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June 29, 2026

Chair of the Board
Kosovo Council for Financial Reporting (KCFR)
Rr. Tring Ismajli, Nr. 15
Prishtine, Republic of Kosovo

Dear Chair,

Pursuant to your requirements in Law No. 06/L-032 on Accounting, Financial Reporting and Audit (the "Law"), as amended and supplemented by Law No. 10/L-025 on April 23, 2026, and the related Administrative Instruction No. 01/2014, as represented by The Society of Certified Accountants and Auditors of Kosovo (SCAAK), and set out below, we hereby include our report.

This report reflects developments at SCAAK and its compliance with requirements of the Law for the period 2021-2025 and should be seen as a continuation of our previous report dated March 31, 2021.

Throughout the period of 2021-2025, the AICPA has maintained regular contact with SCAAK representatives and has been informed of SCAAK's:

- Strategic development activities, including implementation of its 2020-2024 strategy and the development of its 2025-2029 strategy;
- adherence to IFAC's Statements of Membership Obligations (SMOs);
- education and certification programs;
- engagement in national and international activities; and
- other activities that served the public interest and contributed to the development of the accountancy profession and the economy in the Republic of Kosovo.

SCAAK's membership, the largest of any professional accountancy organization in the country, includes approximately eight thousand professional accountants who are employed across various industries, business, audit firms, academia, and key bodies in the Republic of Kosovo. We have noted that SCAAK continuously strives to provide excellent education programs and reliable services to its members, encourages its members to introduce and provide new innovative professional services to their clients, promotes the adoption of technology, and facilitates its members' ability to network.

Overview: Background - Kosovo[1]

Kosovo is a small former Yugoslav regime country (approximately 10,000 sq. km.), with approximately 1.9 million inhabitants. Following a decade of repression under Milosevic and ultimately a violent conflict in 1998-1999, a United Nations resolution placed Kosovo under UN administration by the establishment of the United Nations Interim Administration in Kosovo (UNMIK). In 2001, the Provisional Institutions of Self-Government were established and the subsequent years saw an increasing transfer of responsibilities to Kosovo authorities. Kosovo declared its independence on February 17, 2008 following an internationally mediated process.

[1] https://www.worldbank.org/ext/en/country/kosovo

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Kosovo has accepted the comprehensive proposal for the Kosovo Status Settlement based on a decentralization model with an international supervisory presence, thus allowing extensive self-government in Serb majority municipalities in the area of education, health and other key areas.

Kosovo's economy is small and highly open. Kosovo's currency is the Euro, contributing to monetary stability. In general, macro-economic policies over the last few years have been relatively stable, supported by consistent economic growth and prudent fiscal policies. Kosovo formally applied for membership in the European Union in 2022 and continues to work toward meeting accession criteria, including economic reforms aimed at strengthening public sector financial management, improving the business environment, and aligning with EU standards. Kosovo has adopted a corporate financial reporting regime inspired by the EU Company Law Directives.

Overview: Background – SCAAK

SCAAK is a non-governmental nonprofit organization established in 2001 for the purpose of implementing and promoting global standards and best practices for the accountancy profession, to serve the public interest, and assist economic development. Since its establishment, SCAAK has played a central role in the development of the profession in Kosovo and has been actively involved in building professional capacity through education, certification, and continuing professional development activities.

SCAAK is a member of the International Federation of Accountants (IFAC), the European Federation of Accountants and Auditors for SMEs (EFAA), and the Mediterranean Federation of Accountants (FCM). SCAAK has also benefited from longstanding cooperation with international professional bodies. Nederlandse Beroepsorganisatie van Accountants (NBA), and its predecessor Nederlands Instituut voor Registeraccountants (Royal NIVRA), established a formal professional relationship with SCAAK in 2007 as a result of a twinning- and mentoring agreement. As a result of this agreement, NBA visited SCAAK on several occasions, and in addition, has hosted SCAAK Council and staff members at events organized by NBA in the Netherlands.

SCAAK has good relationships with many professional organizations, regulators, supreme audit institutions, universities and other organizations interested in the development of the accountancy profession and accounting and auditing education. These include, among others, the American Institute of Certified Public Accountants (AICPA), Association of Chartered Certified Accountants (ACCA), Chartered Institute of Public Finance and Accountancy (CIPFA), Institute of Public Accountants of Australia (IPA), Association of Accounting Technicians (AAT), and the World Bank Center for Financial Reporting Reform in Vienna (CFRR), as well as national stakeholders such as the Kosovo Council for Financial Reporting (KCFR), National Audit Office in Kosovo (NAO), and universities in Kosovo and the region.

In 2007, SCAAK's Assembly modified its charter to incorporate its mission to serve the public interest and to implement the IFAC Statements of Membership Obligations (SMOs). SCAAK continues to play an important role in supporting the implementation of international standards, including International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA), and the International Education Standards (IES), and in promoting ethical conduct and professional quality within the profession in Kosovo.

Governance

SCAAK operates under a governance structure defined by its Statute and internal regulations, which establish the roles and responsibilities of its governing and management bodies. The highest governing body of SCAAK is its Assembly, which is comprised of its members who are qualified accountants and auditors. The Assembly elects a Council, whose role is to oversee the work of the secretariat. The Council elects the President and forms committees responsible for areas such as education, examinations, ethics, and disciplinary matters. SCAAK's governing statute sets out term limits for Council members; all of whom are unpaid volunteers.

SCAAK has a staff of 12 full-time and 3 part-time employees and contractors and is led by an Executive Director. The Executive Director, and her staff, report to the Council. There is a clear distinction between the roles of the Council and the Secretariat, with the former setting strategy and the latter executing it.

As an NGO and registered "public benefit" body, SCAAK is legally, as well as in practice, independent from the government. SCAAK's annual reports (*reference: Appendix 3, Annex 3.20*) indicate that SCAAK is viable, not only financially, but in terms of its independence, recognition, reputation and long-term prospects.

Most of SCAAK's staff is fluent in English and seems capable of understanding and effectively communicating the requirements and obligations of the IFAC SMOs and pronouncements of international standard setters. SCAAK comments on exposure drafts as required.

Status of Recognition
Overview and Introduction to SCAAK's Development and Activities *(reference Appendix 3, Annex 3.5)*

During the 2021-2025 period, SCAAK has continued to develop its members by providing advanced and specialized education programs, building sustainable quality management systems, and actively working with stakeholders to create a suitable environment for the profession. SCAAK's staff has provided us with the following examples:

- SCAAK implemented its Strategic Plan for 2020–2024, which focused on strengthening professional education systems, improving quality management structures, and enhancing cooperation with regulators and international partners. Building on this framework, SCAAK developed and adopted a Strategic Plan for 2025–2029, which identifies priorities including the digitalization of education delivery, expansion of certification programs, further development of quality assurance mechanisms, and increased focus on emerging areas such as sustainability and ESG reporting.

- SCAAK has undertaken significant digital transformation initiatives, and by the end of 2025, implemented a modernized and automated system for member and student services. This improved efficiency and access to training and certification programs.

- SCAAK has continued to review and strengthen its governance framework. During the reporting period, SCAAK reviewed its statute and internal regulations and continued the operation of restructured committees, including the Quality Management Committee, to improve effectiveness and oversight of professional activities *(Reference Appendix 3, Annex 3.18)*.

- SCAAK has continued to offer Continuing Professional Development (CPD) programs and certification programs aligned with International Education Standards. During 2023, SCAAK underwent reaccreditation for the period 2023-2026 by the National Qualifications Authority (NQA) for its specialization programs *(Reference Appendix 3, Annex 3.60)*:

  - *Tax Expert*
  - *Senior Tax Expert*
  - *Licensed Financial Forensics Expert*

- In 2025, to enhance integration of ESG competencies into the Kosovo profession, SCAAK launched a new training called "Fundamentals of ESG," delivered in cooperation with AICPA&CIMA. Participants receive dual certification from SCAAK and AICPA&CIMA, enhancing international recognition of their qualification *(Reference Appendix 3, Annex 3.25).*

- In September 2025, SCAAK became a member of CFE Tax Advisers Europe, strengthening its involvement in European-level tax policy and professional representation.

- SCAAK has continued to cooperate closely with the National Audit Office (NAO), including the delivery of certification programs and professional training for public sector financial staff. These programs build on prior initiatives through which public sector auditors have been trained and certified and support ongoing public financial management reforms in Kosovo.

- SCAAK has continued to actively contribute to legislative and regulatory processes. In 2023, SCAAK prepared and submitted formal recommendations on draft amendments to Law No. 08/L-257 on Tax Procedures Administration and Law No. 06/L-032 on Accounting, Financial Reporting and Auditing. In 2026, Kosovo passed Law No. 10/L-025 amending and supplementing Law No. 06/L-032. The amendment strengthens external evaluation, and regulatory oversight in SCAAK's compliance with the IFAC SMOs *(Reference Appendix 3, Annex 3.1-2)*.

- SCAAK has strengthened collaboration with international organizations and donors, including the World Bank Centre for Financial Reporting Reform (CFRR), with continued support for SCAAK's role in developing professional education, implementing international standards, and participating in financial reporting reform initiatives *(Reference Appendix 2, Annex 2.5).*

- SCAAK has continued to participate in regional and international cooperation and technical exchange. For example, SCAAK hosted a meeting with a delegation from the Institute of Certified Accountants of the Republic of North Macedonia (ISOS) to discuss quality management practices in auditing and accounting.

- SCAAK has continued its active participation within IFAC. In 2023, SCAAK's Executive Director was elected to the IFAC Professional Accountancy Organization Development & Advisory Group (PAODAG). SCAAK's ongoing involvement supports alignment with the Statements of Membership Obligations

(SMOs) and continued participation in international professional dialogue. SCAAK remains Kosovo's only IFAC member and continues to represent the profession internationally.

- SCAAK has continued to be active in national committees and projects, including participation in working groups related to financial reporting reform; contributions to development of the tax system; and engagement in broader economic development and public financial management initiatives.

Law No. 06/L-032 on Accounting, Financial Reporting and Audit

In April 2018, the Kosovo Assembly approved Law No. 06/L-032 on Accounting, Financial Reporting and Audit (the "Law"). The Law came into force on January 1, 2019. The Law was subsequently amended by Law No. 10/L-025 on Amending and Supplementing Law No. 06/L-032, approved on April 23, 2026. The Law governs the accounting and financial reporting system of business organizations, the powers and responsibilities of the Kosovo Council for Financial Reporting (KCFR), auditing requirements, qualifications for professional accountants, licensing of local and foreign auditors and audit firms, as well as professional accounting organizations. It also establishes the Public Oversight Board, within the KCFR, as the body responsible for providing public oversight of statutory auditors and firms. Further, the Law defines the role of certified accountants and requires financial statements of SMEs, large entities, and some other companies to be signed by a certified accountant. Certification of accountants and auditors is delegated to the professional accounting and auditing associations, and they are also responsible for adopting the IESBA Code of Ethics for their members and investigating and disciplining their members. The 2026 amendments further reinforce these responsibilities through explicit requirements for periodic external evaluations of IFAC Statements of Membership Obligations (SMOs) implementation and greater oversight by the KCFR.

In order to be licensed by the KCFR, professional accounting and auditing associations must fulfill the requirements of the Law and the KCFR Administrative Instruction NO.01 2014, Criteria for Recognition of Professional Accounting and Auditing Associations: be a non-profit, non-governmental organization acting in public interest, be an Associate Member of IFAC within a period of three (3) years from the entry into force of the Law and a Member of IFAC within five (5) years from the entry into force of the Law; act in the public interest; comply with IFAC SMOs; adopt IESBA Code of Ethics for application by its members; and have an investigative and discipline system in place.

The Society of Certified Accountants and Auditors of Kosovo (SCAAK) is a Member of IFAC.

Although according to the Law, KCFR is responsible for the implementation of SMO1 - Quality assurance, SCAAK's Assembly has established a Quality Control Department within SCAAK to ensure the services provided by SCAAK members, who are statutory auditors, are at an appropriate level and in compliance with applicable international standards. SCAAK has also undertaken preparatory activities in prior years to support quality review processes; however, regulatory responsibility for quality assurance reviews of statutory auditors and audit firms remains with KCFR and its public oversight structure. The amended Law further emphasizes the importance of aligning such systems with international best practices and SMO requirements, including through strengthened monitoring and oversight mechanisms.

Admission requirements (reference Appendix 3, Annex 3.31 and Annex 3.32):
According to SCAAK, it has clear requirements for entry to the profession, a formal professional education program and independent examinations, practical experience requirements, and obligations on members to comply with its Code of Ethics. SCAAK's Statute mandates compliance with IFAC SMOs and SCAAK's mission and objectives are consistent with the values and goals of IFAC. These requirements are documented within SCAAK's education and practical experience policies.

SCAAK has developed and implemented a program for the certification of accountants and auditors. SCAAK's professional education program is modeled on the ACCA qualification program and IFAC education standards. SCAAK has succeeded in developing a credible independent professional examination system for certified accountants and auditors, including structured curricula and examination processes, and is working on further developing its capacity to regulate members who are licensed statutory auditors.

SCAAK administers its admission and examination requirements with rigor, including monitoring of practical experience and assessment of professional competence in accordance with IFAC's International Education Standards (IES) as reflected in its SMO 2 reporting. We commend SCAAK for this achievement.

Overview - PAO Role and Regulatory Context
The financial reporting framework in Kosovo is laid out in 2018's Law No. 06/L-032 on Accounting, Financial Reporting and Audit, which has been amended and supplemented through the passage of Law No. 10/L-025 in April 2026. Law No. 06/L-032 superseded Law No.04/L–014 On Accounting, Financial Reporting and Audit (Law No.04/L–014) adopted in 2011, which itself superseded the law promulgated in 2001 (UNMIK Regulation 2001/30 on the Establishment of the Kosovo Board for Standards for Financial Reporting, KBSFR and a Regime for Financial Reporting of Business Organizations). Under the Law No.04/L–014, the Kosovo Council for Financial Reporting (KCFR) regulates the audit and accounting profession in the country, while the certification of accountants and auditors is delegated to the professional accountancy associations.

The mandate of the KCFR as defined under the Law No. 06/L-032 includes:

- establishing and issuing standards for accounting and auditing for business organizations (except for the financial sector which is subject to the supervision of the Central Bank of Kosovo);
- establishing and issuing standards for the professional training of accountants and auditors;
- licensing of individual auditors and audit firms;
- licensing of professional associations; and
- supervision of the Quality Assurance (QA) system as well as the Investigation and Discipline (I&D) system for auditors, including through the Public Oversight Board (POB) established under the Law.

SCAAK is a licensed professional accounting and auditing body in Kosovo established in May 2001 in accordance with United Nations Interim Administration in Kosovo (UNMIK) Regulation. SCAAK is responsible for maintaining a certification program for accountants and auditors in line with the International Education Standards (IESs) issued by IFAC.

In addition to SCAAK, other professional accountancy organizations operate in Kosovo, including organizations such as the Institute of Authorized Chartered Accountants of Kosovo (IKAF) and the Institute of Accountants and Auditors of Businesses (IAAB). These organizations offer certification and training programs in accounting and auditing and operate within the framework established by Law No. 06/L-032, as amended by Law No. 10/L-025,

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subject to licensing and oversight by KCFR. However, unlike SCAAK, these organizations are not members of IFAC.

Overview - SCAAK Reporting Requirements
According to SCAAK, the following are applicable to SCAAK and necessitate the preparation of this report.

"*At least once in five (5) years, organizations will hire a professional accountant from a country that has education, exams and professional qualification or a professional association in the field of Accountancy and Audit and experience requirements similar to those defined under the Articles of this Law to oversee the implementation of standards and procedures as stipulated by this Law."*
Reference: Law No. 06/L-032 on Accounting, Financial Reporting and Audit --- Article 33.2 *(Appendix 3, Annex 3.1)*

"Supervision of implementation of Standards and Procedures is done at least one every 5 years or more frequently if KCFR determines this. This supervision should be done by:
- *A professional accountant, a member of a professional association, a member of IFAC; or*
- *A professional association which is a member of IFAC;"*

Reference: Administrative Instruction no. 01/ 2014, Recognition Criteria for Professional Associations of Accounting/ Audit --- Article 13 Supervision and Monitoring *(Appendix 3, Annex 3.2)*

"The existing associations who operate in Kosovo are obliged to complete and harmonize their programs and regulations pursuant to this Administrative Instruction and submit this documentation to the KCFR, no later than 31.12.2014 so the KCFR recognizes them as a professional association."
Reference: Administrative Instruction no. 01/ 2014, Recognition Criteria for Professional Associations of Accounting/ Audit --- Article 14 Existing Associations *(Appendix 3, Annex 3.2)*

For more detailed information on the above Law and Administrative Instruction, please refer to Appendix 3, Annexes 3.1 and 3.2.

The AICPA's Role
About the AICPA:
The American Institute of Certified Public Accountants (AICPA) is the world's largest member association representing the accounting profession, with more than 412,000 members in 144 countries, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting.

The AICPA sets ethical standards for the profession and U.S. auditing standards for private companies, nonprofit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination and offers specialty credentials for CPAs who concentrate on personal financial planning; forensic accounting; business valuation; and information management and technology assurance.

Background:
SCAAK approached the AICPA for assistance in preparing its report to the KCFR; the main thrust of which, SCAAK explained, is to demonstrate SCAAK's compliance with the IFAC SMOs.

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To enable the AICPA to offer its assistance, SCAAK made the following representations to the AICPA:

- SCAAK is a professional accounting association in the Republic of Kosovo.
- SCAAK derives its authority to operate from Kosovo's Ministry of Finance's KCFR and the above noted Law and Administrative Instruction.
- In order to operate in Kosovo, SCAAK must comply with the reporting requirements noted in the Administrative Instruction and Law cited above. Further, SCAAK advised the AICPA that:
    - The Administrative Instruction establishes criteria for the recognition and approval of professional accounting associations and that SCAAK is currently recognized as a Professional Accounting Association in Kosovo.
    - In its sole judgment, SCAAK has made a determination that the AICPA is from a country that has education, exams and professional qualifications similar to those defined under the Articles of the Law to oversee the implementation of standards and procedures as stipulated by the law. Further, SCAAK acknowledges that AICPA is not making that representation. In addition, SCAAK acknowledges that AICPA is a non-profit association of accountants and not a licensing organization.
    - SCAAK will obtain the necessary consent for the AICPA to perform its duties in connection with this report.

Scope:
To assist the compilation of information, by SCAAK, to demonstrate SCAAK's compliance with the above noted Administrative Instruction and law, the AICPA has taken the following actions and summarized its findings in this report.

1. We assigned Jim Knafo, AICPA Director, Global Alliances, to lead this undertaking. Mr. Knafo is currently a Technical Advisor to the IFAC Council, Board, and PAODAG, and is an expert with respect to the IFAC SMOs.
2. We have continuously communicated with SCAAK staff and asked them to report on their compliance with the reporting requirements noted in the Administrative Instruction and Law cited above, the IFAC SMOs, and any other information they thought relevant to this report.

Introduction of IFAC SMOs

In accordance with the IFAC Constitution, IFAC member bodies are required to comply with the IFAC SMOs. The SMOs were most recently revised by the IFAC Board in February 2026 and became effective on April 1, 2026, with updates reflecting developments in international standards and the IFAC Member Compliance Program (MCP).

The IFAC Board establishes the SMOs and has the authority to determine, where appropriate, amendments, additions, or repeals to the SMOs.

The SMOs cover IFAC member bodies' obligations to support the:

a) adoption and implementation of international standards issued by IFAC, the International Auditing and Assurance Standards Board (IAASB), the International Ethics Standards Board for Accountants (IESBA),

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the International Panel on Accountancy Education (IPAE), the International Public Sector Accounting Standards Board (IPSASB), and the International Accounting Standards Board (IASB); and

b) establishment of quality assurance and investigation and disciplinary systems.

SMOs form the basis of the IFAC Member Compliance Program (MCP). All IFAC members, and associates, are required to submit information to demonstrate the progress they are making in each of the SMOs as part of the MCP. The MCP is administered by IFAC staff under the oversight of the IFAC Membership Committee and is intended to support continuous improvement and advancement of the accountancy profession in the public interest. Through the program, IFAC gathers and assesses information on professional accountancy organizations' activities and the status of international standards adoption and implementation within their jurisdictions. IFAC staff are responsible for:

a) reviewing the relevance, sufficiency, and efficacy of the SMOs, and
b) making related recommendations regularly to the Board.

IFAC staff's due processes relating to the MCP are subject to oversight by the IFAC Board.

The SMOs cover seven subject areas.

SMO 1 Quality Assurance

SMO 1 sets out the requirements of an IFAC member body with respect to quality assurance review systems for its members who perform audits, reviews, other assurance, and related services engagements of financial statements.

SMO 2 International Education Standards for Aspiring Professional Accountants and Professional Accountants Issued by IFAC

SMO 2 sets out the requirements of an IFAC member body with respect to the International Education Standards (IES) issued by IFAC, including requirements related to initial professional development, assessment of competence, and continuing professional development, and encourage flexible pathways to entry into the profession consistent with recent updates.

SMO 3 International Standards Issued by the IAASB

SMO 3 sets out the requirements of an IFAC member body with respect to international standards issued by the IAASB, an independent standard-setting body.

SMO 4 IESBA Code of Ethics for Professional Accountants

SMO 4 sets out the requirements of an IFAC member body with respect to the Code of Ethics for Professional Accountants (IESBA Code of Ethics) issued by the IESBA, an independent standard-setting body. Due to the nature of ethical requirements, SMO 4 requires adoption and implementation of standards no less stringent than the IESBA Code of Ethics.

SMO 5 International Public Sector Accounting Standards Issued by the IPSASB

SMO 5 sets out the requirements of an IFAC member body with respect to International Public Sector Accounting Standards (IPSASs) issued by the IPSASB, an independent standard-setting body.

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SMO 6 Investigation and Discipline

SMO 6 sets out the requirements of an IFAC member body with respect to mechanisms that provide for the investigation and discipline of those professionals who fail to exercise and maintain the professional standards and related obligations of an IFAC member body.

SMO 7 International Financial Reporting Standards Issued by the IASB and ISSB

SMO 7 sets out the requirements of an IFAC member body with respect to International Financial Reporting Standards (IFRSs) issued by the IASB, an independent standard-setting body, and consideration of sustainability-related reporting standards issued by the ISSB, an independent standard-setting body.

Although IFAC member bodies have an obligation to identify and undertake actions to fulfill the requirements set out within the SMOs, IFAC recognizes that its member bodies operate under different national legal and regulatory frameworks and are comprised of professionals working in different sectors of the accountancy profession. Accordingly, IFAC member bodies in different jurisdictions may have different degrees of responsibility for meeting the requirements in each SMO.

A member body's specific actions are considered in the context of the degree of their responsibility for each SMO area, as explained in the applicability framework of each SMO. Each SMO also includes a section explaining the IFAC compliance assessment process.

In accordance with the applicability framework as outlined in each SMO, member bodies may be required, under certain circumstances, to use their *best endeavors* to comply with specific requirements of the SMO where they have no responsibility, or have shared responsibility, for the area covered by the SMO. A member body is considered to have used its best endeavors if it could not reasonably do more than it has done, and is doing, to meet the requirements of the SMO.

To better clarify the SMO compliance requirement and use of *best endeavors*, please see Diagram 1 below.

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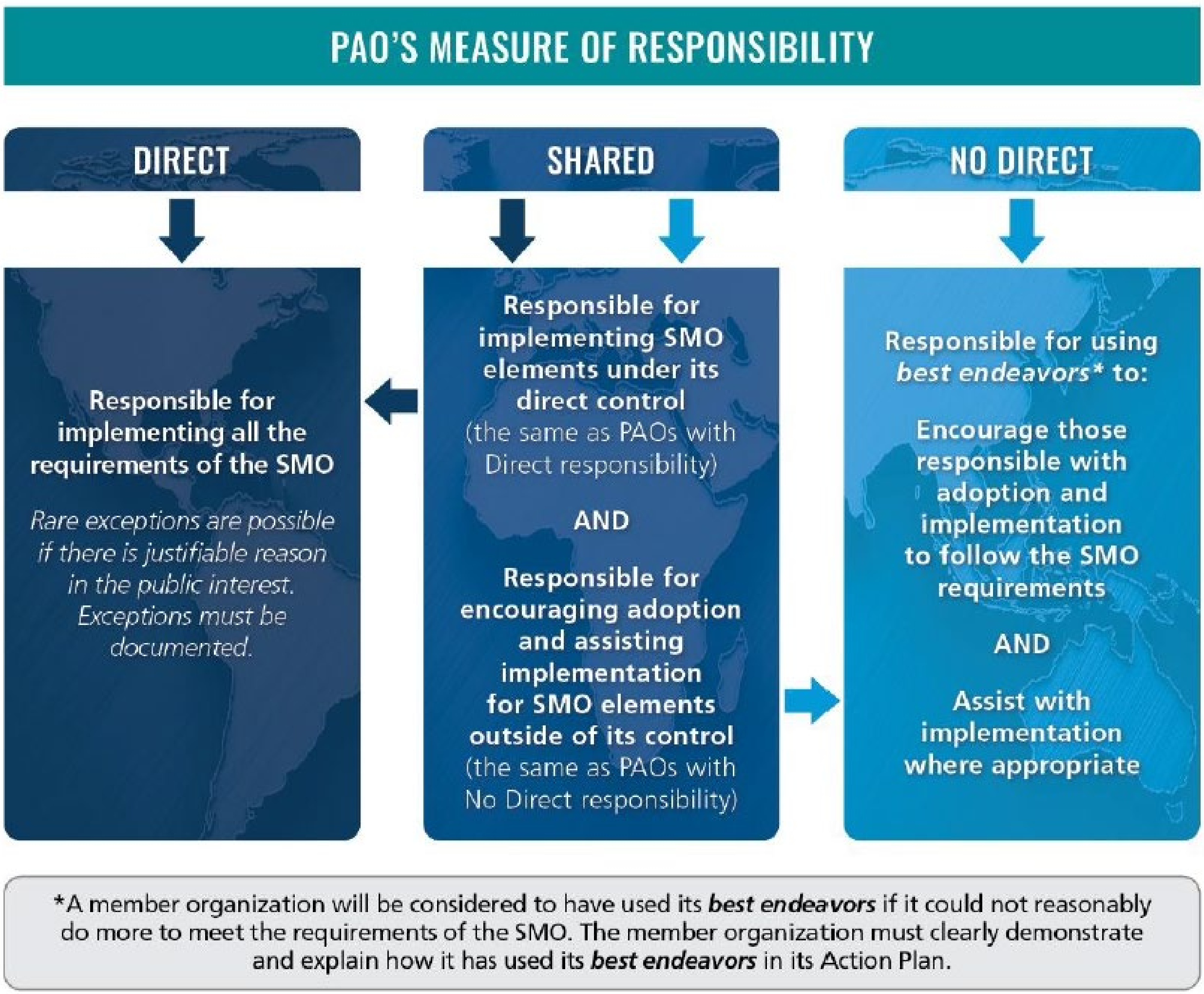
Diagram 1 Illustration of the Applicability Framework



For more detailed information regarding the IFAC SMOs, please refer to Appendix 3, Annex 3.6.

<u>SCAAK's Compliance with IFAC SMOs</u>

As noted in its letter dated May 13, 2026 (Appendix 1, Annex 1.1), IFAC confirms that SCAAK *"… is a Member of IFAC in good standing …"* and since becoming an IFAC Member in 2003 *"… has continuously fulfilled IFAC's Statement of Membership Obligations"*.

As noted above, AICPA staff have communicated with SCAAK staff. In response to questions asked by AICPA staff, SCAAK has prepared a comprehensive documentation package entitled *Report on SCAAK's Compliance with Law and Administrative Instruction* (Appendix 3, Annex 3.3).

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International Federation of Accountants:

As noted above, IFAC develops the SMOs and has established the IFAC MCP to ensure its members' compliance with them.

Overall, SCAAK demonstrates a high level of fulfillment of the SMOs, as is illustrated in the enclosed Dashboard Report. We applaud SCAAK for the progress it has made on SMO fulfillment, particularly SMOs 1, 2, and 6, over this reporting period. Although outside the scope of this reporting period, we note that the recent amendments introduced through Law No. 10/L-025 further reinforce the importance of sustained compliance with IFAC SMOs and international standards, and SCAAK's demonstrated progress and ongoing efforts should be considered in that context.

Dashboard Report:
IFAC supplied its May 2026 Dashboard Report on SCAAK (DBR) (Appendix 1, Annex 1.2). IFAC assessed SCAAK using the following rubric:

SMO Fulfillment Status	IFAC Staff Assessment
Sustain	PAO maintains well-established ongoing processes to fulfill its relevant obligations. In fulfilling this SMO, PAO considers, plans, executes, reviews and improves as part of an ongoing commitment to continuous improvement. *or* Given the nature of its mandate, membership composition, and the legal and regulatory environment, PAO is not involved in activities related to this area.
Review & improve	PAO has recently fulfilled its relevant obligation and is reviewing the implemented plan to identify and apply improvements.
Execute	PAO demonstrates it is executing the plan.
Plan	PAO has a defined plan to fulfill the requirements of this SMO.
Consider	PAO is considering how to fulfill the requirements of this SMO.
Not Active	PAO is not active in this SMO area.

The following table summarizes IFAC's DBR's notes on SCAAK's compliance with each SMO. One will find detailed information on SCAAK's compliance with each SMO in Appendix 3, Annex 3.6.

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Status of SMO Fulfillment by the PAO

	Status	Notes
SMO 1	Sustain	SCAAK has demonstrated sustained activity to support QA implementation within the scope of its authority and continues to promote alignment with SMO 1 requirements.
SMO 2	Sustain	SCAAK has demonstrated sustained activity to support the adoption and implementation of IES within the scope of its authority and has established processes to review and improve its education and CPD programming on an ongoing basis.
SMO 3	Sustain	SCAAK is encouraged to continue working with the KCFR and IEKA to support timely approval and implementation of the latest IAASB pronouncements and to further reduce the time lag between international standards and their formal application in Kosovo.

SMO 4	■ Review & Improve	SCAAK has demonstrated ongoing processes to support implementation of ethical requirements within the scope of its authority. However, SCAAK is encouraged to complete adoption of the latest Code and continue supporting consistent implementation across its membership, including through training, monitoring, and engagement with the KCFR.
SMO 5	■ Sustain	SCAAK has demonstrated sustained activity to support IPSAS implementation and public sector accountancy capacity within the scope of its authority.
SMO 6	■ Sustain	SCAAK is encouraged to continue supporting KCFR and other licensed professional accountancy organizations to promote consistent I&D arrangements across the jurisdiction.
SMO 7	■ Sustain	SCAAK has demonstrated sustained activity to support the adoption and implementation of IFRS-related requirements within the scope of its authority and maintains ongoing processes to support members.

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SCAAK's Compliance with the Other Requirements of the above noted Administrative Instruction and Law
To ensure its complete compliance with all the necessary requirements, SCAAK has prepared the *Summary of SCAAK's Compliance with Law and Administrative Instruction* (Appendix 3, Annex 3.3).

Conclusion
We believe that the information summarized in this report and its appendices should be sufficient for you to form your determination on whether SCAAK has complied with your above noted requirements.

We wish to thank and acknowledge SCAAK's staff for its assistance in the preparation of this report.

We also wish to commend SCAAK on the substantial progress that it has made since its founding in 2001 and congratulate it on its many achievements.

We trust that, upon the completion of your review and evaluation, you will continue to recognize SCAAK under the provisions of the above noted Law and Administrative Instruction.

Appendices
This report includes the following appendices:

Appendix 1,	Information Provided by The International Federation of Accountants (IFAC)
Appendix 2	Information Provided by SCAAK, including Letters from SCAAK, NAO, and the Tax Administration
Appendix 3	Information Provided by The Society of Certified Accountants and Auditors of Kosovo (SCAAK)

Disclaimers
Please note that this report is subject to the following disclaimers:

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Yours sincerely,

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