

Recognition of Overseas Auditors
Guidance Note - Declaration of Good Repute
(To be filled in and submitted by the overseas auditor)

Section 10 of Application Form D – Information of the Overseas Auditor requires an overseas auditor to assess, whether or not the overseas auditor, the engagement partner and the engagement quality control reviewer (**the EQCR**), are of good repute and to make a declaration accordingly.

This guidance note is intended to assist the overseas auditor in assessing whether or not it can make such a declaration.

If the overseas auditor, having considered this guidance note, is unsure as to whether it meets the requirement, it should **not** tick “Yes” or “No” at section 10 of Application Form D – Information of the Overseas Auditor but **should submit all relevant information with its application** to enable the Financial Reporting Council to consider the case.

Set out below are:

- Part I** Questions for the overseas auditor
- Part II** Questions for the engagement partner and the EQCR

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Part I Questions for the overseas auditor

The overseas auditor should ask itself the following questions in order to assess whether it is of good repute.

| | | Yes | No |
|--|--|--------------------------|--------------------------|
| Financial integrity and reliability | | | |
| 1. | Since the last submission of Application Form B or Application Form D, has the overseas auditor made any compromise or arrangement with its creditors, or otherwise failed to satisfy creditors in full? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | Since the last submission of Application Form B or Application Form D, has the overseas auditor been the subject of any insolvency proceedings? | <input type="checkbox"/> | <input type="checkbox"/> |
| Civil liabilities | | | |
| 3. | Since the last submission of Application Form B or Application Form D, has the overseas auditor been the subject of any civil action relating to its professional or business activities which resulted in a judgement or finding against it by a court, or a settlement (other than a settlement consisting only of the dismissal of a claim against it and the payment of its costs) being agreed? | <input type="checkbox"/> | <input type="checkbox"/> |
| Good reputation and character | | | |
| 4. | Since the last submission of Application Form B or Application Form D, has the overseas auditor been: | | |
| | • Convicted by a court of any criminal offence? | <input type="checkbox"/> | <input type="checkbox"/> |
| | • Refused or restricted in the right to carry on any trade, business or profession for which a specific licence, registration or other authority is required? | <input type="checkbox"/> | <input type="checkbox"/> |
| | • Refused entry to any professional body or trade association, or decided not to continue with an application? | <input type="checkbox"/> | <input type="checkbox"/> |
| | • Reprimanded, warned about future conduct, disciplined or publicly criticized by any professional or regulatory body? | <input type="checkbox"/> | <input type="checkbox"/> |
| | • Made the subject of a court order at the instigation of any professional or regulatory body | <input type="checkbox"/> | <input type="checkbox"/> |
| | • Investigated on allegations of misconduct or malpractice in connection with its professional or business activities which resulted in a formal complaint being proved but no disciplinary order being made? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | Are you currently undergoing any investigation or disciplinary procedures, as described in question 4 in this document? | <input type="checkbox"/> | <input type="checkbox"/> |

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A ‘Yes’ response will require further explanation, including but not limited to the details of proceeding, filing date, docket/case number, name and address of court/tribunal and judgement/disciplinary order. Cross refer to where this explanation has been provided, if applicable.

Part II Questions for the engagement partner and the EQCR

The overseas auditor should ask the engagement partner and the EQCR the following questions in order to assess whether they are of good repute.

| | | Yes | No |
|--|---|--------------------------|--------------------------|
| Financial integrity and reliability | | | |
| 1. | Since the last submission of Application Form B or Application Form D, has the engagement partner or the EQCR made any compromise arrangements with their creditors or otherwise failed to satisfy creditors in full? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | Since the last submission of Application Form B or Application Form D, has the engagement partner or the EQCR been declared bankrupt or been the subject of a bankruptcy court order or has a bankruptcy petition ever been served on them? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | Since the last submission of Application Form B or Application Form D, has the engagement partner or the EQCR signed a trust deed for a creditor, made an assignment for the benefit of creditors, or made any arrangements for the payment of a composition to creditors? | <input type="checkbox"/> | <input type="checkbox"/> |
| Civil liabilities | | | |
| 4. | Since the last submission of Application Form B or Application Form D, has the engagement partner or the EQCR been the subject of any civil action relating to their professional or business activities which has resulted in a judgement or finding against them by a court, or a settlement (other than a settlement consisting only of the dismissal by consent of a claim against it and the payment of its costs) being agreed? | <input type="checkbox"/> | <input type="checkbox"/> |
| Good reputation and character | | | |
| 5. | Since the last submission of Application Form B or Application Form D, has the engagement partner or the EQCR at any time been convicted of any criminal offence? | <input type="checkbox"/> | <input type="checkbox"/> |
| If so, give details of the court which convicted you, the offence, the sentence imposed and date of conviction. | | | |

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| | | Yes | No |
|----|--|--------------------------|--------------------------|
| 6. | Since the last submission of Application Form B or Application Form D, has the engagement partner or the EQCR ever been disqualified by a court from being a director, or from acting in the management or conduct of the affairs of any company? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. | Since the last submission of Application Form B or Application Form D, has the engagement partner or the EQCR been: | | |
| | <ul style="list-style-type: none"> Refused the right, or been restricted in the right, to carry on any trade, business or profession for which a specific licence, registration or other authority is required? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none"> Investigated about allegations of misconduct or malpractice in connection with their professional activities which resulted in a formal complaint being proved but no disciplinary order being made? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none"> The subject of disciplinary procedures by a professional body or employer resulting in a finding against them? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none"> Reprimanded, excluded, disciplined or publicly criticized by any professional body to which they belong or have belonged? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none"> Refused entry to, or excluded from, membership of any profession or vocation? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none"> Dismissed from any office (other than as auditor) or employment or requested to resign from any office, employment or partnership? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none"> Reprimanded, warned about future conduct, disciplined, or publicly criticized by any regulatory body, or any officially appointed enquiry concerned with the regulation of a financial, professional or other business activity? | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none"> The subject of a court order at the instigation of any regulatory body, or any officially appointed enquiry concerned with the regulation of a financial, professional or other business activity? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. | Are they currently undergoing any investigation or disciplinary procedures as described in question 7 in this document? | <input type="checkbox"/> | <input type="checkbox"/> |

A ‘Yes’ response will require further explanation, including but not limited to the details of proceeding, filing date, docket/case number, name and address of court/tribunal, and judgement/disciplinary order. Cross refer to where this explanation has been provided, if applicable.