

SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (FINANCIAL AND MARGIN
REQUIREMENTS FOR HOLDERS OF CAPITAL
MARKETS SERVICES LICENCES) REGULATIONS (Rg 13)

REGULATION 27(8)

**AUDITOR'S REPORT – FOR A HOLDER OF A
CAPITAL MARKETS SERVICES LICENCE**

FORM

7

Name of holder of the capital markets services (CMS) licence: _____

Name of auditor of the holder of the CMS licence: _____

Financial year ended: _____

1. We have audited the financial statements of the holder of the CMS licence. These financial statements are prepared in accordance with Singapore Financial Reporting Standards and the relevant provisions of the Companies Act (Cap. 50). The financial statements are the responsibility of the CMS licence holder's directors. Our responsibility is to express an opinion on these financial statements based on our audit. Our audit report on these financial statements was issued on _____ (date).
2. We conducted our audit in accordance with Singapore Standards on Auditing. These Standards require that we plan and perform the audit to obtain reasonable assurance in relation to whether the financial statements are free of any material misstatement. The audit includes an examination, on a test basis, of the evidence supporting the figures and information disclosed in the financial statements. The audit also includes an assessment of the accounting principles used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements. In this connection, we have reviewed the CMS licence holder's accounting system and system of internal controls, and reliance has been placed on internal controls, where appropriate. We believe that our audit provides a reasonable basis for our opinion.
3. It is the responsibility of the CMS licence holder's directors to ensure that its operations are conducted in accordance with the laws and regulations of Singapore. The responsibility for the prevention and detection of non-compliance with such laws and regulations rests with the CMS licence holder's directors. During the course of our audit, apart from the matters referred to in our management letter submitted together with this form, if any, nothing has come to our attention to cause us to believe that:
 - (a) the accounting and other records kept by the holder of the CMS licence do not comply with section 102 of the Securities and Futures Act (Cap. 289);

- (b) the internal control systems of the holder of the CMS licence referred to in paragraph 2 are inadequate having regard to the nature and size of the business of the holder of the CMS licence;
 - (c) the internal control procedures designed to ensure compliance with all the conditions or restrictions applicable to the CMS licence holder's licence are inadequate;
 - (d) the trust account has not been maintained at all times during the financial year in accordance with sections 104 and 104A of the Securities and Futures Act (Cap.289) and the records therefore are inadequate;
 - (e) proper records have not been maintained in relation to the safe custody of the customers' securities and assets;
 - (f) adequate internal control procedures have not been implemented to minimise the risk of material losses from the mishandling and misappropriation of customers' securities and assets;
 - (g) the applicable financial requirements prescribed under the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations have not been complied with;
 - (h) the conditions and restrictions stated in the CMS licence issued by the Authority to the holder of the CMS licence have not been complied with;
 - (i) there is any matter which adversely affects or may adversely affect the financial position of the holder of the CMS licence to a material extent; and
 - (j) there is any matter which, appears to us, to constitute or may constitute a contravention of Parts IV, V, VI and VII of the Securities and Futures Act (Cap. 289), any subsidiary legislation or any direction promulgated by the Authority under these Parts, or an offence, which appears to us, to be one involving fraud or dishonesty.
4. The holder of the CMS licence has placed restrictions/no restrictions* on the scope of the audit and all the information and explanation required were/were not* received.

Signature of Auditor(s):

 Certified Public Accountants

Date:

* Delete whichever is inapplicable