruption Achievements, Calls for Authorities to Ensure That "Corruption Still Has Profile"

In a January 21, 2025 interview marking the 25th Anniversary of the Organisation for Economic Co-Operation and Development (OECD) Anti-Bribery Convention, Kathleen Roussel, chair of the OECD Working Group on Bribery, emphasized the importance of maintaining focus on the fight against corruption, especially during economic downturns and political instability. She highlighted the convention's achievements in establishing a common legislative framework and fostering peer learning among its 46 member countries. Roussel identified key challenges such as prioritizing enforcement, improving mutual legal assistance, and managing long-term cases. She stressed the need for whistleblower protections and the role of the Working Group as a resource for both member and non-member countries. Roussel called on governments, the private sector, and civil society to keep corruption in the spotlight and make clear connections between corruption, economic wellness, and societal health.

China Reports on 2024 Anti-Corruptions Statistics, Previews Focus of Anti-Corruption Efforts

On January 10, 2025, China's Central Commission for Discipline Inspection (CCDI) reported that it had filed more than 4,000 disciplinary cases against officials in 2024. A record 58 senior officials were investigated, with 47 at the vice-ministerial level or above. Two days earlier, the CCDI had stated that it will rigorously investigate corruption cases in which political and economic issues intertwine and that it would focus its efforts in the areas of development zones, energy, engineering construction and tenders, finance, firefighting, higher education, medicine, sports, state-owned enterprises, and tobacco. The CCDI also stated that it plans to draft a law to combat cross-border corruption. On January 6, 2025, China's President Xi Jinping stated that corruption is the "biggest threat" to the Communist Party, emphasizing the need for rigorous anti-corruption measures.

NATIONAL NEWS

TRANSPARENCY INTERNATIONAL PAKISTAN NEWS

Transparency in Corporate Reporting Assessment Reveals Partial Transparency in Anti-Corruption by Pakistani Companies (Feb 10, 2025)

According to the Transparency in Corporate Reporting Assessment (TRAC) 2024 report, companies in Pakistan have been deemed to be Moderately Transparent in corporate reporting. The TRAC report is released by Transparency International Pakistan.

The TRAC report assesses the top 69 Public Limited Companies on the Pakistan Stock Exchange (as per market capitalization) on the level of transparency in the disclosure of information. These areas are regulated under Reporting Guidance on the UNGC's 10th Principle (Anti-Corruption), the Securities and Exchange Commission of Pakistan's (SECP), Code of Corporate Governance, ESG guidelines, and National Action Plan on Business and Human Rights. The assessment scores and ranks companies on five different thematic areas crucial to fighting and preventing corruption namely: reporting on anti-corruption programs, organizational transparency, disclosure of key financial information in domestic operations, reporting on gender and non-discrimination policies, human rights and corporate responsibility. The report notes that the lowest average score, 47.28%, was observed in anti-corruption programs, reflecting partial transparency.

The report reveals that companies on average are Moderately Transparent in corporate reporting, with a score of 7.23 out of 10, where 0 is the Least Transparent and 10 is Fully Transparent. Lucky Core Industries, Allied Bank Limited and Oil and Gas Development Company Limited are the companies which recorded the highest overall scores in the assessment. However, none of the companies achieved full overall score for transparency in disclosure practices. The average score for reporting on anti-corruption programs in the TRAC category is merely 47.28%, the lowest among all evaluated categories, reflecting that companies are only partially transparent in their disclosure practices. Colgate-Palmolive (Pakistan) Limited, MCB Bank Limited, Allied Bank Limited and Engro Corporation Limited achieved highest score for anti-corruption programs category. Companies were scored and ranked based on publicly available information pertaining to the company. Information was sourced from the latest Annual Reports (2023/2024) published by companies, company websites, and other publicly accessible documents. Each company's individual scoresheet may be viewed at:

NATIONAL NEWS

TRANSPARENCY INTERNATIONAL PAKISTAN NEWS

Transparency in Corporate Reporting Assessment Reveals Partial Transparency in Anti-Corruption by Pakistani Companies (Feb 10, 2025)

It is important to note that the TRAC report does not assess the implementation of companies' anti corruption policies or programs. The scores reflect only the extent of reporting, not the effectiveness of the practices themselves. As such, a lower score does not necessarily indicate unethical behavior, or wrong doing, nor does a higher score confirm robust adherence to ethical standards. As Pakistan continues to navigate economic challenges, transparency and accountability is crucial for sustainable growth and investor confidence. Recognizing this need, the report assesses disclosure in key areas essential for combating corruption. Companies that proactively disclose information—even beyond legal requirements—demonstrate a commitment to ethical business practices and corporate accountability.

Executive Director of TI Pakistan, Mr. Kashif Ali commenting on the report noted that "As regulatory bodies and international financial institutions emphasize governance improvements as a key factor for economic recovery, there is a growing need for reforms in corporate reporting practices. Through this assessment, Transparency International Pakistan aims to encourage the private sector to lead by example, fostering an environment where businesses operate with openness, accountability, and zero tolerance for corruption. The report provides detailed recommendations for companies on how to improve their disclosure practices which would lead to better scores as well".

Chairman of TI Pakistan, Justice (R) Zia Perwez remarked "As Pakistan navigates critical economic challenges, the need for corporate integrity and transparency has never been more pressing. The path to recovery lies in businesses that embrace openness, accountability, and ethical leadership—values that strengthen not just reputations but the economy as a whole".

NATIONAL NEWS



SECP NEWS

SECP Clarifies its Role in Merger Process of Telecommunication Companies

A digital media outlet has reported that the merger of two large telecom companies in Pakistan is pending because of procedural delays by SECP. The news item is factually incorrect. Till date, no such transaction has been reported to SECP for approval. It should be noted that SECP only sanctions schemes of arrangements in respect of small sized companies and public sector companies to the extent of the Federal Government, which is not relevant in the mentioned transaction. It also provides feedback on petitions filed for sanction by the relevant courts, in a timely manner. Accordingly, the reports of delay in approving the transaction by SECP is incorrect, and no such feedback is pending at our end.

SECP Issues Draft Amendments to the Real Estate Investment Trust Regulations, 2022

The Securities and Exchange Commission of Pakistan (SECP) has issued notification for public consultations on the proposed amendments to the Real Estate Investment Trust (REIT) Regulations, 2022 (the "REIT Regulations").

Federal Investigation Agency (FIA) seeks details of cases of insider trading and market manipulation from Securities and Exchange Commission of Pakistan.

With regard to taking up the investigations by FIA against capital market players, as reported by certain quarters, it is clarified that Securities and Exchange Commission of Pakistan (the "Commission"), has been investigating cases of insider trading and market manipulation and consequently, filing criminal complaints in relevant court of law in terms of Securities Act, 2015.

NATIONAL NEWS



SECP NEWS

SECP to host the InsureImpact Conference Pakistan 2025

The Securities and Exchange Commission of Pakistan (SECP) will host the InsureImpact Conference Pakistan (ICP) 2025, in Karachi on 12th February, 2025. The broad theme underpinning the conference is "Journey to an Insured Pakistan – Fostering Collaboration, Engagement & Innovation". Federal and Provincial Ministers, senior government officials, leading policymakers and experts from the financial and insurance sectors will participate.

SECP seeks feedback on Research Analyst Regulations, 2015

The Securities and Exchange Commission of Pakistan (SECP) has released a Consultation Paper to elicit public feedback on potential areas of improvement in the Research Analyst Regulations, 2015 (Research Analyst Regulations). The paper has been prepared to enhance the quality of research available to investors in the Pakistani capital market, aligning with recent local and international developments.

Public Dissemination of Financial Results by Unlisted SECP Licensed Companies

The Securities and Exchange Commission of Pakistan has directed all unlisted SECP licensed companies to ensure public dissemination of audited financial statements through "Financial Portal for Unlisted Companies" (FPUC), a portal developed by the Pakistan Stock Exchange Limited (PSX).

SECP Issues Consultation Paper Proposing Registration and Trading Platform (RTP) for Public Unlisted Companies at PSX

The Securities and Exchange Commission of Pakistan (SECP) has issued a consultation paper proposing launch of a Registration and Trading Platform (RTP) for public unlisted companies at Pakistan Stock Exchange Limited (PSX).

NATIONAL NEWS



SECP NEWS

SECP Deliberates Development of Capital Market with Key Stakeholders

The top management of the Securities and Exchange Commission of Pakistan (SECP), led by the Chairman, Mr. Akif Saeed, met with the Chairpersons and senior representatives of the Pakistan Stock Exchange (PSX), National Clearing Company of Pakistan Limited (NCCPL) and Pakistan Mercantile Exchange (PMEX) to discuss three-year strategic plans of the respective institutions for development of the capital market.

SECP Seeks Stakeholder Consultation on Cost Audit Regime in Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has published a consultation paper on the Cost Audit Regime in Pakistan. This paper aims to assess the effectiveness of the Companies (Maintenance and Audit of Cost Accounts) Regulations, 2020, and explore potential improvements in light of prevailing practices and industry needs.

SECP and FPCCI Host Awareness Seminar on Corporatization and Digitization in Islamabad

The Securities and Exchange Commission of Pakistan (SECP), in collaboration with the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), organized an awareness seminar in Islamabad to promote understanding of benefits of corporatization and the digitization Journey of SECP for the business community.

SECP Alerts Public against a Fraudulent Investment Scheme

The Securities and Exchange Commission of Pakistan (SECP) has identified another illegal deposit taking/investment scheme being operated under the name of Summit 4X Trade and Summit AH Experts.

NATIONAL NEWS



SECP NEWS

SECP Seeks Feedback on Improvements in Takeover Regulations

The Securities and Exchange Commission of Pakistan (SECP) has issued a consultation paper to seek feedback on areas of improvement in the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. Through these modification SECP aims to strengthen the regulatory framework governing takeover transactions of listed companies by enhancing transparency and introducing measures for safeguarding rights of minority shareholders.

SECP Introduces Regulatory Framework for Investment Plans to Facilitate the Mutual Fund Industry

The Securities and Exchange Commission of Pakistan (SECP) has further strengthened the regulatory framework for the mutual fund industry by specifying detailed requirements for "Investment Plans." This initiative builds upon the enabling provisions previously introduced via amendments to the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The framework aims to enhance governance, streamline operations, and ensure secure investment horizons, thus fostering retail penetration in the mutual fund industry.

SECP Appellate Bench Dismisses Appeal by United Insurance and SPI Insurance

The Appellate Bench of the Securities and Exchange Commission of Pakistan has dismissed two appeals filed by United Insurance Company of Pakistan Limited and SPI Insurance Company Limited (now fully merged into United Insurance Company of Pakistan Limited). First appeal was made against a direction issued by the SECP under Section 60 of the Insurance Ordinance to encash the insurance guarantee of Rs. 50 million issued in favor of Sukh Chayn Valley Limited. The second appeal was filed against a penalty order issued by SECP for non-compliance with the direction thereof.

NATIONAL NEWS



SECP NEWS

ADB and SECP Collaborate to Enhance Gender Diversity in Non-Banking Microfinance Sector

The Asian Development Bank (ADB) and the Securities and Exchange Commission of Pakistan (SECP) conducted a two-day Training of Trainers (ToT) workshop on Dec 17-18, 2024, to enhance gender diversity in Non-Banking Microfinance Companies (NBMFCs). Representative of all NBMFCs regulated by SECP had attended this session. The initiative prioritized promoting gender inclusivity within organizations and enhancing services tailored to women, who constitute over 70% of the sector's clientele. The session also discussed measures for safeguarding rights of minority shareholders.

SECP notifies adoption of IFRS Sustainability Disclosure Standards

The Securities and Exchange Commission of Pakistan (SECP) has notified the adoption of IFRS Sustainability Disclosure Standards in a phase-wise manner in Pakistan. The IFRS-S1, 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS-S2, 'Climate-related Disclosures', are issued by the International Sustainability Standards Board (ISSB) and recommended for adoption in Pakistan by the Institute of Chartered Accountants of Pakistan (ICAP).

SECP's Policy Board approves amendments to the insurance regulatory framework

The Securities and Exchange Commission Policy Board met in Islamabad at the SECP Headquarters under the Chairmanship of Mr. Mehmood Mandviwalla. During the meeting, the Board approved significant amendments to the insurance regulatory framework including the Insurance Rules, 2017, Insurance Accounting Regulations, 2017, and General Takaful Accounting Regulations, 2019. The amendments are aimed at strengthening the insurance regulatory framework by enhancing industry resilience, addressing key sectoral challenges, diversifying capital sources and streamlining reporting requirements.

NATIONAL NEWS



SECP NEWS

SECP Holds Online Consultation Sessions on Research Analyst Regulations and Corporate Briefing Session

The Securities and Exchange Commission of Pakistan (SECP) conducted two online consultation sessions 'Review of Research Analyst Regulations' and 'Improvement in conduct of Corporate Briefing Sessions (CBS)'. In addition to in-person sessions held in the Pakistan Stock Exchange auditorium, these sessions were organized to coordinate larger audience through online for engaging stakeholders across Pakistan. Key industry stakeholders, including research analysts, brokerage houses, asset managers, and representatives of listed companies engaged in discussions with the senior management to help shape a more robust regulatory framework.

PKR 2.25 trillion raised by Government through Ijarah Sukuk since December 2023

The Securities & Exchange Commission of Pakistan has helped the DMO in conducting 18 auctions and raising a gross amount of PKR 2.25 trillion by issuing Ijarah Sukuks Since December 2023. Trading volumes in secondary market have also been increasing gradually as the market participants become familiar with this system. The initiative is the result of active collaboration of the stakeholders including MOF, DMO, SECP, SBP, CMLs, banks, mutual funds and brokers.

SECP Invites Public Feedback on Draft Guidelines for Capital Issue, ESOS, Stock Splits, and Intermediary Registration

The Securities and Exchange Commission of Pakistan (SECP) has released four draft guidelines on Capital Issue, Employee Stock Option Schemes (ESOS), Stock Splits and the Submission of Applications for Registration and Renewal as an Intermediary. All these guidelines have been developed to facilitate stakeholders and based upon frequent queries and issues raised by the stakeholders over time.

NATIONAL NEWS



SECP NEWS

Securities & Exchange Commission Enhances Business Facilitation with Multilingual Guides and eZfile platform

The Securities and Exchange Commission of Pakistan (SECP) has unveiled Promoters Guides in eleven languages including eight foreign and three local languages, taking another significant step to enhance public facilitation and promote foreign investment. As part of its commitment to fostering a more inclusive and investor-friendly corporate environment, these translated guides aim to assist entrepreneurs, business promoters, and startups—both local and foreign—in navigating the regulatory framework with ease.

SECP Announces Mandatory Requirements for Non-Banking Microfinance Companies

The Securities and Exchange Commission of Pakistan (SECP) has announced a series of initiatives designed to empower women and strengthen consumer protection within the non-banking microfinance sector. These measures include comprehensive consumer protection principles, reporting of gender-disaggregated data and gender sensitization training.

SECP hosts the InsureImpact Conference Pakistan 2025

The Securities and Exchange Commission of Pakistan (SECP) successfully hosted the InsureImpact Conference in Karachi, themed "Journey to an Insured Pakistan - Fostering Collaboration, Engagement & Innovation". Minister for Finance & Revenue, Senator Mohammad Aurangzeb, gave a key note address to the session, where a large number of industry experts and professionals from the insurance and financial sectors were present.

NATIONAL NEWS



SECP NEWS

SECP grants license to first digital, online only securities broker in Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has granted license to Tamkeen Securities (Pvt) Ltd, Pakistan's first fully digital, online-only securities broker, marking a significant milestone. The award of license marks a significant leap toward modernizing Pakistan's capital markets, enhancing accessibility, and democratizing investment opportunities for retail and institutional investors nationwide.

General Public Being Deceived Through Fraudulent Real Estate Investment Schemes

The Securities and Exchange Commission of Pakistan (SECP) has been receiving complaints on a continuous basis from individuals, especially senior citizens, who have been deprived of their hard-earned money through investments in fraudulent real estate schemes.

SECP Mandates Book-Entry Shares for newly incorporated unlisted Companies

The Securities and Exchange Commission of Pakistan (SECP) has decided to introduce mandatory requirement for new unlisted companies to issue & maintain shares in Book Entry Form only.

SECP Consults Stakeholders on Regulatory Reforms for Mutual and Pension Funds

The Securities and Exchange Commission of Pakistan (SECP) held an extensive consultation session with representatives from the Mutual Funds Association of Pakistan (MUFAP) and senior officials from Asset Management Companies (AMCs) and Pension Fund Managers. The primary agenda was to discuss proposed amendments to the Non-Banking Finance Companies and Notified Entities Regulations, 2008, focusing on cost rationalization for retail investors.

NATIONAL NEWS



SECP NEWS

SECP Participates in Investor Connect Event (ICE 2025) to Support Startup Ecosystem

The Securities and Exchange Commission of Pakistan (SECP) actively participated in the Investor Connect Event (ICE 2025), organized by the Higher Education Commission (HEC) in Islamabad. The event served as a strategic platform to connect Pakistani startups with global investors, fostering innovation and investment opportunities in the country's entrepreneurial landscape.

SECP Conducts Capacity Building Session on Electronic Mortgage Register in Karachi

To ensure the effective implementation of Electronic Mortgage Register (EMR), SECP, in collaboration with the Pakistan Banks' Association (PBA), has launched a series of capacity-building sessions aimed at equipping banking professionals with the necessary expertise to utilize the EMR portal effectively. The second session in this series was successfully conducted at the Islamic Chamber of Commerce, Karachi.

SECP achieves highest number of Company Incorporation in a Single Month

The Securities and Exchange Commission of Pakistan (SECP) has achieved a historic milestone by incorporating the highest-ever number of companies i.e. 3,442 in a single month, reflecting a 39% increase compared to the monthly average of the previous year. This unprecedented achievement reflects SECP's commitment to fostering a business-friendly environment and promoting ease of doing business in Pakistan.

NATIONAL NEWS



SECP NEWS

SECP Enhances Disclosure Requirements in Fund Manager Reports to Improve Investor Transparency

The Securities and Exchange Commission of Pakistan (SECP) has issued a circular introducing enhanced disclosure requirements for Fund Manager Reports (FMRs) by Asset Management Companies (AMCs). These measures are aimed at promoting transparency and enabling investors and unitholders of Collective Investment Schemes (CIS) to make more informed decisions.

SECP Introduces Key Fact Statement (KFS) Requirements for Asset Management Companies

The Securities and Exchange Commission of Pakistan (SECP) has introduced new requirements for Asset Management Companies (AMCs) to issue Key Fact Statements (KFS) to enhance transparency and investor awareness, enabling informed decision-making.

SECP introduces regulatory reforms to enhance corporate governance

The Securities and Exchange Commission of Pakistan (SECP) has made amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Postal Ballot) Regulations, 2018. The amendments have been made pursuant to SECP's commitment to safeguarding shareholders' rights, enhancing corporate governance practices, and upholding market integrity.

SECP Advances Digital Transformation with New Phase Under LEAP Project

The Securities and Exchange Commission of Pakistan (SECP) has launched a new phase of its digital transformation initiative, introducing streamlined regulatory processes on the enhanced eZFile platform. This milestone underscores SECP's commitment to modernizing corporate regulation through automation, simplifying compliance, and improving the ease of doing business.

NATIONAL NEWS



SECP NEWS

SECP Chairman Highlights Pakistan's Market Potential at Invest Sri Lanka 2025

Mr. Akif Saeed, Chairman of the Securities and Exchange Commission of Pakistan (SECP), shared valuable perspectives as a distinguished panelist during the "Navigating Frontier Capital Markets" session. He is leading the Pakistan's capital market delegation at the prestigious Invest Sri Lanka Capital Market Investment Forum 2025 in Colombo.

SECP Invites Comments on Draft Guidelines for Professional Conduct in General Meetings

The Securities and Exchange Commission of Pakistan (SECP) has published the draft Guidelines for Professional Conduct in General Meetings to invite public comments and feedback. The guidelines have been issued pursuant to SECP's commitment to safeguarding shareholders' rights, enhancing corporate governance practices, and upholding market integrity.

SECP Seeks Stakeholder Feedback on Draft Certification Regulations for Financial Services Professionals

The Securities and Exchange Commission of Pakistan (SECP) has issued the Draft Securities and Exchange Commission of Pakistan (Certification of Associated Professionals in the Financial Services) Regulations, 2025 for public consultation. These proposed regulations aim to enhance the competency and professionalism of individuals engaged in financial services by establishing a structured certification framework.

Issuance of Guidelines on Application of IFRS-9 ECL Model on Circular Debt

The Institute of Chartered Accountants of Pakistan (ICAP) has issued comprehensive Guidelines on application of IFRS 9 Expected Credit Loss Model on circular Debt.

NATIONAL NEWS



SECP NEWS

SECP Appellate Bench Achieves 100 Appeal Disposals in a year

The Appellate Bench of the Securities and Exchange Commission (SECP), the apex quasi-judicial appellate forum, has successfully disposed of 100 appeals from March 2024 to March 2025. This milestone marks a significant step forward in expediting justice and reducing the backlog of pending cases. All orders issued by the Appellate Bench appear on the official website of the SECP.

SECP Constitutes Sustainable Finance Advisory Group

The Securities and Exchange Commission of Pakistan (SECP) has established a Sustainable Finance Advisory Group to provide strategic guidance on key policy reforms aimed at advancing sustainability in Pakistan's capital markets.

SECP seeks feedback on Policy Framework for the Issuance different classes of Capital companies

The Securities and Exchange Commission of Pakistan (SECP) has issued a consultation paper eliciting public input on a proposed policy framework for the issuance of ordinary shares with varied rights and privileges by companies.

SECP releases concept note, proposes Distinct Regulatory Framework for NBMFCs

The Securities and Exchange Commission of Pakistan has issued a concept note proposing amendments to the Non-Banking Financial Companies framework. These proposed changes aim to introduce non-banking microfinance services as a distinct form of business within the NBFC framework, providing clarity for entities engaged in microfinance.

NATIONAL NEWS



SECP NEWS

SECP issues a concept paper to introduce an alternate dispute resolution mechanism for Islamic finance contracts

Under strategic action plan 2024-26 to develop Islamic finance in the non-bank financial sector, the SECP intends to introduce an alternate dispute resolution (ADR) mechanism for Islamic finance contracts to promote the concept of out-of-court settlement which shall include mediation, arbitration, and neutral evaluation. The primary objective is to propose a specialized ADR mechanism that aligns with Shariah principles and rules, providing a Shariah-compliant, efficient, and effective means of resolving disputes, thereby enhancing stakeholder confidence in the Islamic finance sector.

SECP Facilitates Sale of Life Insurance Savings Products via Technology-Based Distribution Channels

The Securities and Exchange Commission of Pakistan (SECP) has issued the Directive for the Sale of Life Insurance Savings Products through Technology-Based Distribution Channels, 2025, aimed at fostering a flexible and enabling environment for the digital distribution of life insurance savings products.

SECP Sees Surge with 3,046 New Company Registrations in February 2025

The Securities and Exchange Commission of Pakistan (SECP), registered 3,046 new companies in February 2025. This brings the total number of companies registered in the country to 246,608, reflecting growing confidence in Pakistan's corporate sector.

NATIONAL NEWS



SECP NEWS

Top ten Private Companies awarded for Implementing Family Friendly Policies

Under the Prime Minister's Women Empowerment Package, Securities and Exchange Commission of Pakistan (SECP) was directed to award private companies implementing family-friendly policies on International Women's Day 2025. The Honorable Prime Minister of Pakistan, Muhammad Shahbaz Shareef, honored the top ten private companies for their commitment to fostering inclusive and supportive work environments.

SECP Appellate Bench Upholds Penalty on VIS Credit Rating Company

The Appellate Bench of the Securities and Exchange Commission of Pakistan (SECP) has dismissed the appeal filed by VIS Credit Rating Company Limited (formerly JCR-VIS Rating Company Limited) against the penalty imposed for multiple regulatory violations of Credit Rating Companies Regulations, 2016.

SECP Policy Board approved amendments to the Modaraba Ordinance, 1980

The Policy Board of the Securities and Exchange Commission of Pakistan has approved the proposed amendments to the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (the "Modaraba Ordinance"). The proposed amendments were originally introduced in the National Assembly in July 2020 through the Modaraba Ordinance (Amendments) Bill, 2020 (the "2020 Bill"). They received approval from the Standing Committee on Finance and Revenue and were presented to the National Assembly for consideration. However, due to the expiration of the National Assembly's term in August 2023, the proposal lapsed.

NATIONAL NEWS



SBP NEWS

Press Release of Workers' Remittances in February 2025

Workers' remittances recorded an inflow of US\$ 3.1 billion during February, 2025. In terms of growth, remittances increased by 38.6 percent and 3.8 percent on y/y and m/m basis respectively. Cumulatively, with an inflow of US\$ 24.0 billion, workers' remittances increased by 32.5 percent during Jul-Feb, FY25 compared to US\$ 18.1 billion received during Jul-Feb, FY24. Remittances inflows during February, 2025 were mainly sourced from Saudi Arabia (\$744.4 million), United Arab Emirates (\$652.2 million), United Kingdom (\$501.8 million) and United States of America (\$309.4 million).

Monetary Policy Statement

At its meeting today, the Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 12 percent. The Committee noted that inflation in February 2025 turned out lower than expectation, mainly due to a drop in food and energy prices. Notwithstanding this decline, the Committee assessed the risks posed by the inherent volatility in these prices to the current declining trend in inflation. At the same time, core inflation is proving to be more persistent at an elevated level and thus uptick in the food and energy prices may lead to increase in inflation. Meanwhile, economic activity continues to gain traction, as reflected in the latest high-frequency economic indicators. Moreover, the MPC viewed that some pressures on the external account have emerged due to rising imports amidst weak financial inflows. On balance, the MPC assessed the current real interest rate to be adequately positive on forward-looking basis to sustain the ongoing macroeconomic stability.

NATIONAL NEWS



SBP NEWS

The Committee noted the following key developments since its last meeting. First, the current account turned into a deficit of \$0.4 billion in January 2025 after remaining in surplus over the past few months. This, coupled with weak financial inflows and ongoing debt repayments, led to a decline in the SBP's FX reserves. Second, large-scale manufacturing output declined during H1-FY25, despite a substantial m/m increase of 19.1 percent in December 2024. Third, the shortfall in tax revenues from target widened further in January and February. Fourth, both consumer and business sentiments improved during the latest waves. And lastly, on the global front, uncertainty has increased significantly amidst the ongoing tariff escalations, which may have implications for global economic growth, trade and commodity prices. In response to these developments, central banks in advanced and emerging economies have recently slowed the pace of their monetary easing.

Based on these developments, the Committee noted that the impact of sizable earlier reduction in policy rate is now materializing. The MPC reiterated the importance of maintaining a cautious monetary policy stance to stabilize inflation within the target range of 5 – 7 percent. This, along with structural reforms, is essential to achieve sustainable economic growth.

Monetary Policy Announcement

The Monetary Policy Committee (MPC) of SBP will meet on Monday, March 10, 2025 to decide about the Monetary Policy. Later on, SBP will issue the Monetary Policy Statement through a press release on the same day.

Governor SBP calls on banks to harness technology to significantly increase financial deepening, develop climate-resilient financing

Governor of the State Bank of Pakistan, Mr. Jameel Ahmad reiterated the need to significantly increase financial deepening in the country, adding that no country can achieve sustainable economic growth with low levels of private credit. Speaking at the Pakistan Banking Summit 2025, he said that "our banks need to rethink their current business model, reassess their priorities, and play a more active role in financial intermediation.

NATIONAL NEWS



SBP NEWS

State Bank of Pakistan Hosts 16th SAARCFINANCE Seminar on “Challenges and Opportunities in the Capacity Building of the Central Banks and Financial Industry – Lessons for SAARCFINANCE Countries”

The State Bank of Pakistan (SBP) successfully organized the 16th SAARCFINANCE Seminar, titled “Challenges and Opportunities in the Capacity Building of Central Banks and the Financial Industry: Lessons for SAARC Countries.” held on February 24, 2025 at NIBAF, Islamabad. The event brought together distinguished experts, policymakers, and delegates from SAARC member countries to discuss critical issues shaping the future of central banking and financial systems.

SBP Issues License to M/s. Wemsol Private Limited to Commence Commercial Operations

The SBP has given license to M/s. Wemsol Private Limited to commence commercial operations as an Electronic Money Institution (EMI). Under the license, the EMI shall offer e-money wallet and payment gateway services to consumers and merchants.

SBP Issues Raast Participation Criteria

The State of Bank of Pakistan (SBP) has issued Raast Participation Criteria outlining minimum requirements for the entities desirous of becoming the Raast participants and have the necessary functional and technical capabilities to provide digital payment services to their customers through Raast.

NATIONAL NEWS



SBP NEWS

SBP Awards Pilot License to Mashreq Bank Pakistan Limited to Operate as Digital Retail Bank

The Governor, State Bank of Pakistan (SBP) awarded the first restricted license for pilot operations to Mashreq Bank Pakistan Limited (MBPL) in a special meeting held with the Board and senior management of MBPL. State Bank's Deputy Governor and senior executives were also present on this occasion. This was yet another landmark, as earlier this year, a microfinance bank was granted the first Digital Retail Bank (DRB) license for commercial operations.

Press Release of Workers' Remittances in January 2025

Workers' remittances recorded an inflow of US\$ 3.0 billion during January 2025, reflecting a y/y growth of 25.2 percent. • Cumulatively, during Jul-Jan FY25 workers' remittances recorded an inflow of US\$ 20.8 billion, compared to US\$ 15.8 billion during Jul-Jan FY24, depicting a growth of 31.7 percent. • Remittances inflows during January 2025 were mainly sourced from Saudi Arabia (\$728.3 million), United Arab Emirates (\$621.7 million), United Kingdom (\$443.6 million) and United States of America (\$298.5 million).

Call for Public Consultation on Draft Pakistan Green Taxonomy

As part of its efforts to promote green finance, the State Bank of Pakistan (SBP) is pleased to release the draft National Green Taxonomy for public consultation. The Taxonomy has been developed in collaboration with Ministry of Climate Change & Environmental Coordination (MoCC&EC) with technical assistance from the World Bank

Governor SBP advises banks to promote climate resilient & technology based Agri financing

The State Bank of Pakistan (SBP) convened the Agricultural Credit Advisory Committee (ACAC) meeting today in Multan, reaffirming its commitment to boosting agriculture financing and driving sustainable growth in Pakistan's agriculture sector.

NATIONAL NEWS



SBP NEWS

SBP Awards First Digital Retail Bank License to Easypaisa Bank Limited

In a landmark ceremony held at the SBP in Karachi, the Governor, State Bank of Pakistan (SBP), Mr. Jameel Ahmad, awarded the first Digital Retail Bank (DRB) license to Easypaisa Bank Limited (formerly Telenor Microfinance Bank Limited), authorizing it to commence commercial operations. The DRB license to Easypaisa Bank Limited is expected to promote innovation, enhance financial inclusion, and ensure the availability of accessible and affordable digital financial services. The event was attended by CEOs of digital banks, members of the Executive Committee of the Pakistan Banks' Association, the Board of Directors and the senior management of Easypaisa Bank and senior executives of SBP.

Monetary Policy Statement

At its meeting today, the Monetary Policy Committee (MPC) decided to cut the policy rate by 100 bps to 12 percent, effective from January 28, 2025. The Committee noted that inflation continued to trend downward in line with expectations, reaching 4.1 percent y/y in December. This trend is driven by moderate domestic demand conditions and supportive supply-side dynamics, amidst favorable base effect. Inflation is expected to come down further in January before inching up in the subsequent months. The Committee also noted that core inflation, while continuing to ease, is still at an elevated level. At the same time, high frequency indicators continued to show gradual improvement in economic activity. The MPC assessed that the impact of the significant reduction by 1,000 bps in the policy rate since June 2024 will continue to unfold and further support economic activity.

NATIONAL NEWS



SBP NEWS

Monetary Policy Announcement

The Monetary Policy Committee (MPC) of SBP will meet on Monday, January 27, 2025 to decide about the Monetary Policy. Governor SBP, Mr. Jameel Ahmad will announce the Monetary Policy decision at a press conference on the same day after the MPC meeting.

Governor SBP affirms central bank's commitment to further increase financial inclusion through enhanced collaborations with global and domestic stakeholders

Governor, State Bank of Pakistan Mr. Jameel Ahmad reaffirmed the central bank's dedication to increasing financial inclusion through strengthened collaborations with both global and domestic stakeholders. Mr. Ahmad shared these remarks in a bilateral meeting held with Chief Executive Officer of Alliance for Financial Inclusion (AFI), Dr. Alfred Hannig, during his visit to Pakistan on January 13, 2025, in Karachi.

Press Release of Workers' Remittances in December 2024

Workers' remittances recorded an inflow of US\$ 3.1 billion during December 2024. • In terms of growth, remittances increased by 29.3 % on y/y and 5.6 % on m/m basis. • Cumulatively, with an inflow of US\$ 17.8 billion, workers' remittances increased by 32.8 percent during H1FY25 compared to US\$ 13.4 billion received during H1FY24. • Remittances inflows during December 2024 were mainly sourced from Saudi Arabia (\$770.6 million), United Arab Emirates (\$631.5 million), United Kingdom (\$456.9 million) and United States of America (\$284.3 million).

NATIONAL NEWS



FTO NEWS

FTO ensures Rs.21b refunds to taxpayers in 2024

Federal Tax Ombudsman (FTO), Dr Asif Mahmood Jah, ensured the payment of record refunds amounting to Rs 21 billion to aggrieved taxpayers during 2024 after completing the prescribed legal process. Coordinator to FTO for South Punjab, Saif Ur Rehman, addressed an awareness session with the business community here on Sunday. He stated that numerous refund complaints received nationwide were duly processed as per the law, resulting in timely refunds. He highlighted that 66.55% more complaints were filed last year compared to the previous year, with 95.96% of these resolved successfully, providing lawful relief to complainants. Saif Ur Rehman remarked that the business community had shown confidence in the FTO's performance, appreciating the swift resolution of grievances. He assured that aggrieved taxpayers, including importers and exporters, could file complaints through various channels such as regional offices, email, fax, post, the FTO website, or WhatsApp, with complaints processed within 24 hours of submission. He urged the business community to pay Federal Board of Revenue (FBR) taxes on time to support the state's operations.

Federal Tax Ombudsman (FTO), Dr. Asif Mahmood Jah, presenting the FTO's Annual Report 2024 to President Asif Ali Zardari at Aiwan-e-Sadr

Federal Tax Ombudsman (FTO), Dr. Asif Mahmood Jah, presenting the FTO's Annual Report 2024 to President Asif Ali Zardari at Aiwan-e-Sadr.

NATIONAL NEWS



FTO NEWS

Role and Functions of Federal Tax Ombudsman: Awareness Session at ICMA Islamabad

The Federal Tax Ombudsman (FTO) marked 25 years of dedicated service with a grand seminar at the Institute of Cost & Management Accountants of Pakistan (ICMA) in Islamabad. The event, attended by a large audience, highlighted the institution's achievements and its ongoing commitment to facilitating taxpayers. A significant moment of the occasion was the presentation of the annual report to the Chairman FCMA, Mr. Muhammad Imran, by the Honorable FTO, Dr. Asif Mahmood Jah. The event was further graced by Mr. Haider Abbas, Secretary FCMA, and Mr. Muhammad Rizwan Arshad, Vice Chairman FCMA, who warmly welcomed the FTO officials.

Supervisory, invigilation duties: FTO asks FBR to insulate teachers from paying WT under Section 153

The Federal Tax Ombudsman (FTO) has directed the Federal Board of Revenue (FBR) to ensure all salary payments made to the teachers and schools staff performing supervisory and invigilation duties and paper marking are not subjected to withholding tax under Section 153 (Services rendered) of the Income Tax Ordinance, 2001.

FTO unearths tax fraud case involving cyber criminals

The Federal Tax Ombudsman (FTO) has unearthed a unique case of tax fraud involving cyber criminals, who misused the Computerized National Identity Card Number (CNIC) of a junior clerk of Sindh to file false income tax returns and created tax liability against a fake non-existent immovable property.

NATIONAL NEWS



FTO NEWS

Punishment to taxmen: FBR fails to act on FTO's key recommendations

The Federal Board of Revenue (FBR) has failed to implement the key recommendations of the Federal Tax Ombudsman (FTO) who has converted the punishment of disciplinary proceedings against the tax officials to strict warning to those responsible for failure to timely submit comments.

FTO rules in favour of school teachers

The Federal Tax Ombudsman (FTO) has ruled in favour of government school teachers, instructing the Federal Board of Revenue (FBR) to cease deducting withholding tax under Section 153 (1) (b) on payments received for supervision, invigilation and paper marking during board examinations.

Complaint resolution by FTO increases by 63% in 2024

The complaints resolved by the Federal Tax Ombudsman (FTO) increased by 63.69% and were recorded at 12,914 during 2024 compared to 7,889 complaints during 2023, according to FTO Annual Report for the year 2024.

FTO establishes diplomatic grievances redress cell

On the directions of the Federal Tax Ombudsman (FTO) Dr. Asif Mahmood Jah, a specialized Diplomatic Grievances Redress Cell has been established to assist foreign embassies in Pakistan in resolving tax-related issues faced by their staff and citizens with the Federal Board of Revenue (FBR). To lead this initiative, Almas Ali Jovindah has been appointed as the Head of the Diplomatic Grievances Redress Cell, says a press release.

NATIONAL NEWS



NAB NEWS

NAB Press Release

The National Accountability Bureau (NAB) is obliged under its mandate to keep people aware about the deceptive and fabricated marketing practices of illegal housing societies who are scamming the general public at large and raking in billions of rupees.

NAB distributes Rs.97 million among 132 affectees of Jeddah Town Scandal

A special ceremony was held at the National Accountability Bureau (NAB) headquarters in Islamabad today to distribute funds to the affectees of the Jeddah Town Scandal.

A Memorandum of Understanding (MOU) was signed between National Accountability Bureau (NAB) and Overseas Pakistanis Foundation (OPF)

A Memorandum of Understanding (MOU) was signed between National Accountability Bureau (NAB) and Overseas Pakistanis Foundation (OPF), Ministry of Overseas Pakistanis & HRD in a ceremony today at NAB Headquarters. Director General, Welfare & Services Division) OPF Mrs. Laeeqa Ambreen and Director General (A&P) NAB Mr. Izhar Ahmed Awan signed the MOU in the presence of Chairman NAB Lt.Gen (Retd) Nazir Ahmed, Prosecutor General Accountability Syed Ibtesham Qadir Shah, Chairman OPF Board of Governors Syed Qamar Raza, Managing Director OPF Muhammad Afzal Bhatti and other senior officers of NAB and OPF at NAB (HQ).

NATIONAL NEWS



NAB NEWS

Important Steps by NAB for the Welfare of its Employees

The National Accountability Bureau (NAB) has signed six Memorandum of Understandings (MOUs) today with various private sector educational and medical institutions at the NAB Headquarters in Islamabad. Under the vision of the NAB Chairman, NAB is collaborating with various institutions to provide better facilities and ease to its employees aiming at enhancing their performance and service delivery.

The National Accountability Bureau (NAB) in its mandate as a national accountability institution fulfilling its responsibilities

The National Accountability Bureau (NAB) in its mandate as a national accountability institution fulfilling its responsibilities, once again informs the public that several cases of fraud and deception against Malik Riaz Ahmed, owner of Bahria Town and others are currently under investigation.

NATIONAL NEWS



FBR NEWS

MONITORING OF TRANSIT AND TRANSSHIPMENT CARGO

Certain sections of the national press have published news items on 09th January 2025 regarding FBR's new process of monitoring the Transit cargo according to which satellite tracking has been replaced with human monitoring only. It has been reported in the press that the license of the only company having satellite tracking system has been revoked abruptly and the same has been awarded to four tracking companies which qualified technically four years ago. It was alleged that these companies do not possess modern tracking equipment and significant experience. Such news items are based on lack of understanding about the previous system, the present interim arrangement and FBR's whole hearted efforts to put in place a vibrant, risk free and state of the art technology based new system.

PAKISTAN CUSTOMS ACHIEVES SIGNIFICANT SUCCESS IN MODERNIZING ITS PERFORMANCE: CHAIRMAN FBR

Chairman Federal Board of Revenue (FBR), Rashid Mahmood Langrial on Sunday said that Pakistan Customs has achieved significant success in modernizing its performance, including the implementation of the Pakistan Single Window (PSW) and Faceless Customs Assessment (FCA) System, which have made the trade process faster, transparent and easier, resulted in significant increase in revenue and enabled the clearance of export goods in a short time.

NATIONAL NEWS



FBR NEWS

INTERNATIONAL CUSTOMS DAY CELEBRATED AT CUSTOMS HOUSE PESHAWAR

A prestigious ceremony was held at the Collectorate of Customs, Customs House Peshawar, to mark International Customs Day. Member Taxpayer Services, Saeed Akram, graced the event as the chief guest. Addressing the gathering, Saeed Akram stated that International Customs Day is celebrated every year under the auspices of the World Customs Organization (WCO). Each year, a specific theme is introduced, which guides global customs efforts. This year's theme, "Customs delivering on its commitment to efficiency, security, and prosperity," holds particular importance in the context of Pakistan.

FBR SUCCESSFULLY FOILS AN ATTEMPT TO GAME THE FACELESS CUSTOMS ASSESSMENT SYSTEM; SUSPENDS LICENCES OF DOZENS OF AGENTS; ARRESTS THREE PERSONS AND INITIATES INQUIRY AGAINST AN APPRAISING OFFICER

Pakistan Customs has successfully foiled an attempt to game the Faceless Customs Assessment System (FCAS), a newly launched system for speedy and quality assessments. Such an attempt was quite expected and the Karachi Customs team, tasked with its operations, was directed by FBR to exercise constant vigilance in this regard. Those who attempted to game FCAS have been taken to task. Customs licences of 45 agents found involved in the gaming attempt have been suspended by Karachi Customs and show cause notices have been issued in the light of Customs Agents Rules. An Appraising officer found to connive in this attempt was placed under suspension by FBR yesterday and formal inquiry has been initiated against him under the Efficiency and Discipline Rules.

NATIONAL NEWS



FBR NEWS

MEETING BETWEEN HIGH COMMISSIONER OF BANGLADESH AND CHAIRMAN FBR

The High Commissioner of Bangladesh to Pakistan, Mr. Iqbal Hussain Khan, met the Chairman Federal Board of Revenue (FBR), Mr. Rashid Mahmood, on Friday at the FBR Headquarters Islamabad. During the meeting, both side discussed matters of mutual interests related to trade and economic affairs. The Chairman FBR assured the High Commissioner of the organization's full support in facilitating trade and economic matters. It was agreed in the meeting that new opportunities would be explored to further strengthen economic relations between the two brotherly countries, in order to fully harness the true trade potential.

NATIONAL NEWS



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IFAP PAKISTAN

INTERNATIONAL NEWS

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05 MAY, 2025

IFAC NEWS

www.ifac.org

IFAC Enhances International Education Standards to Equip Professional Accountants for Sustainability Reporting

Mar 13, 2025 | New York

Standard on Formal Assessment of Professional Competence Also Modernized

The International Federation of Accountants (IFAC), which unites and connects professional accountancy organizations worldwide, has finalized revisions to the International Education Standards to embed sustainability throughout aspiring professional accountants' training. These updates reinforce the accountancy profession's role in supporting high-quality sustainability reporting and assurance while upholding integrity and professional quality.

“IFAC and our members work together to shape the future of the profession through learning, innovation, a collective voice, and a shared commitment to the public interest,” said Lee White, IFAC Chief Executive Officer. “These revisions to the education standards ensure that professional accountants worldwide develop the right competencies to implement sustainability reporting and assurance standards effectively.”



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The revisions to these foundational education standards establish a global baseline of sustainability competence, ensuring professional accountants worldwide are prepared to implement sustainability-related disclosure and assurance standards. This includes standards issued by the International Auditing and Assurance Standards Board (IAASB), the International Ethics Standards Board for Accountants (IESBA), and the International Sustainability Standards Board (ISSB), as well as those under development by the International Public Sector Accounting Standards Board (IPSASB).

As sustainability data and information become integral to corporate decision making and transparency, it is crucial that professional accountants are equipped with the necessary skills to provide high-quality reporting and assurance that meets the needs of management, investors, regulators, and other stakeholders.

KEY SUSTAINABILITY ENHANCEMENTS

Integrated Sustainability Approach: Sustainability concepts are embedded throughout the IES learning outcomes addressing initial professional development, ensuring professional accountants are able to connect financial and sustainability data and information.

New Assurance Competence Area: Introduces learning outcomes that allow accountants to develop a strong foundational understanding of assurance fundamentals.

Strengthened Business Acumen Focus: Enhances accountants' ability to assess sustainability impacts on business models, value chains, and organizational strategy.

Enabling Behavioral Competencies: Reinforces skills such as decision making, adaptability, and collaboration.

Expanded Explanatory Materials: Provides additional guidance to facilitate implementation by professional accountancy organizations, universities, and training programs.

Additionally, IFAC has modernized IES 6, Initial Professional Development – Formal Assessment of Professional Competence, to introduce two new principles, integrity and authenticity, and update the principle of equity, alongside enhanced guidance on hybrid and remote assessments.

The updates to the IESs reinforce IFAC's commitment to strengthening the global accountancy profession through its member organizations, which proudly uphold their role as champions of integrity and professional quality. IFAC calls on all stakeholders to begin preparing for implementation, with early adoption encouraged ahead of the July 1, 2026 effective date.

IFAC also encourages its members and other stakeholders to request permission to translate the revised standards into their local languages.



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INTERNATIONAL NEWS

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05 MAY, 2025

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Joint statement from Eelco van der Enden, Accountancy Europe CEO and Lee White, CEO of IFAC (International Federation of Accountants)

Mar 4, 2025

The accountancy profession stands at a turning point with equally exciting opportunities and challenges. As Accountancy Europe and IFAC CEOs, we believe it is necessary to enhance cooperation for our members' benefit. This partnership reflects our shared commitment to support our members and strengthen our profession.

As a culmination of previous engagement, we spent time together at Accountancy Europe's office in Brussels and explored how to align our respective member value and identified four potential workstreams around:

Trust in sustainability disclosures: high-quality sustainability reporting is essential, especially in an ever-evolving landscape. Our profession will continue to guide companies towards reliable and comparable sustainability information for global investors and stakeholders, to serve as a catalyst for more sustainable business models, ensuring that ethics, independence as well as quality are not compromised.

Ethical technological transformation: technology and AI are transforming the way accountants work, offering new efficiencies and capabilities. Our profession must continue to embrace these advancements and leverage them to enhance services and deliver greater value.

The profession's future: rapidly evolving markets bring unprecedented opportunities and challenges to our profession's growth. Funding of professional practices, incorporation and networking cooperation are part of evolving organisational models.

Pathways to the profession: new pathways to attract diverse talent to the profession must be created to ensure future generations of accountants are well-equipped to meet evolving demands.

Through coordinated efforts on these key matters, we will provide stronger representation, better resources, and a clearer voice for our members.

Eelco van der Enden said: "In a time of global challenges and isolationism temptations, it is crucial to demonstrate that the accountancy profession is united. Regional and global efforts are not only complementary but essential. Global issues do not recognise regional borders, and neither should our response".

"I am excited to work again with Eelco in his new role, and to innovate how we deliver greater cooperation and value for our members. There are multiple opportunities. I am also committed to strengthening our partnerships with regional network partners in Africa, Asia, and the Americas, ensuring that our members and the global accountancy profession is united and well-supported in every region of the world", said Lee White.



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IFAC Welcomes New Advisory Group Members from 15 Jurisdictions

Feb 3, 2025 | New York

By connecting and uniting its members, IFAC makes the accountancy profession truly global.

Our advisory groups play a vital role in connecting the global accountancy profession by bringing together diverse expertise and perspectives from our membership and leading accounting and finance professionals. By fostering collaboration and innovation, these groups help us shape the future of the profession, ensuring it remains globally connected and committed to serving the public interest. They also help us provide value back to our membership by working with us to develop tools and resources that address trending challenges and opportunities.

The **International Panel on Accountancy Education** supports the advancement of accountancy education at the global level.

The **Professional Accountancy Organization Development and Advisory Group** helps support strong, sustainable professional accountancy organizations.

The **Professional Accountants in Business Advisory Group** considers key global trends in the context of the issues facing chief financial officers and finance functions, as well as boards and their audit committees.

The **Small and Medium Practices Advisory Group** provides input to the independent standard-setting boards, develops practical guidance and resources, and promotes the visibility and recognition of SMPs and SMEs.

We extend a very warm welcome to all our new advisory group members and express our sincere gratitude and farewells to departing members, listed below, for volunteering their time to strengthen our profession.

Lee White, IFAC Chief Executive Officer said: “We are thrilled to welcome these distinguished professionals to our advisory groups. Their expertise and dedication will enhance our efforts to strengthen global collaboration and support the profession in meeting the challenges and opportunities of today’s rapidly changing world. Thank you to our outgoing members for generously sharing your time and insights with us—we invite you to stay connected and continue to be part of our collective voice shaping the future of the accountancy profession.”



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Enabling a Profession in Global Transformation: Insights from IFAC's PAIB Advisory Group

Jan 9, 2025 | New York

Professional accountants in business (PAIBs) play a crucial role in advancing sustainable business practices, promoting transparency, and enhancing the economic and social prosperity of communities across the globe.

In its final meeting of 2024, IFAC's PAIB Advisory Group explored the transformative role of PAIBs in tackling global challenges and seizing new opportunities to strengthen the role of accountants in driving business success and resilience. Discussions focused on navigating systemic risks, fostering innovation, and advancing sustainability to position PAIBs as key enablers of transformational change.

KEY THEMES INCLUDED:

Embracing AI for Innovation: Generative AI is revolutionizing the work of PAIBs. A case study on internal audit highlighted its use, saving time and enhancing strategic insights.

Driving Climate Resilience: PAIBs are crucial in improving sustainability information and disclosure and mobilizing investments to support low-carbon transitions.

Integrated Thinking and Decision-Making: Breaking silos to enable holistic decision-making and creating long-term value requires integrated thinking capabilities which can vary by career stage or role.

Supply Chain Management and Procurement: PAIBs can partner with procurement, operations, and compliance teams to achieve ethical and sustainable procurement and supply chain management practices.

Sanjay Rughani, PAIB Chair, said: “In this era of transformation, professional accountants are uniquely positioned to drive change and create value across organizations. By embracing innovation and integrated thinking, PAIBs can lead the way in shaping a resilient, sustainable future.”

IFAC remains committed to equipping PAIBs with the tools and resources to thrive in a dynamic global landscape. The next PAIB Advisory Group meeting will take place in April 2025 in Tokyo, hosted by the Japanese Institute of Certified Public Accountants (JICPA).



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IFAC Releases 2024 Global Adoption Status Snapshot (International Standards)

Jan 14, 2025

The International Standards: 2024 Global Adoption Status Snapshot highlights how widely international standards are embraced across IFAC member jurisdictions. Since the inaugural 2019 report, we continue to see notable progress in adoption of the international standards as well as enhancing quality assurance and investigation & discipline systems. The 2024 update highlights a selection of success stories from IFAC members. It also identifies the conditions that help advance adoption and implementation, as well as more opportunities for further collaboration and connected learning.

This progress is made possible by the steadfast commitment of IFAC member organizations to the requirements outlined in the Statements of Membership Obligations (SMOs). By proudly carrying their IFAC membership as a badge of international recognition and working with IFAC to publish their adoption & implementation actions on IFAC's International Standards Adoption Map, these organizations reinforce their dedication to integrity and professional quality, and to shape the future of the profession through their commitment to the public interest.



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**BY THE BUSINESS RESEARCH
COMPANY**

<https://blog.tbrc.info/2024/11/forensic-accounting-market/>

Forensic Accounting Market Forecast 2024-2033: Anticipated Size and Growth Trends

November 12, 2024

What is the Expected Growth Rate of the Forensic Accounting Market from 2024 to 2033?

The forensic accounting market has also grown strongly, with its size anticipated to increase from \$5.31 billion in 2023 to \$5.81 billion in 2024, marking a CAGR of 9.5%. This growth can be attributed to rising white-collar crimes, stricter regulatory compliance, corporate governance concerns, business globalization, and demand for litigation and dispute resolution services.

The forensic accounting market is projected to grow steadily, reaching \$7.95 billion by 2028 at a CAGR of 8.1%. This growth is attributed to the increasing prevalence of cybersecurity threats, growing emphasis on fraud prevention, expanding roles in risk management, complex financial transactions, and rising regulatory scrutiny. Key trends include the integration of machine learning for anomaly detection, specialization in niche areas, enhanced data analytics in investigations, continuous professional development, and predictive analytics for risk assessment.

What Key Factors Are Fueling the Growth of the Forensic Accounting Market?

The increasing incidence of fraud and financial cybercrimes is expected to drive the forensic accounting market's growth. Financial fraud, involving deceptive activities such as misrepresentation or embezzlement, is prompting a rising demand for forensic accounting services to detect, investigate, and prevent fraudulent activities. UK Finance reported a 6% increase in authorized fraud losses, reaching £485.2 million (\$616 million) in 2022. Therefore, the rise in fraud cases will promote the growth of the forensic accounting market.

What Are the Major Segments of the Forensic Accounting Market?

- 1) By Component: Solution, Service.
- 2) By Deployment Model: On Premise, Cloud.
- 3) By Enterprise Size: Large Enterprises, Small And Medium Enterprises (SMEs).
- 4) By Industry Vertical: Banking, Financial Services And Insurance (BFSI), Law Enforcement Agencies, Government And Public Sector, Accounting Firms, Other Industry Verticals

What New Trends Are Transforming the Forensic Accounting Market?

Companies in the forensic accounting market are incorporating data analytics and artificial intelligence (AI) into their investigations. Platforms like hyper-automated analytics enable the detection of financial anomalies and fraud. In March 2023, iAcuity Fintech launched Fund Trail, the first hyper-automated analytics platform, utilizing AI and big data to assist in financial investigations. This platform helps forensic auditors, law enforcement, and financial institutions identify fraud and suspicious behavior.

Which Regions Are Driving Growth in the Forensic Accounting Market?

North America was the largest region in the forensic accounting market in 2023. Asia-Pacific is expected to be the fastest-growing region in the forecast period. The regions covered in the forensic accounting market report are Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East, Africa.



The Forensic Accounting Global Market Report 2024 offers a comprehensive overview of the audio equipment market, covering historical data from 2010 to 2021 and providing a ten-year forecast from 2023 to 2032. This report examines the size of the forensic accounting market, its market share, and analyzes key competitors along with their market positions.



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MARKET RESEARCH INTELLECT

<https://www.marketresearchintellect.com/product/global-forensic-accounting-services-market-size-and-forecast/>

Forensic Accounting Services Market Size By Product, By Application, By Geography, Competitive Landscape And Forecast

Report ID : 199033 | Published : May 2025

The size and share of the market is categorized based on Application (Fraud Investigation, Financial Dispute Resolution, Financial Auditing, Forensic Data Analysis) and Product (Legal Disputes, Insurance Claims, Financial Audits, Corporate Investigations) and geographical regions (North America, Europe, Asia-Pacific, South America, and Middle-East and Africa).

Forensic Accounting Services Market Size and Projections

The Forensic Accounting Services Market Size was valued at USD 10 Billion in 2023 and is expected to reach USD 22 Billion by 2031, growing at a 8.5% CAGR from 2024 to 2031. The report comprises of various segments as well an analysis of the trends and factors that are playing a substantial role in the market.

The market for forensic accounting services is expected to expand significantly as companies come to understand the value of financial transparency and integrity. The need for professional accounting services that can look into and manage complicated financial difficulties has increased due to an increase in fraud, corruption, and financial dispute cases. Forensic accountants are required because of legislative changes and increased regulatory body scrutiny, which also call for stringent compliance procedures. The market for forensic accounting services is anticipated to grow as businesses want to reduce risks and safeguard their assets; this will draw new competitors and encourage advancements in investigation methods.

Numerous factors contribute to the forensic accounting services market's growth. Growing Fraud Cases: The necessity for in-depth investigations is underscored by the growing number of financial fraud cases and corporate crises, which is driving up demand for forensic accounting. Regulatory Compliance: In order to assure conformity and prevent fines, firms are forced to use forensic accountants due to stricter rules and compliance requirements. Needs for Litigation Support: The need for forensic accountants' expert testimony and investigative help is growing as conflicts in both civil and criminal contexts get more intense. Technological Advancements: By enhancing the efficacy and efficiency of forensic investigations, the integration of cutting-edge technologies like data analytics and artificial intelligence propels market expansion.



Global Forensic Accounting Services Market: Scope of the Report

This report creates a comprehensive analytical framework for the Global Forensic Accounting Services Market. The market projections presented in the report are the outcome of thorough secondary research, primary interviews, and evaluations by in-house experts. These estimations take into account the influence of diverse social, political, and economic factors, in addition to the current market dynamics that impact the growth of the Global Forensic Accounting Services Market growth

Along with the market overview, which comprises of the market dynamics the chapter includes a Porter's Five Forces analysis which explains the five forces: namely buyers bargaining power, suppliers bargaining power, threat of new entrants, threat of substitutes, and degree of competition in the Global Forensic Accounting Services Market. The analysis delves into diverse participants in the market ecosystem, including system integrators, intermediaries, and end-users. Furthermore, the report concentrates on detailing the competitive landscape of the Global Forensic Accounting Services Market.

FORENSIC ACCOUNTING SERVICES MARKET DYNAMICS

Market Drivers:

- 1. Rising Financial Fraud Incidences:** The need for forensic accounting services to identify and stop financial crimes, embezzlements, and business scandals is increasing.
- 2. Regulatory and Compliance Requirements:** In order to guarantee compliance with legal requirements, organisations must use forensic accounting services due to strict regulatory frameworks and compliance mandates.
- 3. Data analytics technological advancements:** The ability to identify irregularities and fraudulent activity is improved by the incorporation of artificial intelligence and advanced data analytics in forensic accounting, which propels market expansion.
- 4. Globalisation and Complex Financial Transactions:** As companies grow internationally, financial transactions become more complex, necessitating the use of forensic accounting to control and look into possible hazards.



Market Challenges:

- 1. High Cost of Forensic Accounting Services:** Small and medium-sized businesses (SMEs) with tight budgets may be discouraged by the high cost of forensic accounting services.
- 2. Absence of Expert Professionals:** The market's capacity to satisfy rising demand is hampered by a lack of skilled forensic accountants.
- 3. Rapidly Changing Fraud Techniques:** Adapting and updating forensic accounting techniques to keep up with the ever-evolving ways of fraud is a major difficulty.
- 4. Privacy and Confidentiality Issues:** It is imperative to maintain the privacy of sensitive financial data during forensic investigations, since any infringement may expose an organisation to legal and reputational liabilities.

Market Trends:

- 1. Growing Blockchain Technology:** Adoption In order to improve fraud detection capabilities, forensic accounting is starting to adopt blockchain technology for safe and transparent transaction recording.
- 2. Growing Need for Cyber Forensics:** As cybercrimes rise, there's a growing need for digital fraud investigation and mitigation services provided by cyberforensic accountants.
- 3. Put Cybersecurity First Forensics:** As the number of cyberattacks rises, so does the need for forensic accounting services, which focus on looking into financial crimes connected to cyberattacks.
- 4. Increased Emphasis on Proactive Fraud Prevention:** Businesses are starting to use forensic accounting services to establish strong internal controls and risk management plans as part of their proactive approach to fraud detection and prevention.



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NOTE:

Articles are welcome from any individual, whether an IFAP member or not. For inclusion on the next issue of "The Forensic Accountant Pakistan", fax or email us articles, case studies, papers, opinion, research or related material:

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