

Appendix 7

In this Appendix underlining indicates new text and striking through indicates deleted text.

Note: The proposed numbering may change due to other amendments that are being consulted upon.



The DFSA Rulebook

Auditor Module

(AUD)

PART 1 INTRODUCTION

1 APPLICATION AND DEFINITIONS

1.1 Application and definitions

1.1.1 This module (AUD) applies to every:

- (a) applicant for registration as a Registered Auditor;
- (b) Auditor;
- (c) individual applying for registration as an Audit Principal; and
- (d) Audit Principal.

Guidance

A Registered Auditor will need to comply with all chapters in AUD. An Auditor which is not a Registered Auditor will need to comply with chapters 5 and 6 in AUD as those chapters apply to an Auditor whether or not it is registered with the DFSA.

1.1.2 In these Rules, a Relevant Person means a:

- (a) Domestic Firm;
- (b) Public Listed Company; or
- (c) Domestic Fund.

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APP7 MONEY SERVICES AUDITOR'S REPORT

A7.1.1 In producing a Money Services Auditor's Report, an Auditor must state as at the date on which the Authorised Firm's audited statement of financial position was prepared:

- (a) the nature of the Money Services, Account Information Services or Payment Initiation Services carried on by the firm during the previous 12 months;
- (b) the amount of Client Money the firm was holding or controlling in connection with Money Services activities;
- (c) accounting information relevant to each Money Services activity carried on by the firm, including:
 - (i) the amount of Stored Value on issue as at the relevant date;
 - (ii) the amount of Stored Value redeemed during the previous 12 months;
 - (iii) the amount of new Stored Value issued in the previous 12 months; and
 - (iv) information about Payment Transaction volumes processed during the previous 12 months;
- (d) an opinion on whether the firm is contravening, or has contravened in the previous 12 months, any requirements or conditions imposed on the Authorised Firm in relation to the carrying on of Money Services, Account Information Services or Payment Initiation Services and details of any contravention and its materiality;
- (e) an expert opinion from a qualified payment and security specialist on the adequacy of the security measures adopted by the firm in relation to:
 - (i) when to apply (or not to apply) strong customer authentication (SCA) based on the assessment of risk factors;
 - (ii) protecting the confidentiality and the integrity of the user's Personal Security Credentials; and
 - (iii) establishing common and secure standards for communicating with Payment Service Providers and Payment Service Users;
- (f) whether the firm complies with relevant Rules imposing standards, including information technology systems and controls and security and authentication for the carrying on of Money Services, Account Information Services or Payment Initiation Services; and
- (g) whether the firm has implemented the relevant technical standards set out in PIB 6.

Guidance

Where an Authorised Firm does not hold or control any Client Money in connection with Money Services activities as at the date on which the Authorised Firm's audited statement of financial position is prepared, a nil balance should be specified under Rule A2.1.1 (b).