

## FREQUENTLY-ASKED QUESTIONS ON LODGMENT OF AUDITOR'S REPORT

- 1. Section 127 of the Capital Markets and Services Act 2007 ("CMSA") requires a "relevant person" to lodge to the SC the auditor's report containing information on such matters as may be specified. What information has been specified by the Securities Commission ("SC") to be in the auditor's report?**

The SC will not be specifying any special format for the auditor's report.

- 2. Following from the answer to question 1 above, what documents are to be lodged to the SC under section 127 of the CMSA and what is the time frame for the said lodgment?**

All holders of a Capital Markets Services Licence are required to submit their audited financial statements together with the auditor's report to the SC within 3 months after the close of the company's financial year. This time frame is set out under section 127 of the CMSA.

- 3. The format of auditor's report was previously prescribed under the repealed Securities Industry Act 1983 for dealers and fund managers. Why the sudden change in approach?**

The SC is now taking on more proactive initiatives in our supervision of high risk licensed intermediaries. At the same time, the decision to not specify a specific format is in line with our principal-based approach to regulation and our commitment to reduce unnecessary regulatory burden for the industry.

As such, the following documents which were previously prescribed under securities regulations will no longer be required for submission to the SC:

<b>For Dealers</b>	<b>For Fund Managers</b>
<ul style="list-style-type: none"><li>• Auditor's Report For A Dealer Which Is A Participating Organisation (previously Form 20)</li><li>• Balance Sheet And Income Statement Account To Be Prepared By A Dealer Which Is A Participating Organisation (previously Form 22)</li></ul>	<ul style="list-style-type: none"><li>• Auditor's Report For A Fund Manager (previously Form 9)</li><li>• Supplementary Statement To Be Prepared by A Fund Manager (previously Form 10)</li></ul>
<ul style="list-style-type: none"><li>• Auditor's Report For A Dealer Which Is Not A Participating Organisation (previously Form 21)</li></ul>	