SOMALI INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Public Practice Regulations for Accountants, 2026

Certificates of Practice, accounting-firm licences, inspections, quality assurance and public protection

Made pursuant to Articles 5 and 20, read with Articles 2, 7, 11, 26, 28 and 33-46 of the SICPA Act

APPROVED REGULATIONS

November 2026

ADOPTION AND APPROVAL

The Governing Council of the Somali Institute of Certified Public Accountants, acting in the public interest and within the authority conferred by the Act, approves these Regulations by resolution.

Approval item	Details
Approved by	Governing Council of SICPA
Council resolution	Resolution 04/2026
Date approved	11th November 2026
Effective date	1st December 2026
Chairperson	Abdullahi Tahlil Adan
Chief Executive Officer	Burhan Said Salah

Legal effect: The Act prevails over these Regulations. A provision that exceeds or conflicts with the Act shall be read down to the fullest lawful extent, without invalidating the remaining provisions.

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CHAPTER 1 - PRELIMINARY

1. Citation and commencement

(1) These Regulations may be cited as the SICPA Public Practice Regulations for Accountants, 2026.

(2) They come into force on the date specified by resolution of the Governing Council and may be commenced in phases by published notice.

(3) A transitional notice may defer an administrative requirement but shall not permit an unlicensed person or firm to practise accountancy.

2. Authority

(1) These Regulations are made under Articles 5 and 20 of the Act and shall be read with the objectives in Article 2; the independence provision in Article 7; the committee, management and CEO provisions in Articles 11, 26 and 28; and the practice, licensing, inspection, quality assurance, ethics and discipline provisions in Articles 33 to 46.

(2) Council approval under Article 20 is the authority for this instrument. Article 12(2) applies only if these Regulations are incorporated into or amend the bylaws requiring General Assembly approval.

(3) The Council may issue forms, manuals, methodologies, fee schedules and technical notices that are consistent with these Regulations, but a subordinate instrument shall not create a criminal offence, remove a court appeal, or impose a disciplinary sanction not authorized by the Act or bylaws.

3. Objectives

(1) The objectives are to protect the public; ensure that only competent, ethical and properly authorized persons and firms practise accountancy; establish transparent individual and firm licensing; regulate assurance and non-assurance services; require compliance with applicable professional standards; operate effective quality assurance; and connect serious deficiencies to investigation and discipline.

(2) The Regulations also implement, within SICPA's mandate, the 2026 IFAC Statements of Membership Obligations 1 to 7, with primary application of SMO 1, SMO 3, SMO 4 and SMO 6 and supporting application of SMO 2, SMO 5 and SMO 7. Schedule 1 maps these obligations to the regulations and responsible functions.

4. Application

(1) These Regulations apply to every person who offers or performs public accountancy services, every applicant for or holder of a Certificate of Practice, every accounting firm or sole practitioner, and every person who owns, controls, manages or participates in such practice.

(2) They apply to assurance and non-assurance public accountancy services performed in Somalia, including services delivered remotely or through a foreign, network or affiliated firm.

(3) Employees providing services solely to their employer fall outside public practice to the extent provided by Article 33(3) of the Act, but remain subject to membership, ethics and other applicable requirements.

5. Interpretation

(1) In these Regulations, words defined in the Act have the same meaning unless the context requires otherwise.

(2) In these Regulations, unless the context otherwise requires:

'applicable standards' means professional standards adopted or approved by SICPA and effective for the relevant period;

'assurance services' includes audit, review and other engagements in which a practitioner expresses a conclusion designed to enhance users' confidence;

'Category A' (Audit and Assurance Licence) means authority to provide audit, review and other assurance services;

'Category C' (Composite Licence) means authority to provide all types of accountancy services, including audit and assurance, tax, and accounting, controls and consulting services;

'Category M' (Accounting, Controls and Consulting Licence) means authority to provide accounting, bookkeeping, internal audit, internal control and consulting services, excluding audit, assurance and tax representation;

'Category T' (Tax Licence) means authority to provide taxation services, including tax return preparation, tax opinions and representation before and liaison with the revenue authority;

'Category TM' (Tax and Accounting Licence) means joint authority, under a single certificate, to provide all services within Category T and Category M, excluding audit, assurance, verification and certification;

'Certificate of Practice' means the individual certificate issued under Article 35 in one of five categories: Category A, Category T, Category M, Category TM or Category C;

'Council' means the Governing Council;

'engagement partner' means the individual responsible for an engagement and its report;

'firm' includes a sole practitioner, partnership, company or other entity licensed to practise accountancy;

'foreign firm' means a firm incorporated outside Somalia or controlled, directly or indirectly, by one or more persons who are not Somali citizens;

'Institute' or 'SICPA' means the Somali Institute of Certified Public Accountants;

'local Somali practitioner' means a Somali citizen who holds a current Certificate of Practice;

'public practice' and 'practising accountancy' have the scope in Article 33 and regulation 18;

'quality assurance review' means SICPA's external review under Article 42;

'system of quality management' means a firm's system under applicable ISQM.

(3) A reference to ISA includes the ISA for Less Complex Entities where adopted and lawfully applicable. A reference to a standard includes amendments, conforming changes and successor pronouncements from their effective date as adopted by Council.

6. Hierarchy and conflicts

(1) The hierarchy is: the Constitution of the Federal Republic of Somalia; the SICPA Act; duly approved bylaws; these Regulations; Council-adopted professional standards; and implementation manuals, circulars, forms and guidance.

(2) If two professional requirements apply, the practitioner shall comply with both unless prohibited by law. Where requirements conflict, the practitioner shall apply the more stringent requirement to the extent lawful, document the analysis and consult SICPA where necessary.

(3) A contract, network policy or foreign instruction does not excuse non-compliance with Somali law or these Regulations.

7. Public-interest and proportionality principles

(1) SICPA and regulated persons shall act with regard to audit quality, independence, professional skepticism, transparency, procedural fairness, confidentiality, proportionality and the legitimate interests of users of financial information.

(2) Requirements may be scalable to the nature and circumstances of a firm or engagement, but scalability shall not reduce the objective of a professional standard or permit an audit opinion unsupported by sufficient appropriate evidence.

(3) Regulatory measures shall be risk-based and proportionate, while serious integrity, independence, obstruction or repeat-quality failures shall receive enhanced attention.

8. Adoption and implementation of international standards

(1) Council shall maintain a public adoption register identifying each effective international education, audit and assurance, ethics, quality management, public-sector accounting, financial reporting and sustainability-related standard adopted, incorporated or otherwise applicable in Somalia.

(2) The Technical Committee shall assess new and revised pronouncements, local law, translation needs, effective dates and implementation capacity and recommend an adoption or best-endeavours response to Council.

(3) A departure or local modification shall be documented, justified in the public interest, periodically reconsidered and clearly distinguished from the unmodified international pronouncement.

CHAPTER 2 - GOVERNANCE, INDEPENDENCE AND REGULATORY ADMINISTRATION

9. General

(1) The Council shall approve licensing policy, the five Certificate of Practice categories, quality assurance methodology, ethics requirements, investigation and disciplinary procedures, annual regulatory plans and material enforcement policy.

(2) The Council shall receive at least quarterly reports on applications, renewals, inspections, quality review findings, complaints, investigations, sanctions, appeals, overdue remediation, resources and systemic risks.

(3) The Council shall not direct the outcome of an individual inspection, investigation or hearing, except through a lawful review, implementation or appeal function expressly assigned by the Act.

10. Quality Assurance Committee

(1) The Quality Assurance Committee established under Article 11 shall recommend methodology, approve risk selection, safeguard reviewer independence, consider review reports, monitor remediation and report systemic findings to Council.

(2) Its members shall collectively possess recent audit, quality management, ethics, financial reporting, public-sector and regulatory expertise. A majority participating in a case shall be independent of the firm reviewed.

(3) A person who reviewed a firm shall not adjudicate a disciplinary allegation arising from that review.

11. Licensing and Registration Committee

(1) Council shall establish a Licensing and Registration Committee to assess applications and renewals, competence evidence, fit-and-proper matters, conditions, changes of control and public-register entries.

(2) The Committee may interview an applicant, verify evidence, obtain regulatory references, require an aptitude or competence assessment, and recommend approval, conditional approval or refusal.

(3) Final authority remains with Council where the Act requires a Council decision. Reasons and statutory review rights shall accompany an adverse decision.

12. Technical and Ethics functions

(1) The Technical Committee shall advise on adoption and implementation of ISA, ISQM, financial reporting, public-sector and sustainability-related standards and shall issue non-authoritative guidance clearly labelled as such.

(2) Council shall designate an ethics function to support adoption of the IESBA Code, confidential consultation, independence guidance, education and analysis of emerging threats.

(3) Technical or ethics advice does not bind an investigation or excuse a practitioner who failed to disclose complete and accurate facts.

13. Investigation and Disciplinary Committee

(1) The Investigation and Disciplinary Committee required by Article 44 shall operate under approved procedures and may use separate investigation and adjudication panels.

(2) No person shall determine a charge if that person investigated it, gave material advice on the merits, has a conflict, or participated in the underlying quality review, except where unavoidable and consistent with the Act and fair process.

(3) Council implements disciplinary action under Article 45 but shall not substitute its own findings on liability unless the Act or approved appeal procedure permits.

14. Independence and conflicts of regulatory personnel

(1) Council members, committee members, reviewers, staff, experts and decision makers shall make annual and case-specific declarations of financial, business, family, employment, client, network and other interests.

(2) A conflicted person shall not receive restricted material, participate, influence, vote or supervise the matter. Recusal shall be recorded.

(3) Former partners or employees of a firm shall ordinarily observe a cooling-off period of three years before reviewing or adjudicating that firm, unless Council records why another safeguard provides equivalent independence.

15. Delegation and reserved powers

(1) Every delegation shall be written, specific, time-limited or reviewable and recorded in a delegation register.

(2) Council shall reserve approval of these Regulations and amendments; adoption of professional standards; licensing policy; final decisions that the Act assigns to Council; quality assurance methodology; and disciplinary implementation under Article 45.

(3) A delegate may not subdelegate unless expressly authorized and may not waive a statutory condition.

16. Regulatory planning, resources and accountability

(1) SICPA shall maintain a multi-year audit-regulation strategy and annual risk-based plan covering licensing, standards, quality assurance, competence, ethics, investigation and stakeholder coordination.

(2) Resources, reviewer capacity, information systems and funding shall be sufficient and structured to avoid dependence on any firm subject to regulation.

(3) SICPA's annual report shall include aggregate regulatory outcomes, review coverage, significant findings, enforcement activity, standards implementation, performance indicators and planned improvements, without compromising confidentiality or due process.

17. Confidentiality and information barriers

(1) Regulatory information shall be used only for lawful professional-regulation purposes and disclosed only as authorized by law, these Regulations or consent.

(2) SICPA shall maintain role-based access, secure transmission, retention controls, incident response and information barriers between inspection, investigation, licensing and adjudication where fairness requires.

(3) Confidentiality does not prevent a lawful referral to a court, regulator, law-enforcement body or other competent authority.

CHAPTER 3 - PUBLIC PRACTICE AND CERTIFICATE CATEGORIES

18. Meaning and scope of practising accountancy

(1) In accordance with Article 33, a person practises accountancy where, for payment or other reward and independently of an employer, that person offers or performs auditing, verification or certification of financial statements or related reports, or another service designated by Council as public accountancy practice.

(2) Public accountancy services include audit, review and other assurance; agreed-upon procedures and compilation; accounting, consulting, and bookkeeping; preparation of financial statements; tax; internal audit services; insolvency; valuation; forensic accounting; financial management, risk, governance and related advisory services where the service relies principally on accountancy competence.

(3) Council may clarify the boundary of public practice by published notice, consistently with Article 33, but shall not treat an employee as practising solely by providing services to that employee's employer.

(4) Reserved and non-reserved services are distinguished as follows:

(a) audit, review and other assurance, verification and certification and regulated reports are reserved to holders of Category A or Category C. Use of the CPA (S) designation is governed by Article 37; a category restriction limits the services a holder may offer, not the holder's statutory designation;

(b) tax, accounting, agreed-upon procedures, controls and consulting services require the matching Certificate of Practice under regulation 20; and

(c) basic bookkeeping services - the recording, classification and maintenance of transactions, ledgers and supporting records, reconciliations and the preparation of trial balances and management accounts for the client's own internal use - fall within Category M (or Category TM or Category C) and do not require audit or assurance authorization.

19. Prohibition on unlicensed public practice

(1) No individual shall practise accountancy unless that individual holds a current Certificate of Practice issued under Article 35 and acts within its category and conditions.

(2) No sole practitioner, partnership, company or other firm shall practise accountancy unless it holds a current annual firm licence issued under Article 38.

(3) A member employed by a licensed accounting firm may perform professional services under the direction and supervision of an appropriately licensed practitioner without personally holding a Certificate of Practice, provided that such member does not independently engage in public practice, act as a responsible practitioner or engagement partner, or sign professional reports. Every partner or principal of a licensed accounting firm shall be a registered Full Member of SICPA and hold a valid Certificate of Practice.

20. Categories of Certificate of Practice

(1) SICPA shall issue five categories of Certificate of Practice:

(a) Category A (Audit and Assurance Licence) - audit, review and other assurance services, including issuing an auditor's report;

(b) Category T (Tax Licence) - tax return preparation, tax opinions, and representation before and liaison with the revenue authority;

(c) Category M (Accounting, Controls and Consulting Licence) - accounting, bookkeeping, internal audit, internal control, forensic accounting and consulting or advisory services that rely principally on accountancy competence, excluding audit, assurance and tax representation;

(d) Category C (Composite Licence) - all services within Category A, Category T and Category M, including audit and assurance; and

(e) Category TM (Tax and Accounting Licence) - all services within Category T and Category M, including bookkeeping, under a single certificate, excluding audit, assurance, verification and certification.

(2) A Category C holder may perform every service permitted to a holder of Category A, Category T or Category M and may additionally accept responsibility for and sign audit, review, tax, and accounting, controls or consulting reports across those service lines, subject to competence, independence and applicable law.

(3) A holder of Category T, Category M or Category TM shall not accept or describe an engagement as an audit, review or assurance engagement and shall not express an audit opinion or assurance conclusion, unless the holder also holds Category A or Category C.

(4) A Category TM holder may perform, and accept responsibility for, every service permitted to a holder of Category T or Category M, and may sign tax, accounting, controls and consulting reports within those categories, but paragraph (3) applies to the holder in full.

21. Treatment of related and non-assurance services

(1) An agreed-upon procedures engagement performed under ISRS 4400 is a related service that provides no assurance and may be performed only by a holder of Category A, Category M or Category C. A holder of Category T shall not accept, perform or report on an agreed-upon procedures or other verification engagement, whatever its title or form of report.

(2) Compilation engagements, accounting services and the preparation of financial statements shall not constitute assurance engagements and may be performed by practitioners holding a valid Certificate of Practice authorizing such services, subject to applicable professional standards and ethical requirements.

(3) Where the substance of an engagement provides assurance, the engagement is reserved to Category A or Category C notwithstanding its title, contractual description or form of report.

22. Signing financial statements and reports

(1) A practitioner may sign an accountant's, compilation, tax, verification, factual-findings or other professional report only where permitted by the certificate category and applicable standard.

(2) Preparation or compilation of an entity's financial statements does not authorize the practitioner to sign in place of directors, management, an accounting officer or another person on whom governing law places responsibility for approval of those statements.

(3) Every report shall identify the practitioner, licensed firm, licence number, nature of service, applicable standard and whether assurance is or is not provided.

CHAPTER 4 - CERTIFICATES OF PRACTICE FOR INDIVIDUAL ACCOUNTANTS

23. Application and statutory eligibility

(1) An applicant shall apply to Council online in the prescribed form, pay the prescribed fee and satisfy Article 35, including full membership, residence and taxpayer status in Somalia and the requirement under Article 35(3)(b) that the applicant has not been convicted by a court of any criminal offence.

(2) The application shall identify the category applied for - Category A, Category T, Category M, Category TM or Category C - and include the evidence prescribed in Schedule 2.

(3) An application is complete only when SICPA has received all declarations, references, consents, supporting documents and fees reasonably required to assess it.

24. Minimum practical experience - SMO 2

(1) An applicant for any category shall have relevant practical experience in accountancy, obtained after or as part of a recognized professional qualification and verified by an appropriately qualified supervisor, of the minimum duration prescribed in paragraph (2) for the category applied for.

(2) The minimum experience, which may be satisfied on a full-time basis or a correspondingly longer part-time basis, is:

(a) for Category A (Audit and Assurance), at least five years (or seven years part-time) in audit and assurance, including at least two years under an authorized engagement partner or equivalent supervisor recognized by SICPA;

(b) for Category T (Tax), at least two years (or four years part-time) substantially relevant to taxation services;

(c) for Category M (Accounting, Controls and Consulting), at least two years (or four years part-time) substantially relevant to the accounting, controls or consulting services proposed;

(d) for Category C (Composite), at least five years (or seven years part-time) spanning audit and assurance, tax, and accounting, controls and consulting, including at least two years in audit and assurance under an authorized engagement partner or equivalent supervisor recognized by SICPA; and

(e) for Category TM (Tax and Accounting), at least four years (or six years part-time) substantially relevant to taxation and to accounting, controls or consulting services, including at least two years in each.

(3) At least twelve months of the relevant experience shall ordinarily fall within three years before application. Council may require a return-to-practice programme where experience is not recent.

(4) A circular may prescribe the form of experience records and illustrative acceptable tasks appropriate to each category, but shall not reduce the minimum experience periods established by this regulation, except through the competence-equivalence route in paragraph (5).

(5) Recognition of five-year equivalent competence: an applicant for Category A or Category C who has at least three years (or five years part-time) of relevant audit and assurance experience, including substantial supervised audit responsibility, shall be treated as satisfying the five-year requirement in paragraph (2)(a) or (2)(d) where Council is satisfied, through the competence assessment under

regulation 25 or 28 - including an IES 8 evidence map, engagement-portfolio review, supervisor reports and a structured interview, examination or simulation - that the applicant has demonstrated competence equivalent to five years of experience. Council may attach an enhanced quality-assurance condition, including an early review of the holder's first signed engagements, for the first two years of practice.

25. Competence for Category A (Audit and Assurance)

(1) A Category A applicant shall demonstrate the professional competence required of an audit engagement partner under IES 8, including technical competence, professional skills, professional values, ethics and attitudes, and sufficient practical application.

(2) Evidence may include an engagement portfolio, supervisor reports, structured interview, examination, simulation, quality-review history and regulatory references.

(3) Competence shall cover acceptance, independence, planning, risk assessment, evidence, significant judgments, completion, reporting, quality management and applicable Somali law.

26. Competence for Category T (Tax)

(1) A Category T applicant shall demonstrate competence in Somali taxation law and administration, tax return preparation and computation, representation before and liaison with the revenue authority, tax planning within lawful limits, the IESBA Code, client acceptance, documentation, reporting and quality management proportionate to the practice.

(2) The applicant shall not be required to demonstrate audit engagement-partner competence or Category M competence unless applying for Category A, Category M, Category TM or Category C.

(3) Council may restrict a Category T certificate to a defined tax specialism where the applicant has demonstrated competence only in that field.

27. Competence for Category M (Accounting, Controls and Consulting)

(1) A Category M applicant shall demonstrate competence in the accounting, bookkeeping, internal audit, internal control and consulting services proposed, the applicable financial reporting and related-service standards, the IESBA Code, client acceptance, documentation, reporting, quality management proportionate to the practice and applicable Somali law.

(2) The applicant shall not be required to demonstrate audit engagement-partner competence or Category T competence unless applying for Category A, Category T, Category TM or Category C.

(3) Council may restrict a certificate where the applicant has demonstrated competence only in a defined specialist field.

28. Competence for Category C (Composite)

(1) A Category C applicant shall demonstrate the combined competence required for Category A, Category T and Category M, including the professional competence required of an audit engagement partner under IES 8.

(2) Evidence may include an engagement portfolio, supervisor reports, structured interview, examination, simulation, quality-review history and regulatory references covering audit and assurance, tax, and accounting, controls and consulting services.

(3) Council may accept competence already demonstrated and recognized under an existing Category A, Category T or Category M certificate as partial evidence for a Category C application, provided competence in the remaining categories is separately demonstrated.

29. Competence for Category TM (Tax and Accounting)

(1) A Category TM applicant shall demonstrate the combined competence required for Category T under regulation 26 and for Category M under regulation 27.

(2) The applicant shall not be required to demonstrate audit engagement-partner competence unless applying for Category A or Category C.

(3) Council may accept competence already demonstrated and recognized under an existing Category T or Category M certificate as partial evidence for a Category TM application, provided competence in the other category is separately demonstrated.

30. Fit-and-proper assessment

(1) SICPA shall assess competence and judgment; honesty, integrity, character and probity; reputation; financial soundness; previous professional and regulatory conduct; and willingness to comply with the Act, Code and these Regulations. Schedule 4 sets out the assessment framework.

(2) The applicant shall disclose criminal, civil, tax, insolvency, employment, academic, professional, regulatory and disciplinary matters in Somalia or elsewhere, including pending proceedings.

(3) A criminal conviction is a statutory bar**.** Fraud, undischarged bankruptcy, removal from office or practice for dishonesty, negligence, incompetence or mismanagement, or material concealment shall weigh strongly against approval, subject to the Act and procedural fairness.

31. Local law and professional standards assessment

(1) Every applicant shall demonstrate current knowledge of SICPA regulations, the IESBA Code, anti-money-laundering obligations and Somali laws relevant to the proposed services.

(2) A foreign-qualified applicant shall complete a local law, tax, ethics and regulatory assessment unless Council records verified equivalent competence.

(3) A Category A or Category C applicant shall additionally demonstrate current competence in applicable IAASB and financial reporting standards.

(4) A Category T, Category TM or Category C applicant shall additionally demonstrate current competence in applicable Somali tax law and revenue-authority practice.

32. One-firm rule

(1) A holder of a Certificate of Practice shall practise through only one accounting firm at a time and shall be recorded against that firm in SICPA's register.

(2) The holder shall not be a practising partner, proprietor or responsible practitioner in another firm, except for a temporary continuity arrangement approved in writing by SICPA.

(3) A change of firm takes effect only when recorded by SICPA and shall not prejudice existing professional obligations, confidentiality, file custody or client transition.

33. Decision and conditions

(1) Council may approve, approve with lawful conditions, defer for specified evidence or refuse a complete application.

(2) A condition may address service scope, supervision, mentoring, competence development, inspection, insurance or remediation, but shall not convert a Category T, Category M or Category TM certificate into authority to provide assurance.

(3) A refusal shall be communicated with reasons within thirty days and shall state the twenty-one-day court appeal right under Article 35.

34. Form, duration, ownership and public register

(1) A certificate shall state the holder's name, number, category, firm, issue date, conditions and expiry on 31 December in accordance with Article 35(4).

(2) The certificate remains the property of SICPA under Article 40 and shall be displayed or produced only while current.

(3) A digitally verifiable certificate and the public register are authoritative as to current status.

(4) SICPA shall maintain current electronic registers of practising accountants and licensed accounting firms showing name, registration number, Category A, Category T, Category M, Category TM or Category C, associated firm or responsible partners, principal office, issue and expiry dates, status and every current public condition, restriction or sanction.

(5) SICPA shall make the current public register freely searchable and shall publish, at least annually, a list of practising accountants and firms through its website and another widely accessible official notice.

35. Renewal and upgrade

(1) Renewal shall be filed at least two months before year-end under Article 36 and shall include the annual return, firm association, CPD and competence declaration, insurance, service and engagement profile, regulatory events, remediation status and fees.

(2) A holder of Category A, Category T, Category M or Category TM seeking a transfer to a different category, or an upgrade to Category C (Composite), shall apply in writing to Council online in the prescribed form and satisfy the applicable competence regulation (25, 26, 27, 28 or 29); the transfer or upgrade is effective only when approved and entered in the register and supersedes the holder's previous category.

(3) Council may refuse or condition renewal for failure to maintain competence, insurance, fit-and-proper status, accurate returns, cooperation or required remediation, and shall give statutory reasons and appeal information.

36. Change, suspension, surrender and return to practice

(1) A holder shall notify SICPA within fourteen days of a material change affecting identity, contact details, firm, role, competence, health, insolvency, insurance, criminal or regulatory status, or authorization elsewhere.

(2) A certificate may be surrendered, suspended, restricted or revoked in accordance with the Act and due process. The holder shall cease affected practice, correct public representations, protect clients and return the certificate when directed.

(3) After twelve months without substantial relevant practice, SICPA may require targeted learning, supervised work, a competence declaration or reassessment before the person resumes the affected service.

CHAPTER 5 - LICENSING AND GOVERNANCE OF ACCOUNTING FIRMS

37. Requirement for annual firm licence

(1) Every sole practitioner or entity intending to practise accountancy shall obtain an annual firm licence under Articles 38 and 39 before offering, accepting or continuing a public accountancy engagement.

(2) The licence expires on 31 December. Renewal shall be applied for at least two months before year-end and does not take effect until granted.

(3) The firm licence shall specify the service lines the firm is authorized to provide - audit and assurance, tax, and/or accounting, controls and consulting - determined under regulation 38(5), and shall be endorsed as a Composite firm licence where the firm is authorized for all three service lines. Each office and trading name shall be declared, inspected as directed and covered by the licence.

38. Statutory firm conditions

(1) The firm shall satisfy Article 38, including partners who personally hold current Certificates of Practice, a registered office in Somalia, valid business licence, prescribed fees, an acceptable name and other Council requirements.

(2) A foreign firm shall:

(a) have at least one equity partner who is a local Somali practitioner;

(b) ensure that one or more local Somali practitioners collectively hold not less than thirty per cent of the firm's issued equity, voting rights and entitlement to distributable profits; and

(c) designate a locally SICPA-licensed accounting firm responsible for all professional engagements undertaken and reports issued in Somalia.

(3) The thirty per cent interest required by paragraph (2) shall be genuine, beneficial, paid-up and continuous. It shall not be held through a nominee or trustee for a foreign owner, or be defeated by a side agreement, compulsory transfer, undisclosed option, financing arrangement or other device that removes the local practitioners' economic interest or effective participation in governance.

(4) A foreign firm shall disclose to SICPA its complete legal and beneficial ownership, voting, profit-sharing, financing, control and governance arrangements and shall notify SICPA before any transaction or arrangement that may reduce the local Somali practitioners' interest below thirty per cent.

(5) A firm shall be authorized to provide audit and assurance services only if at least one of its partners holds a current Category A or Category C Certificate of Practice; to provide tax services only if at least one of its partners holds a current Category T, Category TM or Category C Certificate; and to provide accounting, controls and consulting services only if at least one of its partners holds a current Category M, Category TM or Category C Certificate. A firm is authorized for all three service lines, and its licence shall be endorsed as Composite, where either a single partner holds Category C or, collectively, its partners hold Category A together with either Category TM or both Category T and Category M between them. A firm shall not advertise, accept or perform a service for which it is not authorized under this paragraph.

(6) The firm shall remain fit and proper, adequately resourced, insured, governed and capable of complying with the quality-management requirements applicable to its services.

39. Ownership, control and voting

(1) Effective control of professional judgments, quality, client acceptance, responsible-practitioner appointment, remuneration and discipline shall rest with persons holding the appropriate Certificate of Practice and accountable to SICPA.

(2) The firm shall disclose legal and beneficial owners, voting rights, profit-sharing, financing, nominee arrangements, management rights and network obligations.

(3) A non-practitioner owner, investor, lender, network or affiliate shall not direct a professional conclusion, override quality decisions, access confidential client information without authority or create incentives inconsistent with professional obligations.

40. Responsible partner and governance

(1) A firm shall nominate a Certificate of Practice holder resident in Somalia as responsible partner for regulatory compliance and liaison with SICPA. For each service line the firm provides, the firm shall additionally identify a partner holding the matching category - Category A or Category C for audit and assurance; Category T, Category TM or Category C for tax; and Category M, Category TM or Category C for accounting, controls and consulting - who takes professional responsibility for that service line.

(2) The governing body shall assign ultimate responsibility and accountability for the system of quality management in accordance with ISQM 1 and evaluate it at least annually.

(3) Quality leadership shall have sufficient authority, time, competence, information and direct access to those charged with governance of the firm.

41. Application evidence

(1) An application shall contain the evidence in Schedule 3, including constitutional documents, ownership, offices, partners, staff, client profile, services, insurance, financial capacity, quality management, continuity, complaints, litigation and regulatory history.

(2) SICPA may verify information with another regulator, professional body, insurer, tax authority, client or public register where lawful.

(3) Material falsehood or concealment is grounds for refusal and investigation.

42. Pre-licence inspection

(1) In accordance with Article 41, no initial firm licence shall be granted unless SICPA or a person authorized in writing has inspected the firm under an approved inspection programme.

(2) The inspection may be onsite, remote or hybrid and shall assess premises and signage; professional references and records; professional indemnity insurance; fit-and-proper status; ownership; staffing; manuals; security; financial standing; and readiness of the applicable system of quality management.

(3) For a new firm without completed engagements, the inspection shall assess design and implementation; an early post-licence review shall test operation.

(4) Annual licence renewal shall not ordinarily require a further inspection. Renewal shall rely primarily on the annual firm return, ownership and partner status, professional indemnity insurance, CPD compliance, complaints, quality-management declarations and other risk indicators. SICPA shall concentrate inspection resources on higher-risk firms and shall not spend resources on repeated inspection of low-risk small firms and sole practitioners outside the review cycle in regulation 91.

(5) SICPA may nevertheless inspect any firm before renewal, or at any other time, where risk, complaints, a new audit or assurance practice, PIE work, previous deficiencies or a material change justifies it.

43. Firm name, offices and communications

(1) A firm name shall not be misleading, confusingly similar, unlawful, offensive or suggest government or SICPA endorsement.

(2) Each office shall have suitable premises, confidentiality, secure records, supervision, continuity and a named office leader. A shared office is acceptable only if these requirements are demonstrably met.

(3) The firm shall display its registered name, firm number and the statement 'Licensed and regulated by SICPA' on reports, engagement letters, website, letterhead and principal business communications.

44. Resources, staffing and competence

(1) The firm shall maintain enough partners, staff, experts, technology and time to perform accepted engagements competently and meet reporting deadlines.

(2) Assignments shall reflect competence, capability, objectivity, availability, supervision needs and sector complexity. Workload and commercial targets shall not impair quality.

(3) Outsourcing does not transfer responsibility. Providers shall be selected, contracted, instructed, supervised and evaluated under the firm's quality system.

45. Professional indemnity, continuity and client protection

(1) A firm shall maintain adequate professional indemnity insurance, in accordance with minimum coverage, excess, exclusions, insurer eligibility and territorial requirements prescribed by Council. The firm shall also make appropriate arrangements for run-off cover upon cessation of practice, merger or withdrawal, as prescribed by Council.

(2) A documented continuity and succession plan shall address death or incapacity of a sole practitioner, loss of premises or technology, conflict, licence interruption, cyber incident and secure transfer or retention of audit files.

(3) The plan shall name an alternate authorized practitioner or firm, subject to independence and client consent requirements.

46. Networks, affiliates and shared services

(1) A firm shall identify its network and affiliates and determine which network requirements, services or resources are relevant to the system of quality management and independence.

(2) The firm remains responsible for compliance in Somalia and shall evaluate whether network monitoring, technology, methodology, experts and independence information are reliable and appropriate.

(3) Cross-border transfer of client information shall be lawful, secure, necessary and disclosed where required.

47. Changes requiring notice or approval

(1) The firm shall notify SICPA within fourteen days of changes in partners, responsible partner, address, legal form, beneficial ownership, network, insurance, business licence, insolvency, significant litigation, regulator action or a matter threatening continued operation.

(2) A firm shall immediately stop advertising or accepting new engagements in a service line when it ceases to have a qualifying partner for it, and notify SICPA and update the register within seven days.

(3) Prior approval is required for a material change of control, merger, acquisition, transfer of the licence, new trading name or admission of a person who will control audit practice.

(4) A licence is not transferable. Council may require a fresh application or impose transitional conditions.

48. Renewal, refusal and cessation

(1) Renewal evidence shall include the annual firm return, current category, owners and partners, service and engagement profile, quality-management evaluation, monitoring and remediation, ethics or independence breaches, complaints, insurance, financial viability, CPD compliance and fees.

(2) Refusal and reasons shall comply with Articles 38 and 39, including the twenty-one-day court appeal right. A pending appeal does not authorize practice unless a court or lawful decision grants a stay.

(3) On cessation, the firm shall resign or complete engagements as SICPA directs, notify affected clients, protect files, maintain confidentiality, retain documents for at least seven years, maintain professional-indemnity run-off cover for at least twelve months or a longer prescribed period, and arrange orderly transfer or custody.

CHAPTER 6 - PROFESSIONAL STANDARDS AND REPORTING FRAMEWORKS

49. Applicable auditing and assurance standards - SMO 3

(1) Audits of financial statements shall be conducted in accordance with the ISA adopted by Council and effective for the engagement, together with applicable law and these Regulations.

(2) Reviews, other assurance and related services shall be performed under the applicable IAASB pronouncement adopted by Council, including ISRE, ISAE or ISRS as appropriate.

(3) A practitioner shall not describe an engagement or report as compliant with an international standard unless all requirements necessary for that description have been satisfied.

50. Quality management standards

(1) Every audit firm shall design, implement and operate a system of quality management compliant with ISQM 1, and shall apply ISQM 2 to engagement quality reviews.

(2) Every audit engagement partner shall comply with ISA 220 (Revised) and take overall responsibility for managing and achieving quality on the engagement.

(3) A reference in the Act to ISQC 1 or quality control shall, to the extent lawful and for current practice, be implemented through the successor quality management framework of ISQM 1, ISQM 2 and ISA 220 (Revised).

51. Standard adoption notices and effective dates

(1) Council shall publish the adopted edition, effective date, scope, translation status, transitional provisions and any lawful local modification.

(2) A new or revised standard does not apply before its international effective date unless Council lawfully adopts earlier application. Early adoption shall be disclosed in the auditor's report where relevant.

(3) The firm shall maintain controlled access to current standards and promptly update methodology, templates, training and monitoring.

52. ISA for Less Complex Entities

(1) The ISA for Audits of Financial Statements of Less Complex Entities may be used only if Council has adopted it, the engagement meets its authority criteria, and law or the terms of engagement do not require the full ISA.

(2) The firm shall document the eligibility determination before acceptance and reconsider it when the entity or engagement changes.

(3) The standard shall not be used for a PIE or another prohibited entity or engagement.

53. Applicable financial reporting framework - SMO 7

(1) The auditor shall identify and evaluate the financial reporting framework applicable to the entity, including IFRS Accounting Standards, IFRS for SMEs Accounting Standard, a Council-approved national framework or another framework required by law or contract.

(2) The auditor shall not present financial statements as compliant with IFRS or IFRS for SMEs unless the criteria for that statement are met and shall modify or otherwise address the report as required by ISA where the framework or its application is unacceptable or materially misstated.

(3) SICPA shall use best endeavours to support adoption and implementation of high-quality private-sector reporting standards within its legal mandate.

54. Public-sector reporting framework - SMO 5

(1) For a public-sector entity, the auditor shall identify whether IPSAS, cash-basis IPSAS, a national public-sector framework, donor terms or another lawful basis applies and shall assess compliance with that framework.

(2) The audit team shall possess public-sector competence appropriate to public financial management, budget authority, procurement, public assets, grants, compliance, service-performance information and applicable reporting.

(3) SICPA shall support adoption and implementation of IPSAS and related public-sector reporting pronouncements within its mandate.

55. Sustainability and other reporting

(1) Where an audit or assurance engagement includes sustainability or other non-financial information, the firm shall apply the reporting and assurance standards lawfully applicable and adopted by Council, including IFRS Sustainability Disclosure Standards and ISSA 5000 when effective and applicable.

(2) The engagement partner shall ensure competence in the subject matter, criteria, value chain, experts, estimates, controls, data and ethics requirements, including applicable sustainability independence standards.

(3) A financial-statement audit report shall not imply assurance over other information beyond the scope required by the applicable ISA.

56. Departures, consultations and interpretation

(1) A practitioner shall not depart from a mandatory professional requirement except where the standard itself permits departure in exceptional circumstances or law prohibits compliance.

(2) The firm shall document the requirement, circumstances, alternative procedures, consultation and how the objective was achieved; a legal prohibition shall be communicated and reported as required.

(3) SICPA may publish interpretations and alerts for standard applications and its pronouncements.

CHAPTER 7 - ETHICS, INDEPENDENCE AND PROFESSIONAL CONDUCT

57. IESBA Code - SMO 4

(1) Every regulated person and firm shall comply with the current effective IESBA Code adopted by SICPA, including the fundamental principles and International Independence Standards.

(2) The fundamental principles are integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

(3) The conceptual framework shall be applied to identify, evaluate and address threats; if threats cannot be eliminated or reduced to an acceptable level, the activity or engagement shall be declined or ended.

58. Firm ethics and independence system

(1) The firm shall maintain policies, designated responsibility, training, restricted-entity information, personal declarations, conflict searches, consultation, breach reporting and monitoring sufficient to identify and address ethics and independence requirements.

(2) All partners and relevant personnel shall confirm compliance at least annually and promptly disclose changes. Schedule 8 sets out the model annual declaration.

(3) The firm shall obtain relevant independence information from network firms, component auditors, experts and service providers before and during the engagement.

59. Client and engagement conflicts

(1) Before acceptance and throughout an engagement, the firm shall identify conflicts involving existing or prospective clients, related entities, partners, staff, experts and networks.

(2) Safeguards may include separate teams, information barriers, independent review, informed consent where permitted, or withdrawal. Consent does not cure a prohibition or unacceptable threat.

(3) The analysis, safeguards, communications and conclusion shall be documented.

60. Financial, business and personal relationships

(1) Prohibited or material financial interests, loans, guarantees, close business relationships, employment negotiations, recent service, family relationships and other personal interests shall be identified and addressed under the IESBA Code.

(2) Engagement-team members and their immediate family shall not hold prohibited interests in an audit client. The firm shall maintain a process for disposal, removal or other action required by the Code.

(3) Accidental breaches shall be reported immediately and evaluated; concealment or delay is an aggravating matter.

61. Fees and remuneration

(1) Audit fees shall not be contingent on the result of the audit, an opinion, financing, tax outcome or another transaction.

(2) The firm shall evaluate threats from fee dependency, overdue fees, low-balling, gifts, hospitality, referral arrangements and partner remuneration.

(3) Commercial goals and compensation shall not reward inappropriate client retention, sale of non-assurance services or suppression of audit findings.

62. Non-assurance services

(1) Non-assurance services to audit clients shall be provided only as permitted by the IESBA Code's NAS provisions (Part 4A, Section 600), including its PIE-specific restrictions.

(2) Before providing a non-assurance service to an audit client, the firm shall determine whether the service is prohibited and evaluate self-review, self-interest, advocacy, familiarity, management and other threats.

(3) The firm shall not assume management responsibility, make decisions for the client, audit its own work where prohibited, or provide a service prohibited for a PIE.

(4) Where permitted, the scope, client responsibility, threats, safeguards and communications with those charged with governance shall be documented.

63. Long association and rotation

(1) The firm shall monitor long association of partners and senior personnel and apply rotation and cooling-off periods required by the IESBA Code or stricter law.

(2) For a PIE audit, the key audit partner shall serve no longer than seven cumulative years and shall observe the applicable IESBA cooling-off period, unless a stricter lawful period applies.

(3) SICPA may grant only an exception expressly permitted by the Code and shall record public-interest reasons and safeguards.

64. Gifts, hospitality, inducements and client assets

(1) A practitioner shall not offer or accept an inducement intended to improperly influence behavior, and shall evaluate even trivial gifts or hospitality in the engagement context.

(2) An audit firm shall not hold client money or other assets unless legally permitted, incidental to a lawful service, separately safeguarded, recorded and subject to strict controls.

(3) Political, charitable or community relationships shall be evaluated for actual or perceived threats to objectivity.

65. Confidentiality, data protection and cyber security

(1) Client information shall be protected during collection, access, processing, storage, transmission, archiving and destruction, including information held in cloud, shared-service, analytics and artificial-intelligence systems.

(2) Disclosure is permitted only with proper authority or a legal or professional right or duty. The firm shall verify the basis and limit disclosure to what is necessary.

(3) A material confidentiality or cyber incident affecting audit evidence, independence, reporting or client information shall be contained, investigated, documented and notified to SICPA and other authorities where lawfully required.

66. Non-compliance with laws and regulations

(1) A practitioner who identifies or suspects non-compliance shall apply the IESBA Code and relevant ISA, understand the matter, discuss it at an appropriate level, consider remediation and reporting, and act in the public interest within law.

(2) The firm shall maintain consultation procedures for fraud, corruption, money laundering, terrorist financing, sanctions, tax evasion and other serious matters.

(3) Confidentiality shall not be used to obstruct a lawful report or SICPA investigation.

67. Anti-money-laundering and counter-terrorist financing

(1) Every regulated person and firm shall comply with the anti-money-laundering and counter-terrorist-financing (AML/CFT) guidelines approved by SICPA, together with applicable Somali AML/CFT law and the requirements of the competent authority.

(2) The guidelines approved by SICPA shall, consistently with Somali law, address risk-based client due diligence; identification and verification of clients and beneficial owners; ongoing monitoring; record retention; reporting of suspicious transactions to the competent authority where legally required; the prohibition against tipping off; and staff training.

(3) Failure to comply with this regulation is a ground for regulatory and disciplinary action under regulation 113, without prejudice to referral to the competent authority under regulation 123.

68. Ethics and independence breaches

(1) Every breach shall be reported promptly to the responsible partner and ethics function, contained, evaluated for significance and impact, and remediated in accordance with the Code.

(2) Where required, the firm shall communicate with those charged with governance, reconsider the audit opinion, remove affected persons, arrange independent review or withdraw.

(3) Material, repeated, intentional or concealed breaches shall be notified to SICPA within fourteen days and may be referred for investigation.

CHAPTER 8 - CLIENT ACCEPTANCE, ENGAGEMENT PERFORMANCE AND DOCUMENTATION

69. Acceptance and continuance

(1) Before accepting or continuing a client or engagement, the firm shall obtain sufficient information regarding client integrity, beneficial ownership, management and governance, purpose, reporting framework, predecessor auditor, competence, resources, independence, risks and legal preconditions.

(2) High-risk acceptance shall require consultation and approval at a level independent of commercial origination. The firm shall decline when preconditions are absent, independence cannot be achieved, resources are insufficient or association would be improper.

(3) Continuance shall be reassessed at least annually and upon significant change or adverse information.

70. Engagement terms

(1) Agreed terms shall be recorded in an engagement letter or other written agreement consistent with ISA 210 and applicable law.

(2) The terms shall identify objective, scope, responsibilities, framework, form of report, access to information, fees, use of experts or components, data handling and inherent limitations.

(3) A change in terms shall be accepted only for reasonable justification and shall not be used to avoid a modified audit opinion.

71. Engagement leadership and team

(1) The engagement partner shall be sufficiently and appropriately involved throughout planning, performance and completion and shall determine that the team and experts collectively have competence, capability, objectivity and sufficient time.

(2) Direction, supervision and review shall be proportionate to team experience, complexity and risk. Significant judgments shall be reviewed at an appropriate level before the report date.

(3) Differences of opinion shall be resolved under firm policy before the report is issued.

72. Planning, risk and materiality

(1) The team shall plan the audit, understand the entity and environment, identify and assess risks of material misstatement, determine materiality and design responsive procedures under applicable ISA.

(2) Fraud, going concern, related parties, estimates, revenue, laws and regulations, information technology, service organizations and group structures shall receive attention proportionate to risk.

(3) The audit plan and risk assessment shall be updated when evidence or circumstances change.

73. Audit evidence and professional skepticism

(1) The auditor shall obtain sufficient appropriate evidence, critically evaluate reliability and contradictory evidence, and not rely solely on management representations.

(2) Professional skepticism and judgment shall be exercised and documented, including challenge of management bias, unusual transactions, estimates, fraud risks and evidence obtained through technology.

(3) External confirmations, sampling, analytics, experts and automated tools shall be designed, controlled and evaluated in accordance with applicable standards.

74. Group audits, components and experts

(1) A group engagement partner retains overall responsibility for direction, supervision, review and the group opinion and shall comply with ISA 600 (Revised).

(2) Component auditors and experts shall be evaluated for competence, capability, objectivity and independence and shall receive clear instructions and communication.

(3) The group team shall have sufficient access to people, information and documentation; a restriction shall be addressed in accordance with ISA and law.

75. Completion, reporting and communications

(1) Before dating the report, the engagement partner shall be satisfied that significant matters, misstatements, subsequent events, going concern, disclosures, consultations, review points and required quality review have been resolved.

(2) The auditor's report shall be in the form required by applicable ISA and law, clearly identify the entity, period, framework, responsibilities, opinion and firm.

(3) Material weaknesses, independence matters, significant findings and other matters required by standards shall be communicated timely to management and those charged with governance.

76. Engagement quality review

(1) An engagement quality review shall be required for every PIE audit, every engagement for which law requires one, and other engagements identified by the firm's quality risk assessment or SICPA direction.

(2) The reviewer shall meet ISQM 2 eligibility, competence, authority, time and objectivity requirements and shall not be a member of the engagement team.

(3) The audit report shall not be dated until the review is complete and the reviewer has made the required notification.

77. Audit documentation

(1) Documentation shall be sufficient to enable an experienced auditor with no previous connection to understand the work, evidence, significant judgments, conclusions, reviews and responsibility.

(2) The final audit file shall ordinarily be assembled within sixty days after the report date. After assembly, no documentation shall be deleted or discarded before the retention period ends; additions shall identify author, date and reason.

(3) The firm shall protect authenticity, integrity, accessibility, confidentiality and recoverability of paper and electronic files.

78. Retention and access

(1) Audit documentation, acceptance, independence and quality-review records shall be retained for at least seven years from the later of the auditor's report date or group auditor's report date, or longer where law, contract, litigation, investigation or firm policy requires. Schedule 10 sets out the minimum record-retention periods.

(2) Records shall remain accessible to SICPA for lawful inspection even after merger, cessation, partner departure, outsourcing or technology migration.

(3) Destruction shall be suspended when a complaint, review, investigation, proceeding or reasonably anticipated claim concerns the record.

79. Artificial intelligence and automated tools

(1) Use of artificial intelligence, data analytics or automated tools does not reduce the engagement partner's responsibility for judgment, evidence, confidentiality, documentation and the report.

(2) The firm shall approve tools through risk assessment addressing purpose, data, access, security, bias, explainability, validation, human review, vendor dependence, change control and legal restrictions.

(3) Material use and resulting evidence shall be documented sufficiently for review; confidential client data shall not be entered into an unapproved public system.

CHAPTER 9 - FIRM SYSTEMS OF QUALITY MANAGEMENT

80. Risk-based system of quality management

(1) Each firm shall establish quality objectives, identify and assess quality risks, design and implement responses, and monitor and remediate a system appropriate to its category and services. A firm performing audits, reviews, other assurance or related services shall comply with ISQM 1 to the extent applicable.

(2) The system shall be tailored to the nature and circumstances of the firm and engagements and shall operate continuously, not merely as a manual prepared for inspection.

(3) The firm shall document how requirements are addressed and how judgments about scalability were made.

81. Governance and leadership

(1) Leadership shall demonstrate a culture that recognizes professional service quality and the public interest as the firm's priority and shall be accountable for quality.

(2) Strategy, budgets, partner evaluation, promotion, remuneration, workload and client decisions shall support quality and not place commercial considerations above professional obligations.

(3) Ultimate responsibility and operational responsibility shall be assigned, evaluated and documented.

82. Relevant ethical requirements

(1) The system shall provide reasonable assurance that the firm, network and personnel understand and fulfil relevant ethical and independence requirements.

(2) It shall include restricted-entity data, declarations, acceptance checks, consultations, breach response, partner rotation, non-audit service controls and monitoring.

(3) Deficiencies shall be evaluated for root cause and engagement impact.

83. Acceptance and continuance quality objectives

(1) Judgments on acceptance and continuance shall be based on client integrity, the firm's ability to perform, ethical compliance and information obtained, not on financial or operational priorities alone.

(2) The system shall define approvals for high-risk clients, sectors, deadlines, tenders, fee pressure, predecessor disputes and management integrity concerns.

(3) Information discovered after acceptance shall trigger reconsideration, legal consultation and withdrawal where appropriate.

84. Engagement performance quality objectives

(1) The firm shall establish methodology and controls for planning, consultation, direction, supervision, review, differences of opinion, engagement quality review, reporting, documentation assembly and retention.

(2) Consultation conclusions shall be agreed with the consultee, implemented and documented before the report is issued.

(3) The system shall address sole practitioners and small firms through appropriate external consultation and quality-review resources.

85. Proportionality mechanisms for sole practitioners and small firms

(1) SICPA shall, within twelve months of commencement, establish at least one proportionality mechanism for sole practitioners and small firms, being:

(a) a panel of vetted practitioners for paid consultation on significant judgments;

(b) a shared engagement-quality-review arrangement between small firms, subject to regulation 76(2) independence rules; or

(c) a simplified system-of-quality-management template scaled to firm size, consistent with ISQM 1 objectives.

(2) A sole practitioner or small firm, as defined by Council notice, is not required to maintain an in-house consultation or engagement-quality-review function where it shows reliable access to a mechanism under paragraph (1).

(3) Reliance on paragraph (1) does not reduce responsibility for the engagement or compliance with applicable standards.

(4) Quality assurance review under Chapter 10 shall assess such a firm against these scaled objectives, not against a standard designed for a multi-partner firm.

86. Resources

(1) Human, technological, intellectual and service-provider resources shall be obtained, developed, used, maintained, allocated and assigned in time to enable quality engagements.

(2) The firm shall maintain competency criteria, recruitment, induction, evaluation, coaching, CPD, workload monitoring, specialist access and succession arrangements.

(3) Technology and methodology shall be approved, updated, supported, secured and monitored for correct use.

87. Information and communication

(1) The system shall identify, capture, process and communicate reliable and timely information within the firm and with external parties.

(2) Personnel shall have confidential channels to raise quality concerns without retaliation.

(3) Relevant inspection findings, standard changes, independence information and remediation shall reach affected personnel and offices.

88. Monitoring, inspection and remediation

(1) The firm shall conduct ongoing and periodic monitoring, including inspection of completed engagements selected on a risk basis.

(2) Each engagement partner shall ordinarily have at least one completed engagement inspected within a three-year cycle, with more frequent selection for higher risk or deficiencies.

(3) Findings shall be evaluated, deficiencies identified, root causes analyzed, remedial actions designed and effectiveness tested. Serious engagement findings shall be evaluated for the issued report and notification obligations.

89. Annual evaluation and documentation

(1) At least annually, the individual assigned ultimate responsibility shall evaluate whether the system provides reasonable assurance that its objectives are being achieved.

(2) The conclusion, basis, identified deficiencies, remedial status and planned action shall be documented and reported to firm governance.

(3) The annual evaluation and supporting evidence shall accompany the firm return or be provided to SICPA on request.

CHAPTER 10 - EXTERNAL QUALITY ASSURANCE REVIEW SYSTEM

90. Establishment and scope - SMO 1

(1) SICPA shall operate mandatory monitoring of every licensed accounting firm. Audit, review and other assurance practices shall be reviewed under Article 42; non-assurance practices shall be monitored through the licensing inspections authorized by Articles 38, 39 and 41.

(2) Reviews shall assess compliance with applicable ethics, quality management, auditing, assurance, related-service, financial-reporting and other professional standards, law, these Regulations and firm policies according to the firm's category and services.

(3) The system shall include firm-level and engagement-level review, risk selection, competent independent reviewers, reporting, remediation, follow-up and linkage to investigation and discipline.

91. Review cycle and risk selection

(1) Every licensed accounting firm shall undergo a monitoring or quality assurance review at least once in every four years.

(2) SICPA may review a firm more frequently based on new licensure, size, complexity, sector, rapid growth, prior findings, complaints, missed remediation, partner changes, referrals or other risk indicators.

(3) A newly licensed firm shall receive an operating review ordinarily within eighteen months after it begins public practice. A firm's first audit or assurance report, signed by a partner holding Category A or Category C, may trigger an earlier review.

(4) For a low-risk firm, including a sole practitioner or small firm providing only non-assurance services with no significant complaints or prior deficiencies, the review under paragraph (1) may be conducted as a proportionate desk-based or remote review, and SICPA shall not select such a firm more frequently than the three-year cycle unless a risk indicator in paragraph (2) applies.

92. Reviewer appointment, competence and independence

(1) Reviewers shall have appropriate professional qualification, recent audit and quality management experience, sector competence, training in the methodology and sufficient time and authority.

(2) A reviewer shall declare conflicts and shall not review a firm where objectivity may reasonably be questioned, including recent employment, partnership, close business, family, financial or client relationships.

(3) Reviewers shall receive initial training, calibration and periodic performance evaluation and shall be bound by confidentiality.

93. Review planning and engagement selection

(1) SICPA shall notify the firm of the legal basis, scope, period, required information, reviewers, proposed timing and rights and duties, except where unannounced action is lawfully necessary to preserve evidence.

(2) Engagements shall be selected by the reviewer or SICPA using risk criteria and shall not be chosen solely by the firm.

(3) The sample shall include sufficient partner, office, sector and engagement coverage to support the review objectives, including at least one high-risk engagement where available.

94. Access and cooperation

(1) The firm and members shall provide timely access to premises, personnel, engagement files, quality records, electronic systems, network information and explanations reasonably required under Articles 41 and 42.

(2) Client consent is not a precondition to a lawful SICPA review; reviewers shall protect confidentiality and use information only for regulation.

(3) Obstruction, alteration, concealment, fabrication, untimely production or retaliation is a serious breach and may lead to interim protection and disciplinary referral.

95. Fixed cooperation and access timeframes

(1) Unless SICPA specifies a shorter period because of urgency or risk to evidence, a firm or individual receiving a request for documents, records, or explanations under regulation 94 shall comply within ten working days of the request.

(2) A request for onsite access to premises under regulation 94 shall be accommodated within five working days of the date proposed by SICPA, unless the firm demonstrates a genuine scheduling conflict, in which case an alternative date within a further five working days shall be agreed.

(3) Where the firm or individual cannot meet the timeframe in paragraph (1) or (2) for good cause, it shall notify SICPA in writing, with reasons, no later than two working days before the deadline; SICPA shall respond in writing within two working days confirming, extending, or declining the request for extension.

(4) Failure to meet a timeframe under this regulation without an approved extension is a failure to cooperate for the purposes of regulation 94(3) and may be escalated accordingly.

96. Review procedures

(1) Procedures may include interviews, observation, inspection, reperformance, data analysis, confirmation and testing of the design, implementation and operation of the system of quality management and selected engagements.

(2) The reviewer shall evaluate root causes and the significance, pervasiveness and recurrence of findings, not merely checklist compliance.

(3) Potentially incorrect audit reports, independence breaches, fraud or public harm shall be escalated promptly under approved protocols.

97. Findings, grading and representations

(1) Findings shall be supported by evidence and classified under Schedule 7 as satisfactory, improvement required, significant deficiency or severe deficiency.

(2) The firm shall receive a draft findings statement and a reasonable opportunity, ordinarily twenty-one days, to correct factual errors, provide evidence and make representations.

(3) Disagreement shall be documented. A technical consultation or moderation panel may be used without compromising reviewer responsibility.

98. Final report and regulatory outcome

(1) The final report shall state scope, methodology, selected coverage, findings, grading, required remediation, deadlines, follow-up and any referral or licence recommendation.

(2) Regulatory outcomes may include no further action, recommendations, a mandatory improvement plan, targeted training, additional monitoring, accelerated review, conditions or restrictions, and referral for investigation.

(3) A regulatory condition is preventive or remedial and shall not be represented as a disciplinary finding unless imposed through the disciplinary process.

99. Remediation and follow-up

(1) A firm shall submit a root-cause-based remediation plan within thirty days or another period specified in the report, identifying actions, owners, dates, evidence and effectiveness measures.

(2) SICPA shall assess implementation and effectiveness through documents, interview, targeted file review or follow-up visit.

(3) Failure to remediate, ineffective action, repeat findings or serious risk may result in enhanced restriction or disciplinary referral.

100. Review reconsideration and complaints

(1) A firm may request reconsideration of a final quality review outcome within twenty-one days on grounds of material factual error, procedural unfairness, conflict or misapplication of an adopted standard.

(2) The reconsideration shall be conducted by a person or panel not involved in the original review and may confirm, vary or remit the outcome.

(3) Reconsideration does not suspend urgent protective measures unless SICPA or a court orders otherwise and does not replace statutory court appeals from licensing or disciplinary decisions.

101. Confidentiality, publication and systemic reporting

(1) Individual review information is confidential except as lawfully disclosed for enforcement, cooperation, public protection or a published sanction.

(2) SICPA shall publish at least annually an anonymized report of review coverage, common findings, root causes, good practices, enforcement links and planned responses.

(3) SICPA may publish a firm's status or material restriction where authorized and necessary, with due process and accurate context.

CHAPTER 11 - CONTINUING COMPETENCE AND PROFESSIONAL DEVELOPMENT

102. Continuing competence

(1) A Certificate of Practice holder shall complete at least forty (40) hours of relevant Continuing Professional Development (CPD) in each calendar year, of which at least twenty-one (21) hours shall be verifiable, and at least one hundred and twenty (120) hours over each rolling three-year period.

(2) CPD shall be relevant to the holder's area of public practice. A holder providing audit, assurance, review, agreed-upon procedures, taxation, financial reporting, or other professional services shall undertake sufficient practice-specific CPD to maintain competence in those areas. Holders of Category A or Category C shall undergo mandatory CPD training as circulated by SICPA. Schedule 9 sets out the CPD framework for each category.

(3) Verifiable CPD shall be supported by appropriate evidence, including certificates, attendance records, assessment results, or other evidence acceptable to SICPA.

(4) A Certificate of Practice holder shall maintain CPD records and supporting evidence and submit an annual CPD declaration to SICPA in the prescribed form.

(5) SICPA may review, verify, or audit CPD records and require additional evidence where necessary.

(6) Not more than thirty per cent (30%) of the CPD hours required under this regulation in any year may be obtained from external providers, including recognized foreign regulators, professional accountancy organizations, audit firms, universities and other reputable providers, subject to verification by SICPA. At least seventy per cent (70%) of the required hours shall be obtained from CPD programmes offered by SICPA.

(7) Failure to meet CPD requirements, submit the annual declaration, or provide satisfactory evidence shall constitute non-compliance with the conditions of the Certificate of Practice and may result in conditions on renewal, suspension, non-renewal, or disciplinary action in accordance with these Regulations.

(8) The Council may issue guidelines prescribing eligible CPD activities, practice-specific requirements, evidence, reporting procedures, and other matters necessary for the implementation of this regulation.

103. Additional CPD for engagement partners

(1) A Category A or Category C engagement partner shall complete at least twenty hours each year directly relevant to audit, assurance, quality management, ethics, independence, financial reporting, technology or sectors served. Within that amount, at least four hours shall address ethics and independence and four hours shall address auditing or quality management standards.

(2) SICPA may approve an output-based approach that demonstrates equivalent competence, but the engagement partner shall still complete the annual ethics and auditing minimums.

104. IES 8 learning outcomes

(1) An engagement partner shall maintain the competence in Schedule 5, including audit leadership, financial reporting, governance and risk, business environment, taxation, technology, law, finance,

communication, personal and organizational skills, public interest, professional skepticism and ethics.

(2) The learning plan shall reflect the engagement portfolio, review findings, changes in standards and law, emerging technology and weaknesses identified by monitoring.

(3) A practitioner serving a PIE or specialist sector shall complete additional role-specific learning required by Council or the relevant regulator.

105. Records, verification and shortfalls

(1) Records shall show learning objective, activity, provider or source, date, duration, evidence, reflection and application to practice and shall be retained for at least six years.

(2) A shortfall shall be reported in the annual return with a remedial plan. SICPA may allow completion within ninety days where the shortfall is minor and public risk is controlled.

(3) Material, repeated or false CPD reporting may lead to restriction, non-renewal or disciplinary referral.

106. Firm responsibility for competence

(1) A firm shall maintain competency profiles, assign work appropriately, provide standards updates, coaching and consultation, and evaluate partner and staff performance with quality as a primary criterion.

(2) A firm shall not appoint an engagement partner solely by title or seniority; it shall document current competence, capacity, independence and authority for the specific engagement.

(3) Where competence is insufficient, the firm shall provide support, change the assignment, restrict scope or decline the engagement.

CHAPTER 12 - PUBLIC-INTEREST ENTITIES AND SPECIALIZED ENGAGEMENTS

107. Public-interest entity designation

(1) For these Regulations, a PIE includes an entity designated by law and an entity designated by Council, after consultation, because of the nature of its business, size, number and nature of stakeholders, systemic importance or public funds.

(2) Council's designation policy may include listed entities, banks and deposit takers, insurers, pension or collective investment entities, systemically important state-owned enterprises and other entities with significant public accountability.

(3) Council shall publish designations and effective dates and may exempt only where lawful and justified. An entity remains a PIE for an engagement period if it met the criteria at any time during that period unless the applicable standard provides otherwise.

(4) SICPA shall periodically, and at least annually, publish on its website and by official notice the list of entities designated as PIEs, with their effective dates and the criteria applied, and shall update the list promptly whenever a designation is made, varied or withdrawn.

108. Additional requirements for PIE audits

(1) A firm authorized for audit and assurance under regulation 38(5) shall not accept a PIE audit unless SICPA is satisfied that it has sufficient Category A or Category C partners, specialists, independence systems, engagement-quality-review capability, insurance and sector resources; Council may record this approval as a condition of the annual licence.

(2) A PIE engagement partner shall hold a Category A or Category C Certificate of Practice, have at least two recent years of relevant sector or comparably complex audit experience, and demonstrate participation in at least five PIE or comparable high-complexity audits, including at least two in a manager or partner-equivalent role. SICPA may accept equivalent evidence.

(3) Every PIE audit requires an engagement quality review and enhanced communication, partner rotation, independence and transparency controls.

109. Firm transparency report

(1) A firm auditing a PIE shall publish an annual transparency report within four months after its financial year-end.

(2) The report shall describe legal and ownership structure, network, governance, quality management, independence practices, monitoring, most recent external review, PIE clients where disclosure is lawful, partner remuneration principles, CPD and quality-improvement actions.

(3) Confidential client information and active enforcement matters may be omitted only to the extent required by law, with the nature of the omission explained.

110. Public-sector audits

(1) A public-sector audit shall be led by a partner competent in public-sector reporting, public financial management, compliance, procurement, budget execution, grants, fraud risk and the constitutional and statutory role of the Auditor General.

(2) A SICPA licence does not confer authority reserved by law to the Auditor General. Appointment, access, reporting and referral shall comply with applicable public law.

(3) Where International Standards of Supreme Audit Institutions or donor standards also apply, the engagement terms and report shall distinguish the standards complied with.

111. Regulated and specialist sectors

(1) For banking, insurance, pensions, securities, extractives, telecommunications, Islamic finance, donor-funded programmes, information systems or another specialized sector, the firm shall document sector competence, experts, regulatory reporting and additional quality risks.

(2) SICPA may impose a licence condition requiring specialist competence, targeted CPD, consultation, engagement quality review, additional insurance or more frequent quality assurance.

(3) The firm shall cooperate with the sector regulator within lawful confidentiality and information-sharing arrangements.

112. Joint audits, component work and foreign auditors

(1) In a joint audit, responsibilities, work allocation, review, communication, differences, reporting and file access shall be documented, and each signing partner remains responsible as required by standards and law.

(2) A foreign auditor participating in Somali work shall be appropriately qualified, independent and subject to written direction and review; only the licensed local firm may issue or authorize the Somali report.

(3) SICPA may inspect relevant cross-border work and may require secure local access to documentation.

CHAPTER 13 - COMPLAINTS, INVESTIGATIONS, DISCIPLINE AND APPEALS

113. Grounds for regulatory and disciplinary action - SMO 6

(1) A matter may arise from a complaint, quality review, regulator referral, court, public information, self-report, whistleblower or SICPA's own motion.

(2) Potential grounds include breach of the Act, bylaws, these Regulations, professional standards or Code; unlicensed practice; dishonesty; gross negligence; independence failure; unsupported report; obstruction; false return; confidentiality breach; failure to remediate; non-cooperation; or conduct discrediting the profession.

(3) A technical deficiency shall be assessed in context and shall not automatically constitute misconduct; seriousness, competence, intent, impact, pattern and response are relevant.

114. Complaint receipt and initial assessment

(1) SICPA shall provide accessible complaint channels, acknowledge receipt, protect information and assess jurisdiction, sufficiency, urgency, conflicts and public risk.

(2) A complaint may be dismissed, redirected, resolved by a non-disciplinary compliance process, referred for investigation, or held pending another authority, with reasons recorded.

(3) Anonymous information may be acted on where sufficiently credible and verifiable. The complainant need not prove the case but shall cooperate where reasonably requested.

(4) SICPA shall maintain a confidential online or electronic reporting channel through which staff, clients, practitioners and members of the public may report, including anonymously, suspected professional misconduct, false use of SICPA credentials or designations, serious audit-quality concerns and unlicensed practice.

(5) SICPA shall publish procedures for the reporting channel explaining confidentiality, evidence handling, protection of the reporter's identity against inappropriate disclosure and protection against retaliation, and shall assess each report under paragraphs (1) to (3).

115. Investigation

(1) The subject shall ordinarily receive notice of the alleged conduct, applicable requirements and process and a reasonable opportunity to respond.

(2) Investigators may obtain documents, explanations, interviews, expert analysis and information from another authority as lawfully permitted. Exculpatory and inculpatory evidence shall be considered.

(3) At conclusion, the investigation panel shall dismiss, recommend compliance action, propose an agreed resolution where lawful, or formulate charges for adjudication.

116. Investigation notice and response timeframes

(1) Notice of alleged conduct under regulation 115(1) shall be given to the subject within fourteen days of the investigation's commencement, except where early notice would create a real risk to evidence, in which case notice shall be given as soon as that risk has passed and in any event before charges are formulated under regulation 118.

(2) The subject shall have no fewer than twenty-one days from receipt of notice to respond, unless a shorter period is justified by urgency and recorded in writing, or a longer period is agreed to accommodate the complexity of the matter.

(3) The investigation panel shall reach a conclusion under regulation 115(3) within ninety days of commencement, or shall record in writing the reasons for any extension and the revised timeframe, with a copy provided to the subject.

117. Interim protective measures

(1) Where credible information indicates an immediate and serious risk to clients, records, public confidence or the integrity of proceedings, SICPA may impose a temporary condition, signing restriction, supervision, file-preservation direction or suspension to the extent authorized by the Act.

(2) The person shall receive reasons and an opportunity for prompt review, except that limited initial confidentiality may be maintained where notice would create a real risk to evidence or persons.

(3) An interim measure is not a finding of misconduct and shall be reviewed at least every sixty days.

118. Charges, disclosure and hearing

(1) A charge shall state the material facts, alleged requirement breached and proposed hearing procedure.

(2) The subject shall receive relevant evidence, reasonable time to respond, the right to representation, opportunity to present evidence and question adverse evidence, and an impartial panel.

(3) The standard of proof shall be the balance of probabilities, applied with care proportionate to the seriousness of the allegation and potential consequence.

119. Decision and sanctions

(1) The panel shall issue a reasoned written decision stating findings, evidence, standards, sanction or dismissal, costs if authorized, publication and appeal rights.

(2) Available sanctions are those authorized by the Act and bylaws and may include caution, reprimand, fine where lawfully authorized, education, supervision, restriction, suspension, revocation, exclusion, costs or another lawful order.

(3) Sanction shall consider public protection, seriousness, loss or risk, intent, dishonesty, seniority, prior history, cooperation, admission, remediation, recurrence, deterrence and consistency under Schedule 11.

120. Implementation, register and certificate return

(1) Council shall implement disciplinary action under Article 45 and make corresponding register changes.

(2) Where Article 45 requires cancellation and return of a certificate, the person shall return it within seven days and cease all representation and practice within the cancelled or suspended scope.

(3) The firm shall protect affected clients and records and comply with transition directions.

121. Publication

(1) Final disciplinary decisions shall ordinarily be published where lawful and proportionate, identifying the respondent, findings, sanction, effective date and appeal status.

(2) Publication may be anonymized, delayed or withheld to protect a vulnerable person, lawful confidentiality, an investigation, national security or another compelling interest, with reasons recorded.

(3) Dismissals shall not identify the respondent unless requested by the respondent or necessary to correct a public record.

122. Appeals and reviews

(1) Nothing in these Regulations limits court appeal rights under Articles 35, 36, 38, 39 and 46 of the Act.

(2) A disciplinary decision may be appealed to the applicable court within three months under Article 46. Licensing court appeals under Articles 35, 36, 38 and 39 shall be lodged within twenty-one days after receipt.

(3) An administrative reconsideration may correct factual or procedural error but shall not shorten, extend or condition a statutory court deadline unless law permits.

123. Cooperation with other authorities

(1) SICPA may refer suspected crime, corruption, money laundering, tax offence, company-law breach, public-finance violation or sector-regulatory matter to the competent authority.

(2) Parallel proceedings shall be coordinated to protect evidence, fairness and public safety. SICPA is not required to suspend its process solely because another process exists, but shall avoid prejudice and inconsistent compulsory demands.

(3) Information exchange shall have a lawful basis, purpose limitation, confidentiality and secure handling.

CHAPTER 14 - REGULATORY REPORTING, COOPERATION AND ADMINISTRATION

124. Annual individual return

(1) Every authorized individual shall file the return in Schedule 12, including role, firm, engagements, sectors, CPD, independence, insurance, complaints, litigation, regulatory events, inactivity and fit-and-proper changes.

(2) The declaration shall be personally signed and supported by records. A firm filing does not replace individual responsibility.

125. Annual firm return

(1) Every firm shall report owners, partners, offices, network, staff, services, audit clients by risk category, PIEs, revenue bands, fee concentration, insurance, quality management evaluation, monitoring, deficiencies, remediation, independence breaches, complaints and regulatory events.

(2) SICPA may require nil returns and supplementary returns and may verify information by inspection or lawful data matching.

126. Event-driven notifications

(1) A firm shall notify SICPA within seven days of loss of insurance, insolvency, inability to continue a material audit, suspected unlawful issuance of a report, serious independence breach, material cyber incident, death or incapacity of a sole practitioner, or action by another regulator.

(2) Other material changes shall be notified within fourteen days unless a different period is prescribed.

(3) Notification shall state facts, affected engagements, immediate controls, client and authority communications, and planned remediation.

127. Regulatory references and mutual recognition

(1) In applying Article 32, SICPA may obtain and provide regulatory references concerning qualification, authorization, good standing, quality review, complaints, sanctions and restrictions, subject to law and fairness.

(2) Recognition of a foreign licence shall not by itself authorize Somali audit practice; local statutory conditions, competence, firm licensing and register requirements remain applicable.

(3) SICPA may enter cooperation arrangements with IFAC member organizations and regulators that preserve its independence and lawful control.

128. Fees and funding safeguards

(1) Council shall publish application, licence, review and other fees and may set risk-proportionate review charges.

(2) Fees shall be transparent and shall not influence review findings or disciplinary outcomes. Reviewer remuneration shall not depend on adverse findings.

(3) Financial hardship may justify an installment or waiver policy but not practice without satisfying public-protection requirements.

129. Service standards and notices

(1) SICPA shall publish service periods, forms, evidence standards, contacts, review rights and current professional standards.

(2) A notice may be delivered by registered address, verified email, secure portal or another method prescribed by law. Regulated persons shall keep contact information current.

(3) Minor administrative error shall not invalidate a process unless it causes material unfairness; SICPA shall correct prejudice promptly.

130. Records and data governance

(1) SICPA shall maintain authentic, secure, searchable and recoverable licensing, register, inspection, review, complaint, investigation, decision and appeal records under an approved retention schedule.

(2) Permanent register and final disciplinary records shall be retained permanently; application and quality review records shall ordinarily be retained at least ten years after closure; other records shall follow law and risk.

(3) Legal hold shall suspend destruction. Access, correction, disclosure and disposal shall be logged.

131. Business continuity and emergency administration

(1) SICPA shall maintain tested continuity arrangements for registers, licensing, complaints, quality review evidence, communications and critical decisions.

(2) Council may approve temporary filing, inspection or hearing arrangements during disruption, but shall not extend an expired licence or lower competence, independence or audit-quality standards without lawful authority.

(3) Emergency measures shall be documented, time-limited, published where material and reviewed after the event.

SCHEDULE 1 - SMO 1-7 COMPLIANCE AND RESPONSIBILITY MATRIX

SMO	Application to public-practice regulation	Principal controls and owner
SMO 1 - Quality Assurance	Mandatory QA for all audit and assurance practices; ISQM-aligned firm and engagement review; independent reviewers; remediation and discipline link.	Regs 80-101; Quality Assurance Committee; Management review function.
SMO 2 - International Education Standards	Category-specific minimum practical experience under regulation 24 (five years for Category A and Category C, subject to the competence-equivalence route in regulation 24(5); four years for Category TM; two years for Category T and Category M); category-specific competence for Category A, Category T, Category M, Category TM and Category C; IES 7 continuing competence; IES 8 for Category A and Category C engagement partners.	Regs 24-29 and 102-106; Licensing Committee and CPD function.
SMO 3 - Auditing and Assurance Standards	Adoption and implementation of ISA, ISQM, ISRE, ISAE, ISRS and, where adopted, ISA for LCE.	Regs 49-52 and 56; Technical Committee and firms.
SMO 4 - IESBA Code	Fundamental principles, conceptual framework, independence, PIE rules, breach response and monitoring.	Regs 57-68; Council ethics function and firms.
SMO 5 - Public Sector Accounting	Correct identification and audit of IPSAS or other lawful public-sector framework; competence and best-endeavours support.	Regs 54 and 110; Technical Committee and public-sector practice function.
SMO 6 - Investigation and Discipline	Accessible complaints, independent investigation and hearing, proportionate sanctions, publication and statutory appeals.	Regs 113-123; Investigation and Disciplinary Committee and Council.
SMO 7 - IFRS Accounting Standards	Correct identification and audit of IFRS, IFRS for SMEs or other lawful framework; support for adoption and implementation.	Regs 53 and 55; Technical Committee and audit firms.

SCHEDULE 2 - INDIVIDUAL CERTIFICATE OF PRACTICE APPLICATION EVIDENCE

Evidence area	Minimum evidence
Identity and status	Certified identity, SICPA full membership, residence, taxpayer status, contact and recent photograph where prescribed.
Statutory integrity	Criminal-record declaration and evidence; complete fit-and-proper disclosures and consents.
Qualification	Professional qualification, membership and good-standing confirmations, transcripts and local-law assessment.
Category and services	Category A, Category T, Category M, Category TM or Category C; proposed services, sectors, firm association and any requested limitations.
Experience	Chronological experience record covering the minimum period for the category applied for under regulation 24, including any competence-equivalence evidence under regulation 24(5); supervisor confirmations; roles, duration, services, industries and applicable standards.
Competence	Category-specific competence evidence; for Category A or Category C, IES 8 evidence map, engagement portfolio and assessment results; for Category T, tax competence evidence; for Category M, accounting, controls and consulting competence evidence; for Category TM, combined tax and accounting competence evidence.
Ethics and independence	Signed IESBA declaration, conflicts and regulatory-event disclosure.
Practice protection	Insurance or approved equivalent, proposed firm association and continuity arrangements.
Continuing Professional Development (CPD)	CPD compliance and List of CPD attended under regulation 102 with appropriate CPD certificates.
Fees and declaration	Prescribed fee and declaration that all information is complete, accurate and updateable.

SCHEDULE 3 - ACCOUNTING FIRM LICENSING AND ANNUAL RETURN EVIDENCE

Control area	Required information or evidence
Legal existence	Registration, constitution, business licence, tax status, office and trading names.
Ownership and control	Legal and beneficial owners, partners, voting, profit shares, financing, governance and network; for a foreign firm, documentary evidence that local Somali practitioners genuinely hold at least thirty per cent of equity, voting rights and distributable profits.
Leadership	Responsible partner, ISQM ultimate and operational responsibility, office leaders and succession.
Category and services	Service lines requested (audit and assurance; tax; accounting, controls and consulting), offices, and evidence that at least one partner holds the matching category - or Category C - for each service line; Composite endorsement where all three lines are covered by one Category C partner or collectively by a Category A partner together with Category TM, or Category T and Category M, partners.
People and resources	Partners and Certificates of Practice, staff profile, specialists, workload, methodology, technology and outsourced services.
Clients and risk	Engagement portfolio by service, sector and risk, PIEs, new/ceased clients and fee concentration.
Quality management	Applicable quality-management risk assessment, manuals, annual evaluation, monitoring, findings, root causes and remediation.
Ethics and independence	Restricted entities, annual confirmations, breaches, rotation and non-assurance service controls.
Protection and resilience	Insurance, financial viability, cyber controls, continuity, alternate practitioner and file custody.
Regulatory history	Complaints, litigation, claims, sanctions, inspections and restrictions in any jurisdiction.

SCHEDULE 4 - FIT-AND-PROPER ASSESSMENT FRAMEWORK

Dimension	Indicators	Assessment approach
Honesty and integrity	Truthfulness, candour, fraud, corruption, academic or professional misconduct, cooperation.	Serious dishonesty weighs heavily; consider evidence, recency, pattern and rehabilitation.
Reputation	Regulatory findings, credible complaints, employment or business conduct, public representations.	Use verified evidence and give opportunity to respond; avoid unsupported allegation.
Competence and capability	Qualification, current experience, health or capacity, resources, CPD and assessment.	Conditions may address remediable gaps; do not approve if safe practice is not demonstrated.
Financial soundness	Insolvency, unpaid judgments, tax non-compliance, insurance and pressure affecting objectivity.	Financial difficulty is relevant only to reliability, compliance and public risk, not social status.
Candour	Completeness and timeliness of disclosures and corrections.	Concealment is distinct and aggravating even where the underlying matter might be manageable.

SCHEDULE 5 - IES 8 ENGAGEMENT-PARTNER COMPETENCE OUTCOMES

Competence area	Required demonstrated outcome
Audit	Lead all phases; risk assessment and response; evaluate evidence; conclude on compliance; form and report the opinion.
Financial reporting	Evaluate recognition, measurement, presentation, disclosure, estimates, judgments and going concern under the applicable framework.
Governance and risk	Evaluate governance structures and risk processes relevant to the financial statements.
Business environment	Analyze industry, regulatory, economic, technology and environmental factors affecting audit risk.
Taxation, law and regulation	Evaluate tax misstatement risk and identified or suspected non-compliance and their reporting impact.
Technology	Evaluate the information and communications technology environment and controls; govern audit technology use.
Finance	Evaluate financing, financial instruments, cash flow, budgets, forecasts and working-capital implications.
Interpersonal and communication	Communicate effectively with team, management and governance; manage culture and language; resolve issues through consultation.
Personal and organizational	Model lifelong learning, mentor, reflect, evaluate experts and team objectivity and competence, and manage the engagement.
Public interest, skepticism and judgment	Promote audit quality; critically evaluate evidence and bias; apply judgment and skepticism throughout.
Ethics	Promote fundamental principles and evaluate and respond to threats to objectivity and independence.

SCHEDULE 6 - QUALITY ASSURANCE REVIEW METHODOLOGY AND CYCLE

Stage	Required control
Population and risk	Complete licensed-firm population; three-year maximum cycle for every firm; risk scoring and early review triggers.
Reviewer	Competence, independence, confidentiality, training, conflict check, assignment and supervision.
Planning	Firm profile, prior findings, engagement population, scope, notice, information request and selected sample.
Execution	ISQM design and operation; ethics and independence; resources; monitoring; engagement files; interviews and evidence trail.
Moderation	Consistent criteria, technical consultation, evidence sufficiency and conflict-free review of significant findings.
Reporting	Draft factual check, representations, final grade, root cause, remediation, deadlines and referral decision.
Follow-up	Evidence of implementation and effectiveness, accelerated review where needed, closure or escalation.
System learning	Anonymized trends, guidance, CPD, methodology updates, Council report and SMO self-assessment.

SCHEDULE 7 - QUALITY REVIEW GRADING AND REGULATORY RESPONSE

Grade	Description	Typical response
Satisfactory	No material deficiency; limited improvement points do not undermine quality objectives.	Close with recommendations and normal cycle.
Improvement required	Deficiencies require action but are not significant or pervasive and issued reports are not presently in doubt.	Improvement plan, evidence and normal or moderately accelerated follow-up.
Significant deficiency	One or more significant, recurring or potentially report-affecting deficiencies; system does not provide reasonable assurance in an area.	Mandatory remediation, targeted file review, conditions, accelerated review and investigation assessment.
Severe deficiency	Pervasive system failure, serious independence or integrity matter, unsupported report, obstruction or immediate public risk.	Urgent protective measures, licence recommendation, report-impact assessment and disciplinary or authority referral.

SCHEDULE 8 - ANNUAL ETHICS AND INDEPENDENCE DECLARATION

- I have read and complied with the effective SICPA-adopted IESBA Code and these Regulations.
- I have disclosed all financial, business, employment, family, network and other relationships relevant to independence.
- I have reported all actual or suspected breaches and participated in required remediation.
- I have complied with client acceptance, non-assurance service, fee, gift, rotation, confidentiality and NOCLAR requirements.
- I understand that a false or misleading declaration may affect authorization and constitute professional misconduct.

Declaration field	Entry
Name and SICPA number	_____
Firm and role	_____
Exceptions disclosed in attachment	Yes / No
Signature and date	_____

SCHEDULE 9 - PUBLIC-PRACTICE CPD FRAMEWORK

Requirement	Minimum	Evidence
Annual relevant CPD	40 hours	Learning record and supporting evidence.
Rolling three-year CPD	120 hours, including at least 63 verifiable (21 annually)	Provider evidence, outputs, assessments, publications or verified practice learning.
Category A or Category C engagement-partner audit-specific	20 hours annually within the total	Mapped to portfolio and IES 8 competence.
Category T tax-specific CPD	8 hours annually within the total	Tax law, practice and revenue-authority updates.
Category M accounting, controls and consulting-specific CPD	8 hours annually within the total	Accounting, internal control or consulting standards updates.
Category TM tax and accounting-specific CPD	8 hours tax and 8 hours accounting annually within the total	Tax law, revenue-authority, accounting and internal-control updates.
Source of CPD hours	At least 70% offered by SICPA; not more than 30% from approved external providers	SICPA attendance records and external-provider certificates (regulation 102).
Ethics and independence	4 hours annually for engagement partners	IESBA developments, dilemmas, independence or NOCLAR.
Auditing and quality management	4 hours annually for engagement partners	ISA, ISQM, ISA 220, methodology or inspection findings.
Specialist or PIE work	Additional learning prescribed by SICPA	Sector framework, regulator, technology and relevant reporting evidence.

SCHEDULE 10 - MINIMUM RECORD-RETENTION PERIODS

Record	Minimum period	Trigger or qualification
Audit and assurance engagement files	7 years	Later of relevant report dates; longer for law, contract, hold or proceeding.
Acceptance, independence and EQR records	7 years	From relevant engagement report or closure.
Firm quality management and monitoring	7 years	From annual evaluation or supersession, sufficient to monitor system operation.
Individual and firm licensing	10 years	After closure, expiry or cessation; permanent core register entry.
Quality assurance review	10 years	After final closure; longer for linked investigation or litigation.
CPD records	6 years	After end of reporting year.
Final disciplinary decisions and register	Permanent	Subject to lawful publication and privacy rules.

SCHEDULE 11 - SANCTION AND REMEDIATION CONSIDERATIONS

Factor	Mitigating indication	Aggravating indication
Nature	Isolated technical lapse with limited impact.	Dishonesty, independence breach, unsupported report or obstruction.
Conduct	Prompt self-report, cooperation and candid admission.	Concealment, retaliation, fabrication or repeated non-cooperation.
Impact	No actual or likely user harm and timely correction.	Material loss, public-fund risk, market or systemic impact.
History	Good prior record and effective quality system.	Prior similar findings, ignored warnings or failed remediation.
Remediation	Root-cause response tested as effective.	Superficial, late or ineffective action; continued risky practice.
Role	Junior role under reasonable supervision.	Engagement-partner or leadership responsibility and abuse of authority.

SCHEDULE 12 - MODEL ANNUAL REGULATORY RETURN

Section	Information to declare
Identity and authorization	Name/firm, numbers, certificate categories held and the firm's authorized service lines (audit and assurance; tax; accounting, controls and consulting; or Composite), conditions, offices and changes.
Practice profile	Services and engagements by type, sector and framework; assurance engagements, PIEs, responsible partners and modified reports.
Competence	Experience, CPD totals, Category A/Category C IES 8 plan, Category T, Category M or Category TM specialist learning and return-to-practice matters.
Ethics and independence	Annual confirmation, breaches, fee dependency, overdue fees, non-assurance services and rotation.
Quality	ISQM annual conclusion, monitoring, inspections, deficiencies, root causes and remediation.
Public protection	Insurance, claims, complaints, litigation, cyber incidents, continuity and client transitions.
Regulatory events	Investigations, sanctions, restrictions, insolvency, criminal/civil/tax matters and foreign-regulator actions.
Declaration	Complete, accurate and not misleading; consent to lawful verification; undertaking to report material change.