

**SURVEY ON THE REGULATION OF NON-AUDIT SERVICES
PROVIDED BY AUDITORS TO AUDITED COMPANIES**



OICJ-IOSCO

**TECHNICAL COMMITTEE
AND
EMERGING MARKETS COMMITTEE
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Appendix A - Survey of the regulation of non-audit services

Appendix B - Listing of the 40 jurisdictions which participated

Appendix C - Collation of statistical data contained in responses to the survey

1 Introduction

Corporate fraud and accounting scandals around the world have led to a heightened focus on the regulation of auditors, audit quality and auditor independence. Among the member jurisdictions in IOSCO, this situation has led legislatures, securities regulators and auditor oversight boards to adopt and/or strengthen laws, rules, regulations, and standards restricting or eliminating the provision of non-audit services to audit clients of public accounting firms. Non-audit services are defined as all other services that an independent auditor of a public listed company might provide to the company that is being audited.

Perhaps the most visible and significant result of a focus on audit quality has been the establishment of national auditor oversight authorities, and the strengthening of audit standards and their enforcement with a significant emphasis on independence. The heightened focus on auditor independence is a positive development for investor assurance and confidence. However, in order for capital markets around the world to receive the maximum benefit from increased investor confidence, the auditor independence regulations and requirements supporting that confidence need to be robust, conceptually sound, and well understood.

Inconsistencies among jurisdictions' regulation of non-audit services have the potential to create problems and confusion among investors, preparers, auditors and regulators. An auditor may provide a non-audit service to a client in a jurisdiction where that service is not restricted, but that client may issue securities in a jurisdiction where the provision of such service violates securities laws and/or audit standards. Such situations can result in preparers and auditors violating the requirements in place in other jurisdictions.

Because of the existence of these types of cross border dilemmas, an IOSCO study of the regulation of non-audit services ("NAS") was conducted in 2006 to gather information to assist IOSCO members in determining how best to deal with audit independence issues in their local jurisdictions within a global context.

2 How the Survey was conducted

A comprehensive questionnaire was distributed to IOSCO member jurisdictions to collect information about the population of non-audit services generally offered in the various jurisdictions and the degree to which each service was "permissible, restricted or prohibited" in each jurisdiction. A copy of the questionnaire is attached to this report as Appendix A.

In total, 43 IOSCO member jurisdictions participated in the survey. Of these, 40 agreed to the public release of the report. The remaining 3 jurisdictions did not respond to a request for their consent to the release of the report with comments attributable to them. Accordingly, identification of these jurisdictions has been removed from the report,

which has been made publicly available. A listing of responding jurisdictions, excluding the three jurisdictions referred to above, appears on Appendix B.

The survey was a point-in-time survey that requested information based on regulations in place as of December 31, 2005; however, some responses may include information on prospective changes to auditor independence regulations that member jurisdictions expect to put in place in the near term. Approximately 58% of IOSCO member jurisdictions indicate that changes to the current framework are in progress or that steps are being taken to change the rules governing the provision of non-audit services.

The report provides analysis in the following areas:

- specific non-audit services that are permitted, restricted and prohibited for audit clients;
- the auditor independence principles and rationales that are applied in member jurisdictions permitting, restricting or prohibiting non-audit services for audit clients, particularly where there is a prevailing practice;
- the mechanisms or models for regulating and enforcing restrictions on non-audit services by auditors to audit clients;
- where there is no prevailing practice, provide perspective regarding the rationales given for different approaches.

The survey report is intended to present general information regarding similarities and differences in the treatment of non-audit services among the responding regulators in IOSCO, as a basis for continuing study and dialogue among regulators and other interested parties. The submitters may not have previously addressed many of the particular questions raised in the survey, and accordingly, many of these responses are necessarily preliminary and inconclusive. **Readers are cautioned that the results do not provide definitive statements of current policy or legal requirements and do not contain legally binding representations among the submitters of survey responses, nor bestow any rights on third parties.** The results in many cases do not represent the position of the IOSCO member organization, but instead are the opinions of staff members of IOSCO members. Companies, auditors and others should not rely on any response reflected in this survey report, but should contact the responsible regulator or oversight body in each member jurisdiction for guidance with respect to particular non-audit services. A regulator's comprehensive response regarding any particular service may require extensive factual and legal analysis. Readers are also cautioned that individual IOSCO member jurisdictions may have differing definitions for, or understandings of, various non-audit services.

3 Summary and general observations

Nearly all IOSCO member jurisdictions regulate the provision of non-audit services in a broad sense, and most also have specific requirements of some type. In general, responsibility for regulation consists of a system that either includes a legislative office, securities regulator, auditor oversight board, or professional body or a combination thereof. 88% of respondents regulate non-audit services by setting out principles that,

when applied determine which non-audit services are prohibited. More than 75%¹ of the survey respondents have a system in place that relies on multiple organizations to regulate auditor independence, which generally includes a combination of local regulator and professional body involvement or oversight.

Over 90% of the survey respondents indicate that legislation and securities regulators have a role with regard to the form or development of auditor independence regulations and 100% indicate that the rules of local professional bodies are considered in promulgating auditor independence requirements.

Most IOSCO respondents to the survey indicate that the regulation of non-audit services is based on a principles-based approach, with principles most often relating to services that are prohibited, rather than those that are permitted. With regard to a specific list of prohibited or permitted non-audit services, approximately 73% of respondents to the survey indicated that a list of prohibited non-audit services is specified in their independence regulations, whereas fewer respondents (21%) include a list of permitted non-audit services.

75% of the survey respondents use all or part of the IFAC Ethics Code in some way in establishing independence requirements, albeit with local differences.

4 Models and approaches for regulation of non-audit services

While the results of the survey indicate many variations in regulation of non-audit services, an overall review of the responses suggests that there are a few approaches that are commonly applied by IOSCO member jurisdictions. These approaches or models for NAS regulation are often reflective of the larger corporate governance and legal framework in a jurisdiction, as well as historical business custom and practice. These models or frameworks for establishing auditor independence requirements were identified through analyzing both the objective responses to individual questions and the supplemental information provided by IOSCO member jurisdictions and are presented for consideration as follows:

4.1 Basic threats and safeguards approach

The basic threats and safeguards approach may be viewed as somewhat profession-centric, as the emphasis is on general ethical conduct and the auditor's own self-assessment of any threats to his or her objectivity. Under this approach, the accountant is required to comply with certain fundamental principles; a) integrity, b) objectivity, c) professional competence and due care, d) confidentiality, and e) professional behavior, together with the conceptual framework in applying the threats and safeguards approach. If identified threats are other than clearly insignificant, the professional accountant should, where appropriate, apply safeguards to eliminate threats or reduce them to an acceptable level, to ensure compliance with the fundamental principles. For example, the conceptual framework in the IFAC Code of Ethics issued by the International Ethics Standards

¹ The percentages cited in this paper do not take account of those jurisdictions, which left a response to a question blank, or replied "Don't know" or "Not applicable".

Board for Accountants that is utilized in many member jurisdictions states that “it is impossible to define every situation that creates threats to independence and specify the appropriate mitigating action that should be taken... a conceptual framework that requires firms and members of assurance teams to identify, evaluate and address threats to independence, rather than merely comply with a set of specific rules that may be arbitrary, is in the public interest.” Materiality of the condition posing the threat is a common consideration in applying this approach. However, the IFAC code does identify some specific situations where there are no safeguards that could minimize the threats to an acceptable level. In such circumstances, auditors are prohibited from providing the services in question.

4.2 Threats and safeguards approach, with the addition of specific rules

Some IOSCO member jurisdictions and/or the audit professional organizations in those jurisdictions have taken the IFAC Code and used it as the foundation for an amplified national code or regulation, or have applied certain provisions of IFAC in developing local independence requirements. In these types of approaches, revisions and additional requirements and/or prohibitions are added to the text of the IFAC Code by the local regulator to reflect the desired requirements in that jurisdiction. For instance, in Canada, the Ontario Securities Commission (OSC), responsible for securities regulation in the province of Ontario, has the authority to make rules setting out standards of independence for auditors, however to date it has relied exclusively on the independence rules promulgated by the Institute of Chartered Accountants of Ontario (ICAO).

The ICAO incorporates the threats and safeguards framework set out in IFAC supplemented by additional specific prohibitions on the provision of certain non-audit services that are consistent with US SEC rules on auditor independence.

4.3 Rules based approach, subject to broad principles

A few IOSCO member jurisdictions have an independence framework in place that is more rules based, although generally subject to underlying broad principles. With this approach, specific prohibitions or permissions are included as part of the framework, where the auditor has little or no discretion to fix or mitigate a violation to the rule. In most cases, materiality cannot be used as a basis for justifying inadvertent violations to the rules. Generally, a broad set of principles and/or a general standard of auditor independence is part of the framework, given the specific rules could not consider all circumstances that raise independence concerns. Thus, when a particular service is not explicitly prohibited or permitted, the accountant still has an obligation to consider the nature of the service, along with the particular facts and circumstances, in determining whether providing the service might compromise the auditor’s independence.

The U.S. auditor independence requirements incorporate the criteria in this model, including a general standard of auditor independence, “*The Commission will not recognize an accountant as independent, with respect to an audit client, if the accountant is not, or a reasonable investor with knowledge of relevant facts and circumstances*

would conclude that the accountant is not, capable of exercising objective and impartial judgment on all issues encompassed within the accountant's engagement. In determining whether an accountant is independent, the Commission will consider all relevant circumstances, including all relationships between the accountant and the audit client, and not just those relating to reports filed with the Commission". The general standard applies to circumstances, other than those that are specifically prohibited, that may raise concerns about the auditor's independence.

5 Monitoring and enforcing compliance

Approximately 88% of IOSCO member jurisdictions indicated that they have some form of inspection function in place to monitor compliance with regulations governing the provision of non-audit services. The responsibility to inspect audit firms, undertake surveillance or conduct quality assurance programs for audit firms, and determining adherence to the rules governing the provision of non-audit services takes on many forms. A review of the narrative responses [question 14] indicates that the inspection function approaches can be described as follows:

- 1) solely the responsibility of the local professional organization;
- 2) the responsibility of the local professional organization, but with accountability or oversight by the local regulator and in certain jurisdictions the local regulator may have the authority to conduct inspections; of
- 3) local regulator or quasi-regulator office responsible for inspecting audit firms.

Overall, the survey responses indicated that the basis upon which the inspection function powers are exercised is primarily through legislatively mandated compliance, and that few jurisdictions rely solely on professional organizations and their ethical requirements [question 17]. Although inspection powers may be mandated by law, in some jurisdictions the local professional organization may have the responsibility or authority for fact or evidence gathering in carrying out investigations [question 18]. Much like inspection and investigative powers, legislative and/or regulator bodies are primarily responsible for enforcement activities. Punishment or sanctions can range from an informal or formal reprimand, fines, and temporary or indefinite suspension of license to practice. A few jurisdictions referenced criminal sanctions and indicated they were normally referred to the public prosecutor's office.

6 Specific survey results and observations

The following sections describe the survey results and note certain observations. Parts A and B focus on the overall legal framework of regulation principles and oversight, and Part C contains the results relating to individual, specified types of non-audit services.

In all cases where examples of explanations and rationales are shown, the entries included represent all responses that were received, not a sample of responses. Stated differently, if rationales are included only for two or three jurisdictions, or any other number, those are the only jurisdictions that provided rationales.

The questions and lettering for Part C is presented on the same basis as the actual questions in the questionnaire, and is also as shown in the Part C Statistical Collation of Survey Responses attached to this analysis report.

7 Part A & B – Legal and Regulatory Framework

7.1 Regulation Principles & Oversight [Questions 1-8 Part A & Part B]

- Almost all jurisdictions indicate that they regulate auditor independence in a broad sense as it relates to non-audit services [Question 1A].
- Most jurisdictions (88%) regulate non-audit services by setting out *principles* that, when applied, determine which non-audit services are prohibited [Question 2b]. In addition, approximately 73% of the jurisdictions indicate that they list *specific* non-audit services that are prohibited [Question 2d].
- However, a lower percentage of jurisdictions (61%) responded that they apply *principles* that govern which non-audit services are permitted [Question 2a]. And, only 21% of jurisdictions indicate that they list *specific* non-audit services that are permitted [Question 2c].
- All, but two jurisdictions (Mexico and Finland, which answered “no” to both questions 2a and 2b) include as part of their regulations principles that govern either prohibited or permitted non-audit services. Approximately 21% of the jurisdictions responded that they do not specify either permitted or prohibited non-audit services [answered “no” to 2c and 2d].
- The legislature (83%) [Question 3a], securities regulators (71%) [Question 3b], and professional licensing authorities or other professional bodies (85%) [Question 3d] are responsible for regulating auditor independence, as it relates to non-audit services. Regulation takes the form of legislation (91%) [Question 6a], instruments issued by the Securities Regulators (91%) [Question 6b], and the rules of professional bodies (100%) [Question 6d].

7.2 Disclosure of Non-Audit Services [Question 9, Part A]

- The requirement for the auditor and/or the audit client to disclose the level or value of non-audit services is in place for over 70% [i.e. answered “yes” to at least one of 9a, 9b, 9c, 9d, or 9e] of jurisdictions that responded to the survey.
- The predominant type of disclosure is the responsibility of the audit client and includes disclosure in the financial statements (30%) [Question 9c] or in other publicly available documents (43%) [Question 9d]. Three jurisdictions (Canada, Italy, & Japan) require some type of disclosure by both the auditor and the registrant (i.e. a “Yes” response to both 9(b) and 9(d)).

7.3 Application of Framework or Rules [Questions 10-11, Part A]

- The framework and rules apply to the auditor – 98% (10(a), the audit firm – 98% (10)(b), all partners – 98% (10)(c), all partners and employees of the audit firm - 93% (10)(d), controlled entities of the audit firm (e.g. subsidiaries) - 83% (10)(e), and to affiliates – 78% (10)(f).
- The requirements governing non-audit services are applicable to auditors domiciled in the relevant jurisdiction, with respect to services provided in that jurisdiction (95%) [Question 11(d)]. However, 50% [answered “no” to question 11a] of respondents indicate that the non-audit service requirements do not apply to companies listed in the jurisdiction, but domiciled outside that jurisdiction.
- Approximately 51% [Question 11(e)] of respondents indicate that auditors domiciled in a particular jurisdiction are subject to their local non-audit service requirements for work they perform in any jurisdiction.

7.4 Non-Audit Service Standards [Questions 12-13, Part A]

- The IFAC Code or local independence requirements that incorporate the IFAC Code or varying levels of the IFAC standards, is present in the regulations for approximately 75% of the IOSCO member jurisdictions. Very few jurisdictions apply a pure/unmodified version of the IFAC Code [based on interpreting a combination of the yes/no responses and narrative information provided for questions 12-13].
- Some set of independence requirements other than IFAC are applied by a few IOSCO member jurisdictions [based on interpreting a combination of the yes/no responses and narrative information provided for questions 12-13].

[Seven jurisdictions provided a "Yes" to both Questions 12(a) and 12(b), i.e. the jurisdiction applied the IFAC code and another code. The jurisdictions in question are Costa Rica, Greece, Jersey, Netherlands, Panama and South Africa. The Netherlands, for example, indicated that its code was based on both the IFAC Code and an EC advice – "Statutory Auditors Independence in the EU: a set of fundamental principles". In Greece, amendments to the code of conduct must be consistent with IFAC standards.]

7.5 Inspection and Enforcement [Questions 14-20, Part A]

- Approximately 88% of jurisdictions have an inspection function. The four jurisdictions that do not have an inspection function (i.e. they gave a “No” response to each of questions 15(a), (b) and (c)) are classified as EMC (3) or Other (1). More generally, 79% of the responses to question 15(a) indicated that the inspections, covered the adequacy of firm-wide policies for monitoring compliance with independence requirements; 71% of the responses to question 15(b) indicated that the inspections checked for compliance with firm wide policies on a sample basis and 79% of responses to question 15(c) indicated that the inspections covered compliance with rules governing non-audit services on a sample basis with individual clients.

- For those jurisdictions that do have an inspection function, a minority have designated the securities regulator or some other entity reporting to a government controlled body to oversee or conduct inspections of audit firms. However, a majority of the inspection functions are overseen by practitioner - controlled organizations.
- Most organizations responsible for enforcement have disciplinary powers that include reprimanding or suspending an audit firm or auditor from continuing to practice. One jurisdiction (U.S.) indicates that its enforcement organization has the power to impose civil sanctions against audit firms or auditors.

7.6 Current Framework Modifications [Question 21, Part A]

- Approximately 58% of the jurisdictions surveyed are making changes to the current framework or have undertaken to change the rules governing the provision of non-audit services.

8 PART C – Specific non-audit services provided to audit clients

8.1 Survey Approach

IOSCO member jurisdictions were asked the following question with respect to specific types of non-audit services, *“Is the auditor permitted to provide any of the following non-audit services to the audit client?”* In answering the questions in Part C concerning the provision of specific types of non-audit services, IOSCO member jurisdictions were asked to assign a “rating” for each listed non-audit service. The rating scale was defined as follows:

- 1 Permitted
- 2 Permitted in most circumstances
- 3 Permitted with mandated disclosures
- 4 Permitted in limited circumstances
- 5 Not permitted in most circumstances
- 6 Not permitted

In addition, IOSCO members were asked to provide narrative explanation, where appropriate, as to the circumstances under which the non-audit service may be provided to the audit client. The primary questions were asked in respect of the provision of services by the audit firm to the audit client, with a secondary part to each question that asks whether the answer is the same or any different, where the non-audit services are provided to an entity over which the audit client has “significant influence.”

Responses from each member jurisdiction were downloaded into electronic spreadsheets for analysis purposes [See Appendix C].² The output from the reports was used to identify prevailing practices for certain types of non-audit services and where there was divergence in practice. A prevailing practice is defined as non-audit service, where more than 75% of the survey participants either “permit” the service or “permit the service in most circumstances” or 75% of the survey participants “do not permit” the service or “do not permit in most circumstances.”

Because it was not mandatory for member jurisdictions to provide a rationale regarding their policy to permit or not permit a particular non-audit service, it was difficult, in certain instances, to pinpoint the reasons why certain jurisdictions did not follow the prevailing practice or similarly the reasons for divergence in practice. In addition, certain IOSCO member jurisdictions tended to provide more explanatory information than others about the rationale for permitting or not permitting the provision of a particular non-audit service. In the absence of a rationale, some responses may reflect specific or general rules prohibiting or permitting a particular service. Alternatively, jurisdictions may have decided that in the absence of a specific prohibition, a non-audit service was permitted. Please note, that in general, the detailed explanatory information provided by IOSCO member jurisdictions is not included for those services where there was a “prevailing practice.” Thus, the reason that there is no accompanying detailed information for many of the services quantifiably analyzed in Part C.

The bulk of the analysis for Part C – Section One, *Specific Non-Audit Services Provided to Audit Clients*, focused on those non-audit services where there is divergence in practice, as opposed to those services where there is a prevailing practice. This report includes some of the commentary, particularly where there is a divergence of practice.

"Not applicable", "Don't know" and "Blank" responses have all been included under the one heading of "Blank", as these categories are not readily capable of statistical analysis. Many responses were left Blank. In some cases this can be attributed to the IOSCO member jurisdiction not having detailed rules covering specific services and not being willing to offer subjective responses. Other jurisdictions have indicated that they did not have a sufficient understanding of the question and thus, are cautious about responding. In calculating results and percentages, blank answers were disregarded, although the number of blank answers is disclosed for each question to better inform users of the report.

² Note that the responses of Consob (Italy) refer to the services provided directly by the auditing firms to their audit clients. The responses could vary in the case of services provided by the network of the audit firm to the audit client of the auditing firm.

Note also that the responses on the Spanish case represent only the CNMV's views on the subject matter and include subjective judgments by the CNMV. They do not bind the opinion of other Spanish supervisors and especially by the Instituto de Contabilidad y Auditoría de Cuentas (ICAC), which is the only Spanish institution competent for the Oversight of Auditors' conduct. Therefore, these responses cannot be used whatsoever as a safe harbour for audit firms nor as an indication with any legal value of which services are permitted and which are restricted in Spain.

Specific Observations – Part C

8.2 Accounting and Bookkeeping Services

Summary Observations

The survey question inquired about whether the auditor is permitted to provide certain types of accounting and bookkeeping services to the audit client. Based on the answers, it appears that the prevailing practice for most of these services is either “not permitted” or “not permitted in most circumstances.” In general, many IOSCO member jurisdictions indicated that preparing accounting records or financial reports for the audit client created an unacceptable threat to independence. Although some jurisdictions commented that under certain conditions, safeguards might be available to reduce the threat to an acceptable level.

There are a few types of accounting and bookkeeping services where there is no prevailing practice [(1C) *Assistance or advice with preparation of the financial report* and (1L) *Independent business reviews*]. With regard to question (1C), several jurisdictions indicated that providing advice or providing assistance (i.e. proposing adjusting journal entries, as opposed to preparing journal entries) to the client as part of the normal audit process does not normally threaten the auditor’s independence.

Responses to Survey Questions

(1A) Payroll services

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
0	1	0	1	4	31	37	6

Comments/Rationales provided:

- **2 & 4** - No comment was provided by the one jurisdiction that indicated this service was permitted in most circumstances, nor by the two jurisdictions that indicated that the service was permitted in limited circumstances.

(1B) Debt collections services

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
1	0	0	0	3	30	34	9

Comments/Rationales provided:

- **1** - No comment was provided by the one jurisdiction that indicated this service is permitted.

(1C) Assistance or advice with the preparation of the financial report

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
2	1	0	9	5	19	36	7

Comments/Rationales provided:

- **1 & 2** – Of the three jurisdictions that permit this service or permit in most circumstances, two were classified as EMC and one as Other.
- **1 – New Zealand** The Code of Ethics stated that the audit process may involve assisting an audit client in resolving account reconciliation problems, assisting in the preparation of the financial statements, proposing adjusting journal entries, and other forms of assistance, which are considered to be a normal part of the audit process and do not under normal circumstances threaten independence.
- **4 – Japan** Advice with preparation of the financial report is permitted, if it is performed in the course of audit engagements.
- **4 – United States** Advice is permitted provided the audit client has performed its own analysis of the accounting or reporting matter. However, assistance with the preparation of the financial statements filed with the SEC generally would be prohibited, given it may place the accounting firm in the position of auditing its own work.
- **5 – Australia** There are no specific requirements for this item, however underlying principles in ethical requirements indicate that assisting the audit client in matters such as preparing accounting records or a financial report could be viewed to create a self-review threat, unless sufficient safeguards can be put in place.
- **6 – United Kingdom** The auditor may provide advice on matter’s that come to his/her attention during the course of the audit, rather than the result of any engagement to provide non-audit services.
- **Blank - Canada** The service described is not sufficiently specific to determine whether or to what extent it would be permitted or prohibited.

(1)D) Prepare source documents

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	2	3	31	36	7

(1)E) Create or change journal entries in parent or consolidated entity.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	1	2	3	32	38	5

(1)F) Create or change journal entries in divisions or subsidiaries.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	1	2	2	32	37	6

(1)G) Cash handling services.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	1	4	30	35	8

(1)H) Custody of assets.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	1	0	2	4	29	36	7

Comments/Rationales provided:

- **2** - No comment was provided by the one jurisdiction that indicated this service was permitted in most circumstances.

(1)I) Audit firm staff secondments to the areas responsible for preparation of financial records

Permitted ----- Not permitted							
1	2	3	4	5	6	Total	Blank
0	1	0	5	5	24	35	8

Comments/Rationales provided:

- **2 – United Kingdom** Noted that this service was permitted but the auditor should not take on a management role.

(1)J) Corporate recovery (insolvency) services.

Permitted ----- Not permitted							
1	2	3	4	5	6	Total	Blank
0	2	0	4	5	21	32	11

Comments/Rationales provided:

- **2 – United Kingdom** Noted that this service was permitted but the auditor should not take on a management role. Professional body ethical guidance also prohibits auditors from normally accepting appointment as Nominee and/or supervisor of a Company Voluntary Arrangement, Administrator, Administrator or Other Receiver or as liquidator, though they would be permitted to provide general “turn around” advice to a company that might be experiencing difficulties.
- **5 – Korea** In most cases, these services are prohibited due to conflicts of interests between auditors and valuers. But the Act of the CPA restricts providing the service to only the sell-side. Actually, audit firms on the buy side, which perform these services for audit clients, are required to make a firewall to prevent conflicts of interests.

(1)K) Debt recovery and management, such as bad debt assessment.

Permitted ----- Not permitted							
1	2	3	4	5	6	Total	Blank
0	1	0	2	4	27	34	9

Comments/Rationales provided:

- **2** - No comment was provided by the one jurisdiction that indicated this service was permitted in most circumstances.
- **5 – Korea** In most cases, these services are prohibited due to conflicts of interests between auditors and valuers. But the Act of the CPA restricts providing the service to only the sell-side. Actually, audit firms on the buy side, which perform these services for audit clients, are required to make a firewall to prevent conflicts of interests.

(1)L Independent business reviews

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
5	4	0	9	5	10	33	10

Comments/Rationales provided:

- **1** - Four of the five jurisdictions that permit this service are EMC. One is TC.
- **1 – Costa Rica** The auditor can provide independent business reviews (“IBRs”) if doing so does not affect his independence. The regulation provides that the auditor cannot provide the following services: accountability, internal audit, design and implementation of information system, appraisal, advice in financial risk, human resources management, investment advice or investment banking, and legal advice, or any service that affects the auditor’s independence.
- **1 – Hungary** Deriving from the principles.
- **4 – New Zealand** Assumed to be in the nature of due diligence work. The Code of Ethics requires an evaluation of the significance of any threat and if other than clearly insignificant then safeguards such as: a) policies and procedures prohibiting individuals assisting the audit client from making managerial decisions, b) using professionals who are not members of the assurance team, and c) ensuring the firm does not commit the assurance client to the terms of a transaction or consummate a transaction on behalf of the client, must be applied to eliminate or reduce the threat to an acceptable level.
- **4 – United States** An independent business review (“IBR”) is a service that has no application in the U.S. context and as we understand, its application in the international context may encompass a broad range of procedures or tasks that the accounting firm might perform for the audit client. Certain types of procedures performed in conjunction with IBRs may not impair the auditor’s independence. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.
- **5 - Australia** There are no specific requirements for this item, however underlying principles in ethical requirements indicate that assisting the audit client in matters such as preparing accounting records or a financial report could be viewed to create a self-review threat, unless sufficient safeguards can be put in place.
- **5 – Korea** In most cases, these services are prohibited due to conflicts of interests between auditors and valuers. But the Act of the CPA restricts providing the service to only the sell-side. Actually, audit firms on the buy side, which perform these services for audit clients, are required to make a firewall to prevent conflicts of interests.
- **Blank – Canada** We do not know what is meant by this term and hence we cannot respond.
- **Blank – South Africa** Terminology in this question is not sufficiently defined for us to provide a response.

Other Comments/Rationales provided (not directed to one particular service):

- **Hungary** Prohibitive rules for question 1C, 1E, and 1F based on incompatibility deriving from the Code of Ethics. The rest are not permitted based on Act LV of 1997 on the Chamber of Hungarian Auditors and Auditing Activities, section 29.
- **Isle of Man** We refer you to the UK’s response to Part C of this survey because, in general, Isle of Man auditors follow the UK accountancy standards and the UK’s policy in this area therefore applies. In particular, the APB’s Ethical Standard ES5 “Non-audit services provided to audit clients” applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.
- **Israel** In regard to paragraph L see section 4.1 in the ISA decision on Auditors’ Independence.

- **Luxembourg** The above answers (questions 1A-L) should be read in conjunction with National Code of Ethics or the IFAC Code of Ethics (190.171 to 290.173). In relation to question 1L, only in the context of ad-hoc reporting to certain identified regulatory agency.
- **Malaysia** Apart from the services ticked, the other services highlighted above are not addressed specifically in the By-Laws. However, where a specific service is not addressed in the By-Laws, the general provisions dealing with Professional Independence would apply. For instance, the avoidance of facts and circumstances that is so significant that a reasonable third party, having knowledge of all the relevant information would conclude that the member and member firm is not independent.
Netherlands The regulation explicitly forbids accounting and bookkeeping services to public interest companies (e.g. listed companies). Especially, decision taking on behalf of the audit client in the course of rendering services is prohibited. This general rule applies to most of the above-mentioned non-audit services. In other cases it is most likely that services are not permitted but the answer depends on the actual situation. In these cases the answer 'blank' is given.
- **Romania** In general, a firm may provide services beyond the assurance engagement provided any threats to independence have been reduced to an acceptable level.
- **Thailand** The Code of Conduct prohibits bookkeeping services to be provided by the auditor and the audit firm (including its branch, department, or separated company which is set up by the audit firm or has common shareholders, partners, owners, management or employees, or uses the same name or trademark with the audit firm). The Code broadly states that bookkeeping services will impair auditor's independence. . Thus, the services stated in 1A – 1I are part of accounting and bookkeeping services which auditors are not allowed to provide accounting and bookkeeping services to their audit clients.
- **United States** Some of the services listed above are not explicitly prohibited, but by their nature may impair the auditor's independence in applying the general standard of auditor independence in Rule 2-01(b), with consideration to the four principles delineated in the Preliminary Note to Rule 2-01. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances. The notion of Corporate Recovery services has no application, given the operation of the bankruptcy system in the United States. However these services may constitute certain procedures or tasks that by their nature could impair the auditor's independence.

8.3 Financial Information System Design and Implementation

Summary Observations

There was a prevailing practice that designing and implementing financial information technology (“IT”) systems [(2)A) & (2)B)] was “not permitted” or “not permitted in most circumstances.” The rationales for the prevailing practice include a few jurisdictions, which commented that these services are not permitted, unless it is likely to conclude that the results of the service will not be subject to audit. Others commented that the design and implementation of financial information systems that are used to generate information forming part of a client’s financial statements creates a self-review threat, that could only be mitigated by putting appropriate safeguards in place, such as ensuring that; 1) the client takes responsibility for establishing, evaluating, and monitoring the system of internal controls, and 2) the client designates a competent employee with responsibility to make all management decisions with respect to design and implementation of the system.

However, there was no prevailing practice with regard to non- financial IT system and design services [(2)C)] provided to an audit client. One jurisdiction indicated that these

services are permitted in most circumstances, presuming they entail working on hardware and software systems that are unrelated to the client’s financial statements.

With regard to specific types of IT systems [(2)D)i-ix)], there was a prevailing view³ that these types of services are “not permitted” or “not permitted in most circumstances”, except for systems, such as virus protection software systems, people management software, share registry software and e-commerce systems, where there was no prevailing practice. There were a high number of “blank” responses for these services, suggesting that jurisdictions may not explicitly state in their independence requirements whether design and implementation of the specific systems delineated in the survey are permitted or prohibited.

Responses to Survey Questions

(2)A) Is the auditor permitted to design financial Information Technology (IT)?

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
0	0	1	5	9	22	37	6

(2)B) Is the auditor permitted to implement financial IT systems?

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
0	0	1	6	7	23	37	6

(2)C) Is the auditor permitted to design or implement non-financial IT systems?

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
3	5	3	10	2	12	35	8

Comments/Rationales provided:

- **1 & 2** – Seven of the eight jurisdictions that permit this service or permit in most circumstances are classified as TC.
- **2 - Canada** Paragraph 171 of the ICAO council.
- **2 – United States** The SEC indicated in its 2003 final rule release [Release No. 33-8183, Strengthening the Commission’s Requirements Regarding Auditor Independence], that the accounting firm was prohibited from providing any service related to the audit client’s information system, unless it is reasonable to conclude that the results of these services will not be subject to audit during an audit of the registrant’s financial statements. The release commented that the rules do not preclude an accounting firm from working on hardware or software systems that are unrelated to the audit client’s financial statements.
- **3 – Australia** There are no specific requirements in relation to this item. However, this service is viewed to create a subjective and objective conflict, although ethical requirements support the

³ 75% or more of those jurisdictions providing either a Yes or No answer.

underlying principle that a threat to independence is not created provided that management functions are not performed.

- **3 – Bermuda** Audit committee approval is need for the provision of this service, which is understood as an instance of disclosure. This interpretation has been applied throughout the entire survey.
- **Blank – New Zealand** The Code of Ethics states that the design and implementation of financial information systems that are used to generate information forming part of a client’s financial statements create a self-review threat that is likely too significant unless appropriate safeguards are put in place ensuring that : 1) the client takes responsibility for establishing, evaluating, and monitoring the system of internal controls, and 2) the client designates a competent employee with responsibility to make all management decisions with respect to design and implementation of the system, 3) the audit client make all management decisions with respect to the design and implementation process, 4) the audit client evaluates the adequacy and results of the design and implementation of the system and 5) the audit client is responsible for the operation of the system. The code states that consideration should also be given as to whether such non-assurance services should be provided only by personnel not involved in the audit engagement with different reporting lines within the firm (paragraph 158).

(2)(D) Is the auditor permitted to design and/or implement directly any of the following?

I. Impairment modeling software

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
0	1	0	3	9	22	35	8

Comments/Rationales provided:

- **2** - No comment was provided by the one jurisdiction that indicated this service is permitted in most circumstances.

II. Post employment benefits calculation software

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
0	1	0	2	9	23	35	8

Comments/Rationales provided:

- **2** - No comment was provided by the one jurisdiction that indicated this service is permitted in most circumstances.

III. Net present value software

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
0	1	0	2	10	22	35	8

Comments/Rationales provided:

- **2** - No comment was provided by the one jurisdiction that indicated this service was permitted in most circumstances.

IV. Tax effect accounting software

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
0	1	0	2	10	22	35	8

Comments/Rationales provided:

- **2** - No comment was provided by the one jurisdiction that indicated this service was permitted in most circumstances.

V. People management software

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	4	1	5	6	17	34	9

Comments/Rationales provided:

- **1 & 2** – Four of the five jurisdictions that permit this service or permit in most circumstances are classified as TC.
- **2 – United States** Generally, people management software would not be subject to audit, however, under certain circumstances, for instance if the revenue recorded by an audit client was dependent upon data generated by people management software, the results of the service would be subject to audit and thus may impair the auditor’s independence. Evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances
- **3 – Australia** There are no specific requirements in relation to this item. However, the services are viewed to create a subjective and objective conflict and ethical requirements support the underlying principle that design and implementation of financial information technology systems that are used to generate information forming part of the client’s financial report may create a self-review threat and should only be provided where appropriate safeguards are in place.
- **5 – Bermuda** People management software is understood to fall under the interdictions on services on software bearing a financial system’s implications.

VI. Share registry software

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
2	2	2	4	6	18	34	9

Comments/Rationales provided:

- **1 & 2** - Two TC jurisdictions permit this service and one permits the service in most circumstances.
- **3 – Australia** Assumes that the provision of the service has no material impact on the financial report.
- **Blank – Canada** It is difficult to determine whether this would be permitted without knowing exactly what functions the software performs, but it seems likely it would be permitted in most circumstances.

VII. *Virus protection software systems*

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
4	3	2	6	2	16	33	10

Comments/Rationales provided:

- **1 & 2** - Three TC jurisdictions permit this service and two TC jurisdictions permit the service in most circumstances.
- **3 – Australia** There are no specific requirements in relation to this item. However, the services are viewed to create a subjective and objective conflict and ethical requirements support the underlying principle that design and implementation of financial information technology systems that are used to generate information forming part of the client’s financial report may create a self-review threat and should only be provided where appropriate safeguards are in place.

VIII. *E-commerce systems*

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
2	3	0	5	7	15	32	11

Comments/Rationales provided:

- **1 & 2** - One TC jurisdiction permits this service and two permit the service in most circumstances.
- **5 – Australia** There are no specific requirements in relation to this item. However, the services are viewed to create a subjective and objective conflict and ethical requirements support the underlying principle that design and implementation of financial information technology systems that are used to generate information forming part of the client’s financial report may create a self-review threat and should only be provided where appropriate safeguards are in place.
- **Blank - Canada** It is difficult to determine whether this would be permitted without knowing exactly what functions the software performs, but it seems likely it would be permitted in most circumstances.

IX. *Off the shelf accounting*

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	1	1	2	7	20	32	11

Other Comments/Rationales provided (not directed to one specific service) in relation to financial system design and implementation:

- **Canada** An audit firm shall not provide financial information systems design or implementation services to an audit client where the services involve: 1) directly or indirectly operating or supervising the operation of the entity’s information system or local area network and 2) designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the entity’s financials or other financial systems, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the financial statements. There is a rebuttable presumption that the results of the financial systems design and implementation services will be subject to audit procedures.

- **Luxembourg** The answers above should be read in conjunction with the National Code of Ethics and the IFAC Code of Ethics.
- **Hungary** We do not have permissive / prohibitive rules for these listed items, but these services are not permitted indirectly deriving from the Act LV of 1997 on the Chamber of Hungarian Auditors and Auditing Activities.
- **Isle of Man** In general, Isle of Man auditors follow the UK accountancy standards and policies in this area, however where the audited company is listed on an exchange outside the UK, the rules of the listing authority would apply.
- **Malaysia** Generally a self-review threat would be created when a firm or network firm is involved either in the design or the implementation of financial information technology systems that are used to generate information, forming part of the client's financial statements. The significance of the threat should be evaluated and managed to an acceptable level. For audit clients that are listed or public interest entities, the said service cannot be provided if the systems concerned would be important to any significant part of the accounting system or to the production of the financial statements or if the engagement would require the firms' personnel to make management decisions.
- **Netherlands** The regulation recognizes that rendering services related to Financial Information Systems to audit clients threatens the auditor's independence. In these cases the auditor has to assess this risk and take additional measures to mitigate these risks. Especially, decision taking on behalf of the audit client in the course of rendering services is prohibited. This general rule applies also to the above-mentioned services and based on judgment of the above-mentioned services it is most likely that these services are not permitted in most circumstances.
- **Romania** The provision of services by a firm or network firm to an audit client that involve the design and implementation of financial information technology systems that are used to generate information forming part of a client's financial statements may create a self-review threat. Consideration should also be given to whether such non-assurance services should be provided only by personnel not involved in the audit engagement and with different reporting lines within the firm.
- **Spain** In order to be able to provide the services, the auditor must provide evidence of the client complete responsibility for the whole internal control system as well as for the design and implementation process and the system review. The client must accept responsibility for the operation of the system and the data used or generated by the system.
- **Thailand** The Code of Conduct allows the auditor to provide advisory services in the issue of accounting system design to his/her audit client, where those services do not impair his/her independence, and he/she does not take part in the operational or financial decision making of the audit client. Therefore, the auditor can provide the services in (A) to (D) above if he/she can prove his/her independence in fact and in appearance that he/she gives only an advice for an effective system and does not take part in the operational or financial decision making of the audit client.
- **United States** Some of the services listed above are not explicitly prohibited, but by their nature, may be subject to audit during an audit of the client's financial statements. Thus, these services may impair the auditor's independence in applying the general standard of auditor independence in Rule 2-01(b), with consideration to the four principles delineated in the Preliminary Note to Rule 2-01. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.

8.4 Appraisal or Valuation Services, Fairness Opinions etc

Summary Observations

The survey question inquired whether the auditor could provide valuation services to an audit client, including certain specific valuation services such as those related to tax related items, impairments, debts, business combinations and several others. Overall, the prevailing practice is that auditors are either “not permitted” or “not permitted in most circumstances” to provide these services. The primary rationale for not permitting such services is the self-review threat created when such services are subject to audit procedures during an audit of the financial statements. To the extent there was not a prevailing practice, certain IOSCO member jurisdictions indicated that if the nature of the valuation services is not material to the financial statements, it might be possible to mitigate the self-review threat by implementing certain safeguards. However, if the valuation service involves matters material to the financial statements, the self-review threat created could not be reduced to an acceptable level by the application of any safeguard. Also, some jurisdictions were more inclined to permit valuation services that pertain specifically to tax related items.

Responses to Survey Questions

3)(A). *Valuation services that are material (may mean something different in different jurisdictions and situations)*

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	2	7	28	37	6

3)(B). *Valuation services that are neither separately nor in the aggregate material to the financial report*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
2	6	1	6	4	18	37	6

Comments/Rationales provided:

- **1 & 2** – None of the 8 jurisdictions, which indicated that this service would be permitted or permitted in most circumstances, made a specific comment on this question. However, it is assumed that the service would be considered acceptable because it is not material.
- **3 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: this service may create a self-review threat and should only be provided where appropriate safeguards are in place.
- **4 - Hungary** Based on the Act on Business Associations the valuation of contribution-in-kind permitted in certain circumstances.

- **4 - New Zealand** The Code states that if the valuation involves matters material to the financial statements, the self-review threat created could not be reduced to an acceptable level by the application of any safeguard. However, the Code goes on to state that performing valuation services that are neither separately nor in aggregate, material to the financial statements can create a self-review threat but this could be mitigated by safeguards such as: (a) Involving an additional member of the firm who was not a member of the assurance team to review the work done or otherwise advise as necessary; (b) Confirming with the audit client their understanding of the underlying assumptions of the valuation and the methodology to be used and obtaining approval for their use; (c) Obtaining the audit client's acknowledgement of responsibility for the results of the work performed by the firm; and (d) Making arrangements so that personnel providing such services do not participate in the audit engagement.
- **6 – Canada** Appraisal or valuation services are prohibited unless it is reasonable to conclude that the results of the service will not be subject to audit procedures during the audit of the financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the valuation service will be subject to audit procedures. Our response assumes that the valuation service has some relevance to the financial statements being audited.

3)(C) i) *Valuations for tax related items*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
4	1	1	1	7	21	35	8

Comments/Rationales provided:

- **2 - United States** The SEC indicated in its 2003 final rule release that the accounting firm is not prohibited from providing transfer pricing studies, cost segregation studies, and other tax-only valuation services. The rule prohibits the accounting firm from providing any appraisal service, valuation service, or any service involving a fairness opinion or contribution-in-kind report for a registrant unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the registrant's financial statements. To the extent the results of the valuation service would not be subject to audit, such as transfer pricing studies, such services generally would not be prohibited. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.
- **3 - Australia** This service is not viewed to create a subjective or objective conflict under the Corporations Act. Professional ethical requirements state that this service is not viewed to create a significant threat to independence because such validations are generally subject to external review, for example by a tax authority.
- **4 - New Zealand** In providing our response we have assumed that all of the valuations referred to are material to the financial statements.
- **6 - Canada** Appraisal or valuation services are prohibited unless it is reasonable to conclude that the results of the service will not be subject to audit procedures during the audit of the financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the valuation service will be subject to audit procedures. Our response assumes that the valuation service has some relevance to the financial statements being audited.

3)(C) ii) *Employee stock plans*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	2	1	6	25	34	9

3)(C) iii) *Business combinations*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	2	1	7	25	35	8

3)(C) iv) *Impairment testing valuations*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	1	0	9	25	35	8

3)(C) v) *Debt*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	2	0	9	24	35	8

3)(C) vi) *Equity shares in privately held entities*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	1	1	0	9	23	35	8

Comments/Rationales provided:

- **1 & 2** - No comments were provided by the two jurisdictions that indicated this service was either permitted or permitted in most circumstances.

3)(C) vii) *Pricing studies*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	1	2	1	8	20	33	10

Comments/Rationales provided:

- **2 – United States** The SEC indicated in its final rule release that the accounting firm is not prohibited from providing transfer pricing studies, cost segregation studies, and other tax-only related valuation services. The rule prohibits the accounting firm from providing any appraisal service, valuation service, or any service involving a fairness opinion or contribution-in-kind report for a registrant unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the registrant’s financial statements. To the extent the results of the valuation service would not be subject to audit, such as transfer pricing studies, such services generally would not be prohibited. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.

3)(C) viii) *Financial investments*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	1	2	0	8	24	35	8

Comments/Rationales provided:

- **2** - No comment was provided by the one jurisdiction that indicated this service was permitted in most circumstances.

3)(C) ix) *Valuations for tax allocations*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
3	1	1	2	6	23	36	7

Comments/Rationales provided:

- **1 & 2** – All of the jurisdictions that permit this service or permit in most circumstances are EMC.
- **3 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle that this service may create a self-review threat and should only be provided where appropriate safeguards are in place.

3)(C) x) *Derivatives*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	1	1	10	23	35	8

(3)(D) *Other Appraisal Services*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	1	1	3	6	12	23	20

Other Comments/Rationales provided in relation to appraisal and valuation services (not directed to specific services):

- **Canada** A member or firm shall not perform an audit engagement for a reporting issuer if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or a network firm, provides a valuation service to the client or the related entity, unless it is reasonable to conclude that the results of that service will not be subject to audit procedures during the audit of the financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the valuation service will be subject to audit procedures. A valuation service involves the making of assumptions with respect to future events and the

- application of certain methodologies and techniques, in order to compute or provide an opinion with respect to a specific value or range of values, for a business as a whole, an intangible or tangible asset or a liability.
- **Brazil** Article 23 of CVM Rule 308 prohibits valuation services in general. However, as mentioned in Question A-21, that article has been suspended due to a judicial decision, currently pending appeal, and the rules actually applied today are those issued by the professional organization (CFC Resolution No. 1034). The CFC permits certain valuation services, so long as self-review risks are not present or are eliminated through the adoption of safety measures. In any case, valuation services for audit clients are prohibited when they produce significant effects on audited financial statements.
 - **Israel** An Auditor as well as all other accountants in the firm is prohibited to provide evaluation services when a financial report contains details based on evaluation of assets or liabilities, with the exception of an accidental opinion that was given by other than the acting auditor on the subject not critical for a corporation.
 - **Luxembourg** Under Luxembourg law and standards, it is permitted to issue a contribution in kind report to a listed audit client, as it is not defined as a valuation service. As per articles 290.174 to 290.179 of the IFAC Code of Ethics valuation services that are not material to the financial statements are permitted provided adequate safeguards are applied.
 - **Malaysia** The member and the member firm should ensure that appropriate safeguards are in place to manage the threat to independence.
 - **Netherlands** However unlikely situations may occur that auditor independence is not threatened while performing appraisal services. In those cases the auditor may decide, in due consideration, to render such services.
 - **Poland** Auditor may provide assessment services, which are not used for preparing an audited financial statement, and provided he/she does not earn more than 50% of his/her annual income by providing services to a given entity.
 - **Portugal** Contribution-In-Kind”: if the auditor carried out this service for a company, he/she cannot provide any services to the company for a 2 years period.
 - **South Africa** All of the above are not permitted, where the results of these are for the purpose of preparing the audit of financial statements.
 - **Spain** In general, valuation services that give rise to determine significant amounts in the financial statements or that imply a significant degree of subjectivity cannot be provided.
 - **Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. Since these valuation services in (A) to (C) above will be used in the clients’ accounting, so the auditor will audit his/her own work, which can impair independence.

8.5 Actuarial Services

Summary Observations

This survey section inquired whether the auditor can provide to its audit client:

- a. Financial statement related services and
- b. Non-Financial statement related services.

In regards to the provision of financial statement related services, the prevailing practice was that such services are “not permitted” or “not permitted in most circumstances”. As one IOSCO member jurisdiction noted, “The regulation recognizes no specific rules for rendering actuarial services. However, based upon the general principle framework these kinds of services potentially threaten the auditor’s independence, especially when they involve the financial statements and thus, we qualify this risk as ‘high’. Furthermore, the general framework recognizes that the subjectivity involved in the actuarial process may

be a kind of decision-making and therefore may be a threat to the independence of the auditor.”

With regard to the provision of non-financial statement related actuarial services, there was no clear prevailing practice. These services include forecasting cash-flow [(4)(B)i)], preparing prospective information [(4)(B)ii)], and preparing analyses/reports for due diligence assignments [(4)(B)iii)]. A few member jurisdictions commented that non-financial statement related actuarial services may create a self-review threat, and that appropriate safeguards, such as; 1) policies and procedures to prohibit individuals assisting the assurance client from making managerial decisions on behalf of the client; 2) using professionals who are not members of the assurance team to provide the services; and 3) ensuring the firm does not commit the assurance client to the terms of any transaction or consummate a transaction on behalf of the client, should be considered.

Responses to Survey Questions

(4) *Can the auditor provide any of the following non-audit services?*

(4)(A) *Financial Statement related services provided to the audit client:*

i. *Calculating post employment benefit liabilities.*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	0	7	28	35	8

ii. *Impairment modeling*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	1	0	7	27	35	8

iii. *Employee share plans*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	0	8	27	35	8

iv. *Share-based payments*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	1	8	25	34	9

v. *Prospective information*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	0	8	25	33	10

vi. *Self-insured workers compensation liabilities*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	1	8	26	35	8

vii. *General and specific insurance claims*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	0	0	0	8	25	34	9

Comments/Rationales provided:

- 1 - No comment was provided by the one jurisdiction that indicated this service was permitted.

viii. *Acquisition analysis including fair value accounting*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	0	0	1	7	26	35	8

Comments/Rationales provided:

- 1 - No comment was provided by the one jurisdiction that indicated this service was permitted.

ix. *Superannuation/pension*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	0	8	27	35	8

(4)(B) *Non-Financial Statement related services to the audit client:*

i. *Forecasting cash-flows*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
3	2	2	12	3	13	35	8

Comments/Rationales provided:

- **1 & 2** - No comment was provided by the jurisdictions, which indicated that this service was permitted or permitted in most circumstances.
- **3 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: there is no specific prohibition, general principles would be applicable. This service may create a self-review threat and should only be provided where appropriate safeguards are in place.
- **4 - New Zealand** Our response assumes that the provision of these services is analogous to the provision of other corporate finance services and that there may be safeguards that can be applied to ensure that auditor independence is not compromised. Safeguards that need to be considered include: 1) policies and procedures to prohibit individuals assisting the assurance client from making managerial decisions on behalf of the client; 2) using professionals who are not members of the assurance team to provide the services; and 3) ensuring the firm does not commit the assurance client to the terms of any transaction or consummate a transaction on behalf of the client.
- **6 - United States** Providing services to an audit client that entail forecasting cash-flow and preparing prospective information may result in the accounting firm impairing its independence when applying the general standard of auditor independence set forth in Rule 2-01(b), with consideration to the four principles delineated in the Preliminary Note to Rule 2-01. Evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.

ii. *Preparing prospective information*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
2	2	2	10	4	14	34	9

Comments/Rationales provided:

- **1 & 2** - Two EMC jurisdictions permit this service and one permits the service in most circumstances. **3 - Australia** See rationale provided for question (4)B)i).
- **6 – United States** Providing services to an audit client that entail forecasting cash-flow and preparing prospective information may result in the accounting firm impairing its independence when applying the general standard of auditor independence set forth in Rule 2-01(b), with consideration to the four principles delineated in the Preliminary Note to Rule 2-01. Evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.

iii. *Preparing analyses/reports for due diligence assignments*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
4	3	2	13	2	10	34	9

Comments/Rationales provided:

- **2 – France** Generally due diligence is permitted, but vendor due diligence is generally prohibited.
- **3 – Australia** See rationale provided for question (4)B)i).
- **4 - Israel** Provision of accounting due diligence is allowed.

- **4 – United States** Due diligence services include a broad category of procedures and tasks that the auditor might perform for the audit client. Certain types of procedures performed in conjunction with due diligence services may not impair the accounting firm’s independence. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.
- **Blank - Isle of Man** We refer you to the UK’s response to Part C of this survey because, in general, Isle of Man auditors follow the UK accountancy standards and the UK’s policy in this area therefore applies. In particular, the APB’s Ethical Standard ES5 “Non-audit services provided to audit clients” applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.

Other Comments/Rationales provided (not directed to one particular service):

- **Canada** A member or firm shall not perform an audit engagement for a reporting issuer if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides an actuarial service to the client or a related entity, unless it is reasonable to conclude that the results of that service will not be subject to audit procedures during the audit of the financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the actuarial service will be subject to audit procedures.
- **Canada** These three services [(4)(B)i-iii)] are not described in sufficiently specific terms to be able to respond. In each case, it is not clear that the services would be entirely unrelated to the financial statements and, even if they were, at least (4)(B)(i) and (4)(b)(ii) might not be permitted because they could be considered management functions.
- **Malaysia** Actuarial Services is not specifically addressed in the By-Laws. However, the general principles dealing with Independence would apply.
- **Thailand** For question (4)(A) the Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. Since these valuation services will be used in the clients’ accounting, so the auditor will audit his/her own work, which can impair independence. For question (4)(B) the Code of Conduct allows the auditor to provide advisory services in the issue of management to his/her audit client, where those services do not impair his/her independence, and he/she does not take part in the operational or financial decision making of the audit client. Therefore, the auditor can provide the services in (4)(B) if he/she can prove independence in fact and in appearance that he/she gives only advice for an effective system and does not take part in the operational or financial decision making of the audit client.

8.6 Internal Audit Services

Summary Observations

This survey question inquired whether the auditor provides a number of internal audit services to its audit client. Overall, there were only a few specific internal audit services where there was a clear prevailing practice. The rationales provided for “not permitting” these services focused on the self-review threat created by the provision of internal audit services, given that there is a rebuttable presumption that these services will be subject to audit procedures during an audit of the audit client’s financial statements. Although certain member jurisdictions (e.g. New Zealand) indicated that safeguards may be available to reduce the self-review threat to an acceptable level. Some of the safeguards noted include; a) the audit client is responsible for internal audit activities and acknowledges its responsibility for establishing, maintaining and monitoring the system of internal controls; b) the audit client designates a competent employee, preferably within senior management, to be responsible for the audit activities; c) the audit client, the audit committee or supervisory body approves the scope, risk and frequency of

internal audit work; (d) the audit client is responsible for evaluating and determining which recommendations of the firm should be implemented; e) the audit client evaluates the adequacy of the internal audit procedures performed and the findings resulting from the performance of those procedures by, among other things, obtaining and acting on reports from the firm; f) the findings and recommendations resulting from the internal audit activities are reported appropriately to the audit committee or supervisory body and that consideration must also be given to whether such non-assurance services should be provided only by personnel not involved in the audit engagement with different reporting lines within the firm.

The internal audit service that received the most divergent responses was (5)(F), “Performing internal controls testing on non-accounting controls (i.e. controls- systems interfaces).” One jurisdiction indicated that testing of internal controls of non-accounting controls would generally not be prohibited where the results of such services would not be subject to audit, assuming that the system interfaces do not effect the audit client’s financial statements.

Responses to Survey Questions

(5) *Can the auditor provide any of the following non-audit services to the audit client?*

(5)(A) *Performing internal accounting controls testing*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
3	1	1	10	5	17	37	6

Comments/Rationales provided:

- **3 - Australia** The regulations do not contain specific requirements in relation to this item. However there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: this service may create a self-review threat and should only be provided where appropriate safeguards are in place. Internal audit services may comprise an extension of the firms' audit service beyond requirements of generally accepted auditing standards, assistance in the performance of a client's internal audit activities or outsourcing of the activities. In evaluating any threats to independence, the nature of the service will need to be considered. For this purpose, internal audit services do not include operational internal audit services unrelated to the internal accounting controls, financial systems or financial report. Services involving an extension of the procedures required to conduct an audit in accordance with Auditing Statements would not be considered to impair independence with respect to an audit client provided that the firm's or network firm's personnel do not act or appear to act in a capacity equivalent to a member of audit client management.
- **4 - United Kingdom** Prohibited in situations where, for the purposes of the audit of the financial statements, the auditors would place significant reliance on the internal audit work performed.
- **4 - New Zealand** The Code states that a self-review threat may be created when a firm, or a network firm, provides internal audit services to an audit client (paragraph 150). The Code states that services involving an extension of the procedures required to conduct an audit in accordance with auditing standards would not be considered to impair independence with respect to an audit client provided the firm's or network firm's personnel did not act or appear to act in a capacity equivalent to a member of the audit client's management (paragraph 151). Further, when a firm or network firm, provides assistance in the performance of a client's internal audit activities or

undertakes the outsourcing of some of the activities, any self-review threat may be reduced to an acceptable level if there is a clear separation between the management and control of the internal audit by audit client management and the internal audit activities themselves (paragraph 152). The Code states that performing a significant portion of the audit client’s internal audit activities may create a self-review threat and a firm, or a network firm, must consider the threats and proceed with caution before taking on such activities. Appropriate safeguards must be put in place to ensure that the client acknowledges its responsibilities for establishing, maintaining and monitoring the system of internal controls (paragraph 153). The Code states that the following safeguards must be applied in all circumstances to reduce any threats created to an acceptable level: (a) The audit client is responsible for internal audit activities and acknowledges its responsibility for establishing, maintaining and monitoring the system of internal controls; (b) The audit client designates a competent employee, preferably within senior management, to be responsible for the audit activities; (c) The audit client, the audit committee or supervisory body approves the scope, risk and frequency of internal audit work; (d) The audit client is responsible for evaluating and determining which recommendations of the firm should be implemented; (e) The audit client evaluates the adequacy of the internal audit procedures performed and the findings resulting from the performance of those procedures by, among other things, obtaining and acting on reports from the firm; (f) The findings and recommendations resulting from the internal audit activities are reported appropriately to the audit committee or supervisory body (paragraph 154). The Code also states that consideration must also be given to whether such non-assurance services should be provided only by personnel not involved in the audit engagement with different reporting lines within the firm (paragraph 155).

- **6 - Canada** The question has been answered on the assumption this activity is part of an internal audit function since the auditor clearly performs testing of internal accounting controls as part of a financial statement audit and may also carry out such testing in order to report on the effectiveness of internal controls over financial reporting.

(5)(B) Providing assistance in the implementation of internal controls

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	0	0	14	8	14	37	6

Comments/Rationales provided:

- **4 - United Kingdom** See rationale provided for (5)A).
- **4 – New Zealand** See rationale provided for (5)A).
- **5 – Australia** See rationale provided for (5)A).

(5)(C) Setting the scope, risk and frequency of internal audit work

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	0	0	4	6	26	37	6

(5)(D) *Assisting in determining which recommendations from internal audit the entity implements*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	1	1	7	7	20	37	6

(5)(E) *Coordinating and reporting internal audit’s findings to management or the Audit Committee*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
4	0	0	5	9	19	37	6

Comments/Rationales provided

- **1** – Four of the five jurisdictions that permit this service are EMC.

(5)(F) *Performing internal controls testing on non-accounting controls (i.e. controls- systems interfaces)*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
7	5	2	9	3	11	37	6

Comments/Rationales provided:

- **1 – Canada** It is not clear what is meant by “controls-system interfaces”.
- **2 - United States** Performing testing of internal controls of non-accounting controls would generally not be prohibited where the results of such services would not be subject to audit. However, the example referenced herein, system interfaces, could in fact be subject to audit if these interfaces were associated with data that ultimately impacted the financial statements of the audit client. However, evaluating and determining whether certain non-audit services are prohibited would require a comprehensive analysis of the facts and circumstances.
- **2 – United Kingdom** See rationale provided for (5)A).
- **4 – New Zealand** See rationale provided for (5)A).

(5)(G) *Is the auditor staff providing the internal audit service permitted to assist in the Financial Statement Audit?*

Yes	No	Blank
9	26	7

(5)(H) *Audit staff secondments to the internal audit division of the audit client.*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	3	0	11	5	19	38	5

Comments/Rationales provided:

-
- **2 – United Kingdom** See rationale provided for (5)A.
- **4 – New Zealand** See rationale provided for (5)A.
- **6 – Canada** Whether a particular type of internal audit service is or is not permitted is not affected by whether the staff are seconded to the audit client.

Other Comments/Rationales provided in relation to internal audit services provided to clients generally (not directed to one particular service):

- **Canada** A member or firm shall not perform an audit engagement for a reporting issuer if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides an internal audit service to the client or a related entity, that relates to the client’s, or the related entity’s, internal accounting controls, financial systems or financial statements unless it is reasonable to conclude that the results of that service will not be subject to audit procedures during the audit of the financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the internal audit service will be subject to audit procedures.
- **Hungary** We do not have itemized regulations relating to the part (5), but deriving from the general principles Internal Audit Services are not to be provided for the audit clients at the same time.
- **Isle of Man** We refer you to the UK’s response to Part C of this survey because, in general, Isle of Man auditors follow the UK accountancy standards and the UK’s policy in this area therefore applies. In particular, the APB’s Ethical Standard ES5 “Non-audit services provided to audit clients” applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.
- **Israel** There is a prohibition to act as in-house auditor of the audited entity or on behalf of an in-house auditor as part of his duties. It is a general regulation not detailed in the aforesaid paragraphs the following cases are tested according to it.
- **Luxembourg** The answers to Question 5 should be read in conjunction with the National Code of Ethics and the IFAC Code of Ethics. (articles 290.181 to 290.186). For banks (listed and non listed) the supervisory authority has issued a regulation (circular IML 98/143 on internal control) prohibiting the provision of any internal audit service to audit clients.
- **Malaysia** Generally the provision of internal audit services to audit clients would create a self-review threat that can be managed with safeguards. The regulations do not stipulate a list of internal audit services that are permitted. However, it does state that internal audit services do not include operational internal audit services unrelated to the internal accounting controls, financial systems or financial statements. When an audit client is a listed or public interest entity, internal audit services should not be provided where it is reasonably foreseeable that for the purpose of the audit engagement, reliance would need to be placed on the internal audit and the firm would need to undertake a managerial role.
- **Netherlands** The regulation recognizes that rendering services related to Internal Audit Services to audit clients threaten auditor’s independence. In these cases the auditor has to assess this risk and take additional measures to mitigate these risks. Furthermore, decision taking on behalf of the audit client in the course of rendering services is prohibited. This general rule applies also to the above-mentioned services and based on judgement of the above-mentioned services it is most likely that these services are not permitted.

- **Poland** Statutory Auditor is not entitled to carry out internal audit services if he/she has not obtained a title of Internal Auditor (requirements are determined in a separate act). The services mentioned above cannot be provided by auditor who has a position of internal auditor in public sector entities. However, auditor provides assessment of internal audit system of an entity while carrying out an audit of financial statements.
- **Romania** Performing a significant portion of the audit client's internal audit activities may create a self-review threat and a firm, or network firm, should consider the threats and proceed with caution before taking on such activities. Services involving an extension of the procedures required to conduct an audit in accordance with International Standards on Auditing would not be considered to impair independence with respect to an audit client provided that the firm's or network firm's personnel do not act or appear to act in a capacity equivalent to a member of audit client management.
- **Thailand** Internal audit services of which the scope of services is determined by audit clients are not permitted since they may create a self-review threat.
- **United States** The rule prohibits the accounting firm from providing any internal audit service that has been outsourced by the audit client that relates to the audit client's internal accounting controls, financial systems, or financial statements unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the audit client's financial statements. However, the SEC indicated in its 2003 final rule release [Release No. 33-8183, Strengthening the Commission's Requirements Regarding Auditor Independence] that during the conduct of the audit in accordance with generally accepted auditing standards (now required to be PCAOB standards) or when providing attest services related to internal controls, the accounting firm evaluates the company's internal controls and, as a result, may make recommendations for improvements to the controls. These types of services are not prohibited and do not constitute an internal audit outsourcing engagement. In addition, accounting firms are not prohibited from performing operational internal audits unrelated to the internal accounting controls, financial systems, or financial statements.

8.7 Management Functions

Summary Observations

There was prevailing practice that provision of all management functions specified in the survey are prohibited. However, there was one question (6)D, *“Is the auditor permitted, in any circumstance, to influence the preparation of the audit client’s accounts or financial report (i.e. request journal entries and transactions)?”*, where a few jurisdictions permitted the service under certain conditions. New Zealand commented, *“The Code of Ethics states that the audit process involves extensive dialogue between the firm and management of the audit client. During this process, management requests and receives significant input regarding such matters as accounting principles and financial statement disclosure, the appropriateness of controls and the methods used in determining the stated amounts of assets and liabilities. The Code states that technical assistance of this nature and advice on accounting principles for audit clients are an appropriate means to promote the fair presentation of the financial statements. According to the Code, the provision of such advice does not generally threaten the firm’s independence. Similarly, the audit process may involve drafting disclosure items, proposing adjusting journal entries and providing assistance and advice in the preparation of local statutory accounts of subsidiary entities. The Code states that these services are considered to be a normal part of the audit process and do not, under normal circumstances, threaten independence.”* In addition, a few other jurisdictions

also supported this view (although some of these jurisdictions responded that the service was “not permitted” or “not permitted in most circumstances”) and indicated that these activities might be considered a normal part of the audit process and that management usually requests input from the auditor during the audit on matters such as accounting principles and financial statement disclosures.

Responses to Survey Questions

(6) *Can the auditor provide any of the following non-audit services to the audit client?*

(6)(A) *Is the audit staff permitted to act in the capacity of management for an audit client?*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	1	1	37	39	4

(6)(B) *Is the auditor permitted, in any circumstances, to approve or sign documents on behalf of the audit client?*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	0	1	38	39	4

(6)(C) *Is the auditor permitted, outside of the statutory audit function, to delegate/supervise work of staff of the audit client?*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	0	2	1	36	39	4

(6)(D) *Is the auditor permitted, in any circumstance, to influence the preparation of the audit client’s accounts or financial report (i.e. request journal entries and transactions)?*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
2	0	0	1	2	34	39	4

Comments/rationales provided

- **1 - Canada** Influencing the client’s accounts and potentially requesting journal entries could be considered a normal part of the audit process. For example, the auditor may require an amendment to the financial statements in order to avoid a qualified audit opinion.
- **1 – New Zealand** The Code of Ethics states that the audit process involves extensive dialogue between the firm and management of the audit client. During this process, management requests and receives significant input regarding such matters as accounting principles and financial statement disclosure, the appropriateness of controls and the methods used in determining the stated amounts of assets and liabilities. The Code states that technical assistance of this nature and

- advice on accounting principles for audit clients are an appropriate means to promote the fair presentation of the financial statements. According to the Code, the provision of such advice does not generally threaten the firm's independence. Similarly, the audit process may involve drafting disclosure items, proposing adjusting journal entries and providing assistance and advice in the preparation of local statutory accounts of subsidiary entities. The Code states that these services are considered to be a normal part of the audit process and do not, under normal circumstances, threaten independence.
- **5 – United States** In performing its audit procedures, the accounting firm might propose adjustments that eventually are incorporated into the audit client's financial statements. This type of assistance would not be prohibited by the SEC rules. However, evaluating and determining whether certain non-audit services are prohibited would require a comprehensive analysis of the facts and circumstances.
 - **6 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: this activity creates a self-interest or self-review threat that is so significant that only avoidance of the activity would reduce threats to an acceptable level.
 - **6 - Brazil** The auditor may, for instance, indicate to the client that a particular journal entry is not in line with an accounting principle and that, as a result, the audit report may be impacted.
 - **6 – Thailand** - The Code of Conduct does not allow the auditor to provide any services, which are involved with the management decision or take any role or perform as management for audit clients.
 - **Blank - Isle of Man** We refer you to the UK's response to Part C of this survey because, in general, Isle of Man auditors follow the UK accountancy standards and the UK's policy in this area therefore applies. In particular, the APB's Ethical Standard ES5 "Non-audit services provided to audit clients" applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.

Other Comments/Rationales provided in relation to management functions generally (not directed to one particular service):

- **Canada** The main prohibition against management functions is as follows:
 - (a) A member or firm shall not perform an assurance engagement for an entity if, during the engagement period, a member of the firm makes a management decision or performs a management function for the entity, including:
 - (i) authorizing, approving, executing or consummating a transaction;
 - (ii) having or exercising authority on behalf of the entity;
 - (iii) determining which recommendation of the member or firm will be implemented; or
 - (iv) reporting in a management role to those charged with governance of the entity.
 - (b) A member or firm shall not perform an audit or review engagement for an entity, if a member of a network firm, during either the period covered by the financial statements subject to audit or review or the engagement period, makes a management decision or performs a management function for the entity including any of the services listed in paragraph 22(a)(i) to (iv).

8.8 Human Resources Services

Summary Observations

The responses to the specific questions were generally split, whereas for half of the human resource services noted there was a prevailing practice and for the other half there was not. However, very few jurisdictions indicated they “permit” or “permit these

services in most circumstances”. The primary rationales for permitting versus not permitting these services include; 1) providing assistance to the audit client (e.g. an independent member of a panel selection), as opposed to making recommendations or being placed in a role normally performed by management, and 2) the nature of the position being recruited, clerical/non-management or non-financial personnel versus senior management or those involved with the financial reporting process versus clerical/non-management or non-financial personnel. These factors were particularly relevant to those jurisdictions that apply a threats and safeguards approach. Under this approach, if the service places the audit firm in a role normally performed by management or the service involves the hiring of a senior/key manager, sufficient safeguards may not be available to reduce the threat to an acceptable level.

Responses to Survey Questions

(7) *Is the auditor permitted to provide the following non-audit services?*

(7)(A) *Reviewing the professional qualifications of a number of applicants and providing advice on their suitability for the position.*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
3	1	2	13	3	15	37	6

Comments/Rationales provided:

- **3 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: the recruitment of senior management may create current or future self-interest, familiarity and intimidation threats. If the threat(s) are clearly insignificant, the service can be provided if sufficient safeguards can be put in place to reduce the threats(s) to an acceptable level. Assumes that the service is provided as part of a process that only assists the audit client (for example as an independent member of a selection panel). Otherwise is the service acts in place of a role normally performed by management, this would result in a rating of 5 or 6.
- **4 - United States** The rules do not preclude an accounting firm from, upon request of the audit client, interviewing candidates and advising an audit client on the candidate’s competence for financial, accounting, administrative or control positions. However, the rules prohibit the accounting firm from recommending or advising the audit client to hire a specific candidate for a specific job or searching for or seeking out prospective candidates for managerial, executive, or director positions.
- **4 – United Kingdom** Permitted when position being sought is not a key management position.

(7)(B) *Conduct or attend candidate interviews on behalf of the audit client.*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	2	2	9	2	22	37	6

Comments/Rationales provided:

- **3 - Australia** See the rationale provided for question (7)A).

- **4 - Canada** This could not be done as a substitute for the audit client conducting appropriate interviews but could be done as a means of screening candidates for their professional competence.
- **4 - United States** The rules do not preclude an accounting firm from, upon request of the audit client, interviewing candidates and advising an audit client on the candidate’s competence for financial, accounting, administrative or control positions. However, the rules prohibit the accounting firm from recommending or advising the audit client to hire a specific candidate for a specific job or searching for or seeking out prospective candidates for managerial, executive, or director positions.
- **4 - United Kingdom** Permitted where position being sought is not a key management position
- **6 - New Zealand** The Code states that the recruitment of senior management for an assurance client, such as those in a position to affect the subject of the assurance engagement, may create current or future self-interest, familiarity and intimidation threats. The significance of the threat will depend upon factors such as: 1) the role of the person to be recruited; and 2) the nature of the assistance sought. The Code also states that the firm could generally provide such services as reviewing the professional qualifications of a number of applicants and advising on their suitability for the post. In addition, the firm could generally produce a short-list of candidates for interview, provided it has been drawn up using criteria specified by the assurance client. The Codes goes on to state that the significance of the threat created must be evaluated and, if the threat is other than clearly insignificant, safeguards must be considered and applied as necessary to reduce the threat to an acceptable level. In all cases, the firm must not make management decisions and the decision as to whom to hire must be left to the client. The Code does not specifically prohibit the matters above. We have checked a “6” response on the basis that they relate to senior management. Where this is not the case they would need to be assessed based on the judgments required by the Code.

(7)(C) *Create selection criteria for candidate suitability for a position.*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	1	2	8	3	22	37	6

Comments/Rationales provided:

- **3 - Australia** See rationale provided for question (7)A).
- **4 - United Kingdom** Permitted where position being sought is not a key management position
- **6 - Canada** This would not be permitted if it is considered a management function and, in some cases, it might also be considered to come close to advising hiring of a particular candidate.
- **6 – New Zealand** See rationale provided for question (7)B).

(7)(D) Undertake reference checks for potential candidates.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
2	2	2	10	3	17	36	7

Comments/Rationales provided:

- **4 - Canada** Permitted subject to an evaluation of the potential threat to independence and application of appropriate safeguards where a candidate is for a position below the level of an executive or director.
- **4 - United Kingdom** Permitted where position being sought is not a key management position

(7)(E) Act as a negotiator in determining position, status, compensation.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	1	1	3	3	29	37	6

(7)(F) Draft employment contracts.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	2	1	7	3	23	36	7

(7)(G) Sign an employment contract and engage the candidate to commence employment.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	0	1	0	1	35	37	6

(7)(H) Assist in the performance appraisals of audit client staff.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	1	1	4	2	29	37	6

(7)(I) Recommend bonuses and offer incentives (employee stock options).

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	1	1	2	3	30	37	6

(7)(J) Attend and conduct performance counseling sessions.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	1	1	3	3	29	37	6

(7)(K) Recommend the termination of audit client staff based on performance.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	1	1	3	3	29	37	6

(7)(L) Prepare and/or assist in termination remuneration/salary.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	2	1	2	2	30	37	6

(7)(M) Provide other Human Resource Services.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	2	3	1	6	16	28	15

Comments/Rationales provided:

- **2 - Gibraltar** So long as it does not breach independence rules or constitute management decisions.
- **3 - Australia** See rationale provided for question (7)A).
- **5 - Netherlands** The regulation recognizes that rendering Human Resource Services to audit clients threaten auditor's independence. In these cases the auditor has to assess this risk and take additional measures to mitigate these risks. 'Short-list' services directly related to listed companies and other public interest entities are prohibited. Furthermore, decision taking on behalf of the audit client in the course of rendering services is prohibited. This general rule applies also to the above-mentioned services and based on judgement of the above-mentioned services it is most likely that these services are not permitted.
- **5 - United States** SEC Rule 2-01 prohibits the accounting firm from searching for or seeking out prospective candidates for managerial, executive, or director positions. Thus, searching for or seeking out prospective candidates in non-managerial positions is not explicitly prohibited. However, evaluating and determining whether certain non-audit services are prohibited would require a comprehensive analysis of the facts and circumstances.
- **6 - Brazil** Regarding question (7)M), there are no other specific human services prohibited or permitted by local legislation.
- **6 - Hungary** We do not have itemized regulations relating to the non-audit services listed in question (7), but deriving from the local Standards on Auditing these kind of services are not to be provided by the auditor and this prohibition is confirmed indirectly by the Act LV of 1997 on the Chamber of Hungarian Auditors and Auditing Activities.
- **6 - Malaysia** In all cases, the firm should not make management decisions and the decision as to whom to hire should be left to the client.
- **6 - Switzerland** The provision of HR services is restricted to staff members who have a significant influence on the client's accounts (e.g. management & accounting staff)

- **6 - Thailand** The Code of Conduct does not allow the auditor to provide any services, which are involved with the management decision or take any role or perform as the management for audit clients.
- **Blank - Canada** Note the specific prohibited services identified in ICAO Rule s.204.4(32) quoted above.
- **Blank - Isle of Man** We refer you to the UK's response to Part C of this survey because, in general, Isle of Man auditors follow the UK accountancy standards and the UK's policy in this area therefore applies. In particular, the APB's Ethical Standard ES5 "Non-audit services provided to audit clients" applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.

Other Comments/Rationales provided in respect of Human Resources Services generally (not directed to one particular service):

- **Canada** A member or firm shall not perform an audit engagement for a reporting issuer if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides any of the following services to the entity or a related entity:
 - (i) searching for or seeking out prospective candidates for management, executive or director positions;
 - (ii) engaging in psychological testing, or other formal testing or evaluation programs;
 - (iii) undertaking reference checks of prospective candidates for an executive or director position;
 - (iv) acting as a negotiator or mediator on the entity's behalf with respect to employees or future employees with respect to any condition of employment, including position, status or title, compensation or fringe benefits; or
 - (v) recommending or advising the entity or a related entity to hire a specific candidate for a specific job.
 Additional guidance further states that:
 "Notwithstanding Rule 204.4(32) a member, firm or network firm, or a member of the firm or a network firm may, upon request of the audit client, interview candidates and advise the client on the candidate's competence for financial accounting, administrative or control positions."
- **Luxembourg** The answers to Question 7 should be read in conjunction with the National Code of Ethics and the IFAC Code of Ethics (article 290.203).

8.9 Broker Dealer Services

Summary Observations

There was a common view that certain types of broker-dealer services were not permitted based on the underlying principle that promoting, dealing in, or underwriting of shares is not compatible with providing assurance services and that the threat to independence is so significant that no safeguard could be introduced to reduce the threat to an acceptable level.

There were, however, a few categories of broker-dealer services where there was no prevailing practice, in particular, (8)F) *due diligence services* and (8)H) *analysis and financial reporting effects of transactions*, although the responses were still skewed towards the categories "not permitted" or "not permitted in most circumstances". One jurisdiction (i.e. United Kingdom) indicated that due diligence services were permitted except when 1) the audit engagement partner has, or ought to have, reasonable doubt

about the appropriateness of the accounting treatment that is related to advice provided, 2) such services are provided on a contingent basis and the fees are material to the audit firm or part of the partner's profit share and the outcome of the service is dependent on a future or contemporary audit judgment relating to a material balance in the financial statements, and 3) the engagement would involve the audit firm taking on a management role. The responses to questions (8)E) *providing transaction advice on acquiring or divesting of divisions or entities* and (8)G) *providing acquisition analysis and advice on the basis of Fair Value accounting* did not quite meet the 75% prevailing practice threshold, being 71% and 73% respectively.

Responses to Survey Questions

(8) *Is the auditor permitted to provide the following non-audit services to the audit client?*

(8)(A) *Buy and sell shares on behalf of the audit client both on exchange and private sale.*

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	0	0	0	2	34	37	6

(8)(B) *Identify and introduce an audit client to an acquisition target.*

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	1	1	4	5	22	34	9

(8)(C) *Identify and introduce an audit client to possible acquirers of audit subsidiaries/investments.*

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	1	0	5	5	23	35	8

(8)(D) *Promote or underwrite shares of an audit client's or its subsidiary.*

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	0	0	0	3	34	38	5

(8)(E) Provide transaction advice on acquiring or disinvesting of divisions or entities.

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	3	1	6	5	22	38	5

Comments/Rationales provided:

- **2 – Canada** What constitutes “transaction advice” is not entirely clear but there is certainly no explicit prohibition.
- **2 – United Kingdom** Not permitted where: 1) the audit engagement partner has, or ought to have, reasonable doubt about the appropriateness of the accounting treatment that is related to advice provided, 2) such services are provided on a contingent basis and the fees are material to the audit firm or part of the partner’s profit share and the outcome of the service is dependent on a future or contemporary audit judgment relating to a material balance in the financial statements, and 3) the engagement would involve the audit firm taking on a management role.
- **2 - Netherlands** Vendor due diligence services are in most cases permitted. Acquisition due diligence services are in most cases not permitted.
- **5 - Australia** The Act does not contain specific requirements in relation to this item, but there is a general requirement in the Act that this service is viewed to create a subjective and objective conflict. Ethical requirements support the underlying principle that promoting, dealing in, or underwriting of shares is not compatible with providing assurance services and that the threat to independence is so significant that no safeguard could reduce the threat to an acceptable level.

(8)(F) Provide due diligence services.

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
4	7	1	7	3	15	37	6

Comments/Rationales provided:

- **1 & 2** - Two TC jurisdictions permit this service and three permit the service in most circumstances.
- **2 - United Kingdom** Not permitted where: 1) the audit engagement partner has, or ought to have, reasonable doubt about the appropriateness of the accounting treatment that is related to advice provided, 2) such services are provided on a contingent basis and the fees are material to the audit firm or part of the partner’s profit share and the outcome of the service is dependent on a future or contemporary audit judgment relating to a material balance in the financial statements, and 3) the engagement would involve the audit firm taking on a management role.
- **2 - Netherlands** Vendor due diligence services are in most cases permitted. Acquisition due diligence services are in most cases not permitted.
- **4 – Israel** Provision of due-diligence services is allowed.
- **4 – Japan** Providing due-diligence services, which substantially include opining for valuations, are prohibited in the light of avoiding self-audit.
- **4 – United States** Due diligence services include a broad category of procedures and tasks that the accounting firm might perform. Certain types of procedures performed in conjunction with due diligence services may not impair the auditor’s independence. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.
- **5 – Australia** See rationale provided for question (8)A).
- **Blank – Canada** It is not entirely clear what constitutes due diligence services but it would appear to be permissible for the auditor to carry out, for example, agreed upon procedure.

(8)G) Provide acquisition analysis and advise on the basis of Fair Value.

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	2	1	6	6	21	37	6

(8)H) Provide analysis of accounting and financial reporting effects of transactions.

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
2	6	1	8	7	13	37	6

Comments/Rationales provided:

- **4 – Israel** It is allowed, provided there is no active participation in the management decision taking place
- **4 – United States** General advice concerning the accounting and financial reporting effects associated with specific transactions is generally permitted provided the audit client has defined the nature of the transaction and performed its own analysis of the accounting and reporting effects of the transaction. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.
- **5 - Australia** The Act does not contain specific requirements in relation to this item, but there is a general requirement in the Act that this service is viewed to create a subjective and objective conflict. Ethical requirements support the underlying principle that providing the service may create advocacy or self-review threats, but the service can be provided if sufficient safeguards can be put in place to reduce the threat(s) to an acceptable level.
- **Blank – Canada** It is unclear whether this would or would not be permitted and the answer may be affected by whether the auditor is in effect performing a management function as opposed to providing limited assistance.

(8)I) Provide opinions on corporate transactions for use by the client or external parties.

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
1	2	0	8	7	18	36	7

Other Comments/Rationales provided in relation to providing broker dealer services generally (not directed to one particular service):

- **France** Authorized to provide due-diligence services only for entities that are consolidated upon acquisition by the audit client.
- **Hungary** We do not have specific regulations relating to part (8), but deriving from the general principles in the Code of Ethics these kind of services are not to be performed by the auditor.
- **Isle of Man** In general, auditors follow the UK accountancy standards and policies in this area, however where the audited company is listed on an exchange outside the UK, the rules of the listing authority would apply.
- **Norway** Statutory independent expert statements, according to company legislation.
- **Thailand** The Code of Conduct does not allow the auditor to perform as a broker for audit clients
- **United States** As promulgated in Rule 2-01, the accounting firm is prohibited from acting as a broker-dealer (registered or unregistered), promoter, or underwriter, on behalf of an audit client,

making investment decisions on behalf of the audit client or otherwise having discretionary authority over an audit client's investments, executing a transaction to buy or sell an audit client's investment, or having custody of assets of the audit client, such as taking temporary possession of securities purchased by the audit client. While certain of the services listed above are not explicitly prohibited by the independence rules, the accounting firm's provision of corporate financing services to an audit client or to a non-audit client to which an audit client is a party, would raise questions in applying the general standard of auditor independence in Rule 2-01(b), particularly if the service places the accounting firm in the position of auditing its own work or places the accounting firm in a position of being an advocate for the audit client. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances. In addition, the provision of certain services listed above may require the accounting firm to register as a broker-dealer under U.S. federal securities laws.

8.10 Legal Services

Summary Observations

There was prevailing practice that provision of the following services are “not permitted” or “not permitted in most circumstances”: (9)B) *calculating estimated damages*; (9)H) *acting for the audit clients in dispute resolution or litigation*; (9)I) *negotiating contract terms for the audit client* and (9)J) *general advocacy for the client*. Certain IOSCO member jurisdictions (e.g. Canada and United States) commented that providing legal services for the purpose of advocating an audit client's interest in a civil, criminal, regulatory, administrative, or legislative proceeding was not permitted. Those jurisdictions (e.g. Australia and New Zealand) applying the threats and safeguards approach commented that legal services may create a self-review threat, and should only be provided where appropriate safeguards are in place and if the threat is clearly insignificant. The significance of any threat will depend on certain factors: a) the materiality of the amounts involved, b) the degree of subjectivity inherent in the matter concerned; and c) the nature of the engagement. There were also a few jurisdictions (e.g. Japan) that indicated that audit firms are not legally able to provide legal services to any party or client.

Responses to Survey Questions

(9) *Is the auditor permitted to provide the following legal services to the audit client?*

(9)(A) *Act as an expert witness.*

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
3	2	1	9	2	20	37	6

Comments/Rationales provided:

- **3 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: this service may create a self-review threat and should only be provided where appropriate safeguards are in place.

- **4 - New Zealand** The Code of Ethics states that litigation support services may include such activities as acting as an expert witness, calculating estimated damages or other amounts that might become receivable or payable as a result of litigation or other legal dispute, and assistance with document management and retrieval in relation to a dispute or litigation. The code states that a self-review threat may be created when the litigation support services provided to an audit client include the estimation of the possible outcome, and thereby affect the amounts or disclosures to be reflected in the financial statements. The significance of any threat created will depend upon factors such as: a) the materiality of the amounts involved, b) the degree of subjectivity inherent in the matter concerned; and c) the nature of the engagement. The firm or network firm, must evaluate the significance of any threat created and, if the threat is other than clearly insignificant, safeguards must be considered and applied as necessary to eliminate the threat or reduce it to an acceptable level. The Code states that if the role undertaken by the firm, or network firm, involved making managerial decisions on behalf of the audit client, the threats created could not be reduced to an acceptable level by the application of any safeguard. Therefore, the firm or network firm must not perform this type of service for an audit client
- **6 - Canada** A member or firm shall not perform an audit engagement for a reporting issuer if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides an expert opinion or other expert service for the entity or a related entity, or for a legal representative thereof, for the purpose of advocating the entity's or related entity's, interest in a civil, criminal, regulatory, administrative or legislative proceeding or investigation.
- **6 - Japan** Audit firms are legally not able to provide legal services to any party. This rationale applies to all the answers responding by "6" in this section.

(9)(B) Calculate estimated damages

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
0	1	0	8	6	21	36	7

(9)(C) Assist with document management.

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
3	4	2	8	3	17	37	6

Comments/Rationales provided:

- **3 – Australia** See rationale provided for question (9)A).
- **3 - United States** The non-audit service, assist with document management, may not be prohibited, provided the service is not contrary to the general standard of auditor independence in Rule 2-01(b), with consideration to the four principles delineated in the Preliminary Note of Rule 2-01. In particular, providing this non-audit service must not place the accounting firm in a position of being an advocate for the audit client.
- **4 – New Zealand** See rationale provided for question (9)A).

(9)(D) Contract support.

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
2	4	1	9	1	20	37	6

Comments/Rationales provided:

- **3 – Australia** See rationale provided for answer (9)A).
- **4 - New Zealand** The Code states that the provision of legal services by a firm, or network firm, to an entity that is an audit client may create both self-review and advocacy threats. Safeguards may be appropriate in reducing any threats to independence to an acceptable level. The Code states that acting for an audit client in the resolution of a dispute or litigation when the amounts involved are material in relation to the financial statements of the audit client would create advocacy and self-review threats so significant that no safeguard could reduce the threat to an acceptable level.
- **6 - Canada** The responses to (D) to (J) assume that the service is a legal service as defined in the response to question (9)A). That would be a matter of fact to be determined in the particular jurisdiction in which the service is provided.

(9)(E) Legal due diligence.

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
3	4	1	11	0	18	37	6

Comments/Rationales provided:

- **3 – Australia** See rationale provided for question (9)D).
- **6 - Japan** Providing Due-Diligence services, which substantially include opining on valuations, are prohibited in the light of avoiding self-audit.

(9)(F) Mergers and acquisition support and advice.

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
3	3	1	9	1	19	36	7

Comments/Rationales provided:

- **3 – Australia** See rationale provided for question (9)D).
- **Blank - Hong Kong** Not sure what is meant by mergers and acquisition support.

(9)(G) Restructuring advice and support.

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
2	4	1	9	3	18	37	6

Comments/Rationales provided:

- **3 – Australia** See rationale provided for question (9)D).

(9)(H) Act for the audit client in dispute resolution or litigation.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
0	2	0	7	5	23	37	6

(9)(I) Negotiate contract terms for the audit client.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	1	0	5	3	27	37	6

(9)(J) General advocacy services for client.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	1	0	7	3	24	36	7

Other Comments/Rationales provided in relation to providing legal services to audit clients generally (not directed to one particular service):

- **Canada** A member or firm shall not perform an audit engagement for a reporting issuer if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides a legal service to the entity or a related entity. A legal service refers to any service that may only be provided by a person licensed, admitted, or otherwise qualified to practice law in the jurisdiction in which the service is provided. Legal services encompass a wide and varied range of corporate and commercial services, including contract support, conduct of litigation, mergers and acquisition advice and support and the provision of assistance to client’s internal legal departments. Legal services do not include those taxation services that may be provided by a person who is not admitted to the practice of law in a jurisdiction.
- **Hungary** We do not have itemized regulations relating to the part (9), but the audit companies are not permitted to provide legal services to the audit clients.
- **Isle of Man** We refer you to the UK’s response to Part C of this survey because, in general, Isle of Man auditors follow the UK accountancy standards and the UK’s policy in this area therefore applies. In particular, the APB’s Ethical Standard ES5 “Non-audit services provided to audit clients” applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.
- **Israel** The Auditor is prohibited to provide legal services to audit clients' subsidiaries included.
- **Luxembourg** The answers to Question 9 should be read in conjunction with the National Code of Ethics and the IFAC Code of Ethics.
- **Malaysia** Legal work is not applicable to the Malaysian context as only members of the legal profession can provide such services.
- **Netherlands** The regulation recognizes that rendering legal services to audit clients potentially threatens auditor’s independence. In case the audit client is involved in (court) cases that might have an impact on the financial statements the legal services are prohibited. In all other cases the auditor has to assess this independence risk and take additional measures to mitigate these risks. The minimal required measurements have been described in the regulation.
- **Romania** Litigation support services may include such activities as acting as an expert witness, calculating estimated damages or other amounts that might become receivable or payable as the result of litigation or other legal dispute, and assistance with document management and retrieval in relation to a dispute or litigation.

A self-review threat may be created when the litigation support services provided to an audit client include the estimation of the possible outcome and thereby affects the amounts or disclosures to be reflected in the financial statements. The significance of any threat created will depend upon factors such as:

- The materiality of the amounts involved;
 - The degree of subjectivity inherent in the matter concerned; and
 - The nature of the engagement.
- **Thailand** The Code of Conduct also allows the auditor to provide advisory services in the issue of management to his/her audit client, where those services do not impair his/her independence, and he/she does not take part in the operational or financial decision making of the audit client. Therefore, the auditor can provide those services if he/she can prove his/her independence in fact and in appearance that he/she gives only an advice for an effective system and does not take part in the operational or financial decision making of the audit client.
 - **United States** Some of the services listed above are not explicitly prohibited, but by their nature may impair the auditor's independence in applying the general standard of auditor independence in Rule 2-01(b), with consideration to the four principles delineated in the Preliminary Note of Rule 2-01. However, evaluating and determining whether the service is prohibited may require a comprehensive analysis of the facts and circumstances. An accounting firm is prohibited from providing any service to an audit client that, under the circumstances, could be provided only by someone licensed, admitted, or otherwise qualified to practice law in the jurisdiction in which the service is provided, including representing an audit client before a tax court, district court, or federal court of claims. The SEC indicated in its 2003 final rule release [Release No. 33-8183, Strengthening the Commission's Requirements Regarding Auditor Independence], that a lawyer's core professional obligation is to advance the client's interest and that an accounting firm cannot be a zealous legal advocate for the audit client, and maintain the objectivity and impartiality that are necessary for an audit.

8.11 Post Employment Benefits – Plan Administration Services

Summary Observations

There was prevailing practice that provision of the following services are not permitted: (10)A) *acting in a fiduciary capacity on behalf of the audit client's employment benefit plan*; (10)B) *acting as administrator of the plan* and (10)C) *making disbursements and performing calculations on behalf of the plan*. Few jurisdictions provided a rationale for why these services are not permitted, however Canada commented that while it is not entirely clear whether these services are permitted, it seems likely they could create a self-review threat to the extent financial information from the plan is reflected in the plan sponsor's financial statements.

There was no prevailing practice with regard to *providing assurance services to the plan*. One jurisdiction (i.e. Canada) commented that assurance services are permitted in most circumstances provided the auditor is independent of the plan.

Responses to Survey Questions

(10) Can the auditor provide any of the following non-audit services for the audit client? (Please answer the following questions in reference to the Audit Client’s specifically affiliated post-employment plan. Questions are not applicable to outsourced plan providers).

(10)(A) Can the auditor act in a fiduciary duty capacity on the audit client’s employment benefit plan? (“the plan”).

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	1	0	2	3	27	34	9

(10)(B) Can the auditor act as administrator of the plan?

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	1	0	2	4	26	34	9

(10)(C) Can the auditor make disbursements and calculate on behalf of the plan?

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
1	0	0	2	5	26	34	9

(10)(D) Can the auditor provide assurance services to the plan?

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
7	5	2	3	0	18	35	8

Comments/Rationales provided:

- **2 - Canada** Provided that the auditor is independent of the plan.
- **3 - Australia** Assumes that the non-audit services mentioned in items 10A to 10C are not provided.

Other Comments/Rationales provided in respect of post employment benefits services (not directed to one particular service):

- **Hungary** We do not have itemized regulations relating to the part (10), but not permitted based on the general rules of the Act LV of 1997 on the Chamber of Hungarian Auditors and Auditing Activities.
- **Isle of Man** We refer you to the UK’s response to Part C of this survey because, in general, Isle of Man auditors follow the UK accountancy standards and the UK’s policy in this area therefore applies. In particular, the APB’s Ethical Standard ES5 “Non-audit services provided to audit clients” applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.

- **Malaysia** These services are not specifically addressed in the By-Laws, but the general provision dealing with Professional Independence would apply.
- **Netherlands** In the Netherlands the involvement of auditors in post-employment plans is highly unlikely as outsourced plan providers take care of post-employment plans. It is prohibited for the auditor to render these kinds of services in the capacity of management based on general principles on independence.
- **South Africa** Actuarial services may not be provided by the auditor
- **Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. Since these services will be used in the clients' accounting, so the auditor will audit his/her own work, which can impair independence.
- **United States** Some of the services listed above are not explicitly prohibited, but by their nature may impair the auditor's independence in applying the general standard of auditor independence in Rule 2-01(b), with consideration to the four principles delineated in the Preliminary Note to Rule 2-01. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.
- **Costa Rica** They are included in the other services that cannot affect the external auditor independency.
- **Luxembourg** The answers to Question 10 should be read in conjunction with the National Code of Ethics and the IFAC Code of Ethics.

8.12 Tax Services

Summary Observations

In summary, there was no prevailing consensus regarding permissions or prohibitions on the provision of tax services to an audit client. In several instances there were an equal number of respondents that indicated they permitted or permitted in most circumstances a particular type of tax service, as those that prohibited or prohibited in most circumstances the same service. Thus, to the extent comments or rationales were provided, the analysis below focuses on all tax services contained in the survey.

Certain jurisdictions that permit tax services, or permit them in most circumstances (e.g. the U.S.A and Canada), indicated that historically audit firms have provided a broad range of tax compliance services to their audit and review clients, including compliance, planning, provision of formal taxation opinions and assistance in the resolution of tax disputes. Taxation services are seen to be unique among non-assurance services for several reasons. Detailed tax laws must be consistently applied, and Tax Revenue Authorities have discretion to audit any tax filing. However, the threats associated with certain tax services, such as aggressive tax constructions, should be assessed to determine if they impair the auditor's independence.

There were several rationales provided for those jurisdictions that do not permit or do not permit in most circumstances the provision of tax services. For instance, one jurisdiction indicated that there were local restrictions on the provision of tax services to any party. Certain jurisdictions also commented that tax services constitute a form of bookkeeping and thus they will be used in the client's financial statements. Therefore, the auditor will audit his/her own work, which can impair independence. One jurisdiction that applies the threats and safeguards approach indicated that the threats to independence need to be

considered depending on the nature of the tax services to be provided, whether the service provider is separate from the assurance team and the materiality of any matter in relation to the financial statements.

Responses to Survey Questions

Tax Compliance

(11)A) Prepare and lodge of tax returns

Permitted -----Not Permitted						Total	Blank
1	2	3	4	5	6		
12	7	2	4	0	13	38	5

Comments/Rationales provided:

- **1 – Argentina** Provided that the company has the responsibility and the tax return is not dependent on the auditor.
- **2 – Canada** Preparation of a tax return could be permissible but, if ‘lodge’ means file on their own authority, that would not be permissible since it constitutes a management function.
- **3 – Australia** This service is not viewed to create a subjective or objective conflict under the Corporations Act nor are ethical requirements generally viewed to create threats to independence.
- **4 – New Zealand** The Code of Ethics states that threats to independence need to be considered depending on the nature of the tax services. If the threat to independence cannot be reduced to an acceptable level, the auditor should decline to provide such services. Tax services to support an audit client in the execution of a transaction may create self-review threats, however safeguards such as: 1) members of the assurance team are not involved in providing the service and 2) the audit client makes the ultimate decision in relation to the transactions, may be available to reduce the threats to an acceptable level.
- **6 – Japan** Audit firms are not entitled to provide tax services to any party, since only Tax Accountants qualified under Tax Accountant Law are entitled to provide tax services (which includes tax return preparation). CPAs, as individuals, are entitled to take Tax Accountant License, if they meet certain conditions; however, audit firms, as entities, cannot simultaneously be firms that can provide tax services. This separation works as a means of preventing self-review threat, which eventually enhance auditors’ independence.
- **6 – Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. Since this service will be used in the client’s accounting, the auditor will be put in a position of auditing his/her own work, which can impair independence.

(11)B) Assist in the resolution of tax disputes with Tax Authorities

Permitted ----- Not Permitted						Total	Blank
1	2	3	4	5	6		
10	7	2	6	2	11	38	5

Comments/Rationales provided:

- **2 – Canada** Provided that the assistance does not constitute advocacy of the audit client’s position
- **2 – United States** The SEC indicated in its 2003 rule release that an accounting firm’s independence will not be deemed to be impaired if an accountant explains the positions taken or conclusions reached during the performance of any service provided to an audit client. However,

representing the audit client before a tax court, district court, or federal court of claims would impair the accounting firm's independence, given the accounting firm would be serving in an advocacy position.

- **3 - Australia** This service is not viewed to create a subjective or objective conflict under the Corporations Act nor are ethical requirements generally viewed to create threats to independence.
- **4 - Brazil** Technical assistance only. Acting for the audit client in tax dispute resolution is prohibited.
- **5 - Thailand** If the scope of this service is limited to helping clients in explaining to the Revenue Department about the facts from auditing such as process of auditing the transactions, such service is permitted.
- **6 - New Zealand** The Code of Ethics states that acting for an audit client in relation to a tax dispute or tax litigation when the amounts involved are material to the financial statements would create advocacy and self-review threats so significant that no safeguard could reduce the threat to an acceptable level.
- **6 - Japan** Audit firms are not entitled to provide tax services to any party, since only Tax Accountants qualified under Tax Accountant Law are entitled to provide tax services (which includes tax return preparation). CPAs, as individuals, are entitled to take Tax Accountant License, if they meet certain conditions; however, audit firms, as entities, cannot simultaneously be firms that can provide tax services. This separation works as a means of preventing self-review threat, which eventually enhance auditors' independence.

(11)C) Prepare the calculation for taxes payable/receivable.

Permitted -----						Not Permitted	
1	2	3	4	5	6	Total	Blank
10	8	1	2	3	14	38	5

Comments/Rationales provided:

- **1 - United States** The response presumes that the scope of service solely involves determining the refund/credit or amount payable to the relevant tax authorities, normally a typical requirement for any tax preparation service.
- **2 - Canada** The answer to this question is not entirely clear since it might constitute the provision of bookkeeping services.
- **3 - Australia** The Corporations Act does not contain specific requirements in relation to this item, however the general independence requirement in the Act indicates that this service is viewed to create and subjective and objective conflict. Ethical requirements further support the underlying principle that this service may create a self-review threat and would not be permitted unless significant safeguards can be put in place.
- **4 - New Zealand** The Code of Ethics states that threats to independence need to be considered depending on the nature of the tax services. If the threat to independence cannot be reduced to an acceptable level, the auditor should decline to provide such services. Tax services to support an audit client in the execution of a transaction may create self-review threats, however safeguards such as: 1) members of the assurance team are not involved in providing the service and 2) the audit client makes the ultimate decision in relation to the transactions, may be available to reduce the threats to an acceptable level.
- **6 - Japan** Audit firms are not entitled to provide tax services to any party, since only Tax Accountants qualified under Tax Accountant Law are entitled to provide tax services (which includes tax return preparation). CPAs, as individuals, are entitled to take Tax Accountant License, if they meet certain conditions; however, audit firms, as entities, cannot simultaneously be firms that can provide tax services. This separation works as a means of preventing self-review threat, which eventually enhance auditors' independence.
- **6 - Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. Since this service will be used in the client's accounting, the auditor will be put in a position of auditing his/her own work, which can impair independence.

8.13 Tax Opinions and Advice

(11)D) Prepare advice on tax planning opportunities.

Permitted ----- Not Permitted						Total	Blank
1	2	3	4	5	6		
8	11	3	8	1	7	38	5

Comments/Rationales provided:

- **1 – United States** In its 2003 rule release, the SEC reiterated its long-standing position that an accounting firm can provide tax services to its audit clients without impairing the auditor’s independence. The rule release stated, “Tax services are unique among non-audit services for a number of reasons. Detailed tax laws must be consistently applied, and the Internal Revenue Service has discretion to audit any tax return.” Additionally, the 2003 rule release commented that accounting firms have historically provided a broad range of tax services to their audit clients. The rule release commented that accounting firms may continue to provide tax services such as tax compliance, tax planning, and tax advice to audit clients, subject to the normal audit committee pre-approval requirements. However, the release also indicates that audit committees should carefully scrutinize the retention of the accounting firm in a transaction initially recommended by the accounting firm, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the IRS Code and related regulations. In addition, the PCAOB has adopted a rule, Ethics and Independence Rules Concerning Independence, Tax Services, and Contingent Fees, that if approved by the SEC, would prohibit, among other things, the accounting firm from providing any non-audit service to the audit client related to marketing, planning, or opining in favor of a tax treatment of a transaction that is either a confidential transaction or an aggressive tax position transaction. An aggressive tax position transaction is defined as a transaction initially recommended, directly or indirectly by the accounting firm, a significant purpose of which is tax avoidance, unless the proposed tax treatment is at least more likely than not to be allowable under applicable tax laws.
- **2 – United Kingdom** Not permitted where: 1) the audit engagement partner has, or ought to have, reasonable doubt about the appropriateness of the accounting treatment that is related to advice provided, 2) such services are provided on a contingent basis and the fees are material to the audit firm or part of the partner’s profit share and the outcome of the service is dependent on a future or contemporary audit judgment relating to a material balance in the financial statements, and 3) the engagement would involve the audit firm taking on a management role.
- **2 - Poland** The auditor may provide tax opinions provided these opinions are not directly related to the financial statements and provided that he/she does not earn more than 50% of his/her annual income by providing services to a given entity.
- **3 - Australia** This service is not viewed to create a subjective or objective conflict under the Corporations Act nor are ethical requirements generally viewed to create threats to independence.
- **4 – New Zealand** The Code of Ethics states that threats to independence need to be considered depending on the nature of the tax services. If the threat to independence cannot be reduced to an acceptable level, the auditor should decline to provide such services. Tax services to support an audit client in the execution of a transaction may create self-review threats, however safeguards such as: 1) members of the assurance team are not involved in providing the service and 2) the audit client makes the ultimate decision in relation to the transactions, may be available to reduce the threats to an acceptable level.
- **4 – Brazil** Prohibited by the CVM, but permitted in limited circumstances by the CFC. However, due to an already mentioned judicial decision, which is currently pending appeal, the rules actually applied today are those issued by the professional organization, CFC.
- **4 – Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. However, this would be considered an advisory service,

for which the auditor does not take part in the operation and final decision making of the audit client.

- **6 – Japan** Audit firms are not entitled to provide tax services to any party, since only Tax Accountants qualified under Tax Accountant Law are entitled to provide tax services (which includes tax return preparation). CPAs, as individuals, are entitled to take Tax Accountant License, if they meet certain conditions; however, audit firms, as entities, cannot simultaneously be firms that can provide tax services. This separation works as a means of preventing self-review threat, which eventually enhance auditors’ independence.

(11)E) Prepare an opinion or reasonably arguable position papers on the taxation treatment of a transaction.

Permitted ----- Not Permitted						Total	Blank
1	2	3	4	5	6		
8	12	3	7	2	6	38	5

Comments/Rationales provided:

- **1 – United States** In its 2003 rule release, the SEC reiterated its long-standing position that an accounting firm can provide tax services to its audit clients without impairing the auditor’s independence. The rule release stated, “Tax services are unique among non-audit services for a number of reasons. Detailed tax laws must be consistently applied, and the Internal Revenue Service has discretion to audit any tax return.” Additionally, the 2003 rule release commented that accounting firms have historically provided a broad range of tax services to their audit clients. The rule release commented that accounting firms may continue to provide tax services such as tax compliance, tax planning, and tax advice to audit clients, subject to the normal audit committee pre-approval requirements. However, the release also indicates that audit committees should carefully scrutinize the retention of the accounting firm in a transaction initially recommended by the accounting firm, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the IRS Code and related regulations. In addition, the PCAOB has adopted a rule, Ethics and Independence Rules Concerning Independence, Tax Services, and Contingent Fees, that if approved by the SEC, would prohibit, among other things, the accounting firm from providing any non-audit service to the audit client related to marketing, planning, or opining in favor of a tax treatment of a transaction that is either a confidential transaction or an aggressive tax position transaction. An aggressive tax position transaction is defined as a transaction initially recommended, directly or indirectly by the accounting firm, a significant purpose of which is tax avoidance, unless the proposed tax treatment is at least more likely than not to be allowable under applicable tax laws.
- **2 - Poland** The auditor may provide tax opinions provided these opinions are not directly related to the financial statements and provided that he/she does not earn more than 50% of his/her annual income by providing services to a given entity.
- **2 – United Kingdom** Not permitted where: 1) the audit engagement partner has, or ought to have, reasonable doubt about the appropriateness of the accounting treatment that is related to advice provided, 2) such services are provided on a contingent basis and the fees are material to the audit firm or part of the partner’s profit share and the outcome of the service is dependent on a future or contemporary audit judgment relating to a material balance in the financial statements, and 3) the engagement would involve the audit firm taking on a management role.
- **3 - Australia** This service is not viewed to create a subjective or objective conflict under the Corporations Act nor are ethical requirements generally viewed to create threats to independence.
- **4 – New Zealand** The Code of Ethics states that threats to independence need to be considered depending on the nature of the tax services. If the threat to independence cannot be reduced to an acceptable level, the auditor should decline to provide such services. Tax services to support an audit client in the execution of a transaction may create self-review threats, however safeguards such as: 1) members of the assurance team are not involved in providing the service and 2) the

audit client makes the ultimate decision in relation to the transactions, may be available to reduce the threats to an acceptable level.

- **4 – Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. However, this would be considered an advisory service, for which the auditor does not take part in the operation and final decision making of the audit client.
- **6 – Japan** Audit firms are not entitled to provide tax services to any party, since only Tax Accountants qualified under Tax Accountant Law are entitled to provide tax services (which includes tax return preparation). CPAs, as individuals, are entitled to take Tax Accountant License, if they meet certain conditions; however, audit firms, as entities, cannot simultaneously be firms that can provide tax services. This separation works as a means of preventing self-review threat, which eventually enhance auditors’ independence.

(11)F) Provide advice on tax implications for acquiring or selling investments or subsidiaries.

Permitted ----- Not Permitted						Total	Blank
1	2	3	4	5	6		
9	12	3	7	2	5	38	5

Comments/Rationales provided:

- **2 – United Kingdom** Not permitted where: 1) the audit engagement partner has, or ought to have, reasonable doubt about the appropriateness of the accounting treatment that is related to advice provided, 2) such services are provided on a contingent basis and the fees are material to the audit firm or part of the partner’s profit share and the outcome of the service is dependent on a future or contemporary audit judgment relating to a material balance in the financial statements, and 3) the engagement would involve the audit firm taking on a management role.
- **2 - Poland** The auditor may provide tax opinions provided these opinions are not directly related to the financial statements and provided that he/she does not earn more than 50% of his/her annual income by providing services to a given entity.
- **3 - Australia** This service is not viewed to create a subjective or objective conflict under the Corporations Act nor are ethical requirements generally viewed to create threats to independence.
- **4 – New Zealand** The Code of Ethics states that threats to independence need to be considered depending on the nature of the tax services. If the threat to independence cannot be reduced to an acceptable level, the auditor should decline to provide such services. Tax services to support an audit client in the execution of a transaction may create self-review threats, however safeguards such as: 1) members of the assurance team are not involved in providing the service and 2) the audit client makes the ultimate decision in relation to the transactions, may be available to reduce the threats to an acceptable level.
- **4 – Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. However, this would be considered an advisory service, for which the auditor does not take part in the operation and final decision making of the audit client.
- **6 – Japan** Audit firms are not entitled to provide tax services to any party, since only Tax Accountants qualified under Tax Accountant Law are entitled to provide tax services (which includes tax return preparation). CPAs, as individuals, are entitled to take Tax Accountant License, if they meet certain conditions; however, audit firms, as entities, cannot simultaneously be firms that can provide tax services. This separation works as a means of preventing self-review threat, which eventually enhance auditors’ independence.

Other

(11)G) Prepare the calculation of the tax-effect

Permitted ----- Not Permitted						Total	Blank
1	2	3	4	5	6		
5	3	0	5	4	19	36	7

Comments/Rationales provided:

- **5 – Australia** There are no specific requirements for this item, however underlying principles in ethical requirements indicate that assisting the audit client in matters such as preparing accounting records or a financial report could be viewed to create a self-review threat, unless sufficient safeguards can be put in place.
- **6 – Canada** The answer to this question is not entirely clear since it might be considered to constitute provision of bookkeeping services
- **6 - New Zealand** The Code of Ethics states that threats to independence need to be considered depending on the nature of the tax services. If the threat to independence cannot be reduced to an acceptable level, the auditor should decline to provide such services. Tax services to support an audit client in the execution of a transaction may create self-review threats, however safeguards such as: 1) members of the assurance team are not involved in providing the service and 2) the audit client makes the ultimate decision in relation to the transactions, may be available to reduce the threats to an acceptable level.
- **6 – United States** Preparing the calculation of the tax-effect accounting balances (i.e. current and deferred) would generally be considered a form of bookkeeping. Bookkeeping services are prohibited under Rule 2-01, unless it is reasonable to conclude that the results of these services will not be subject to audit during an audit of the audit client’s financial statements. the results of these services will not be subject to audit during an audit of the financial statements.
- **6 – Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. Since this service will be used in the client’s accounting, the auditor will be put in a position of auditing his/her own work, which can impair independence.
- **6 – Japan** Audit firms are not entitled to provide tax services to any party, since only Tax Accountants qualified under Tax Accountant Law are entitled to provide tax services (which includes tax return preparation). CPAs, as individuals, are entitled to take Tax Accountant License, if they meet certain conditions; however, audit firms, as entities, cannot simultaneously be firms that can provide tax services. This separation works as a means of preventing self-review threat, which eventually enhance auditors’ independence.

(11)H) Prepare the income tax calculation for tax compliance and then use this calculation for auditing the tax effect accounting balances

Permitted ----- Not Permitted						Total	Blank
1	2	3	4	5	6		
6	4	1	4	5	16	36	7

Comments/Rationales provided:

- **5 – Australia** There are no specific requirements for this item, however underlying principles in ethical requirements indicate that assisting the audit client in matters such as preparing accounting records or a financial report could be viewed to create a self-review threat, unless sufficient safeguards can be put in place.
- **6 - New Zealand** The Code of Ethics states that threats to independence need to be considered depending on the nature of the tax services. If the threat to independence cannot be reduced to an

acceptable level, the auditor should decline to provide such services. Tax services to support an audit client in the execution of a transaction may create self-review threats, however safeguards such as: 1) members of the assurance team are not involved in providing the service and 2) the audit client makes the ultimate decision in relation to the transactions, may be available to reduce the threats to an acceptable level.

- **6 – Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. Since this service will be used in the client’s accounting, the auditor will be put in a position of auditing his/her own work, which can impair independence.
- **6 – Japan** Audit firms are not entitled to provide tax services to any party, since only Tax Accountants qualified under Tax Accountant Law are entitled to provide tax services (which includes tax return preparation). CPAs, as individuals, are entitled to take Tax Accountant License, if they meet certain conditions; however, audit firms, as entities, cannot simultaneously be firms that can provide tax services. This separation works as a means of preventing self-review threat, which eventually enhance auditors’ independence.

Other Comments/Rationales provided in relation to tax services generally (not directed to one particular service):

- **Hong Kong** The HKICPA Code of Ethics requires the audit firm to consider the threats to independence prior to accepting a tax services engagement and does not specify any permitted or prohibited tax services. Previously tax work was considered not to present a threat to independence. The new Code has raised awareness that it does represent a threat.
- **Hungary** Tax advice generally is not prohibited, but general rules are to be kept.
- **Isle of Man** Refer to the UK’s response to Part C because, in general, auditors follow the UK accountancy standards and the UK’s policy in this area therefore applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.
- **Israel** The auditor may provide tax advice to his clients provided he follows the ISA’s provision not to get involved in decisions of management or to influence aspects of the financial reports.
- **Luxembourg** The above answers should be read in conjunction with the National Code of Ethics and the IFAC Code of Ethics.
- **Poland** Auditor may provide tax opinions to the audit client provided these opinions are not directly related with the financial statements audited by him/her and provided he/she does not earn more than 50% of his annual income by providing services to a given entity.

8.14 Other Services

Summary Observations

No commentary is being provided, given this section covers a diverse group of services, where different rationales may apply depending on the nature of the service.

Responses to Survey Questions

(12)A Share registry services.

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
4	2	2	4	1	22	35	8

Comments/Rationales provided

- **3 – Australia** Assumes that the provision of the service has no material impact on the financial report
- **Blank – New Zealand** The Code of Ethics contains examples, which describe specific circumstances, and relationships that may create threats to independence. However, the examples do not explicitly address share registry services. In practice, the firm, network firms and the members of the assurance team will be required to assess the implications of similar, but different, circumstances and relationships and to determine whether safeguards can be applied to satisfactory address the threats to independence.
- **6 – Thailand** Registrar licence in Thailand is granted to only securities firm and the Securities Exchange of Thailand.

(12)B) Company secretarial services including lodging documents with the Company's office and stock exchanges on behalf of the audit client.

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
2	1	2	3	3	26	37	6

Comments/Rationales provided

- **3 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: this activity creates a self-interest or self-review threat that is so significant that only avoidance of the activity would reduce threats to an acceptable level.
- **6 - Canada** Serving as company secretary is acceptable only where the audit client is not a listed entity and the practice is specifically permitted under local law, professional rules or practice, and the duties and functions undertaken are limited to those of a routine and formal administrative nature.
- **6 – Thailand** The Code of Conduct broadly states that the auditor is not allowed to provide bookkeeping services to the audit client. Since this services will be used in the clients' accounting, so the auditor will audit his/her own work, which can impair independence.

(12)C) Provide accounting advice on the treatment or application of accounting standards.

Permitted -----						Not permitted	
1	2	3	4	5	6	Total	Blank
7	11	1	7	5	7	38	5

Comments/Rationales provided

- **2 – Japan** Advice with application of accounting treatments would be permitted, if it is performed in the course of audit engagements.
- **2 – United States** General accounting advice regarding the application of accounting standards is permitted, and accounting advice regarding specific transactions is generally permitted provided the audit client has performed its own analysis of the application of the accounting standard.
- **4 – Israel** As long as he does not take an active part in the company's management decisions.
- **5 - Australia** There are no specific requirements for this item, however underlying principles in ethical requirements indicate that assisting the audit client in matters such as preparing accounting records or a financial report could be viewed to create a self-review threat, unless sufficient safeguards can be put in place

- **6 – United Kingdom** The auditor may provide advice on matters that have come to the auditor’s attention during the course of the audit as a by-product of the audit rather than the result of any engagement to provide non-audit services.

(12)D) Provide an audit of wages declarations, which is given to third parties (i.e. Workers Compensation Audits).

Permitted ----- Not permitted							
1	2	3	4	5	6	Total	Blank
11	10	2	4	3	6	36	7

Comments/Rationales provided

- **2 –Canada** Not entirely clear as to the exact nature of the service but it likely would be permissible.

(12)E) Provide any service that involves client funds.

Permitted ----- Not permitted							
1	2	3	4	5	6	Total	Blank
1	0	1	6	4	21	33	10

(12)F) Corporate Recovery Services.

Permitted ----- Not permitted							
1	2	3	4	5	6	Total	Blank
2	2	0	9	5	16	34	9

Comments/Rationales provided

- **2 – United Kingdom** Services generally permitted, but the auditor should not take on a management role. Professional body ethical guidance also prohibits auditors from normally accepting appointment as Nominee and/or Supervisor of a Company Voluntary arrangement, Administrator, Administrative or Other Receiver or as Liquidator where the company is insolvent.
- **6 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However, there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: Except in the case of a members' voluntary winding up: (i) No person in a practice shall accept appointment as liquidator, provisional liquidator, controller, scheme manager, or administrator of a company if any person in the practice has, or during the previous two years has had, a continuing professional relationship with the company.
- **Blank – Canada and South Africa** The term is not sufficiently well defined to be able to provide a response.

(12)G) Regulatory reviews or audits.

Permitted ----- Not permitted							
1	2	3	4	5	6	Total	Blank
16	8	2	7	1	3	37	6

- **4 & 6** – EMC and Other represented all of the responses that permit this service in limited circumstances (“4”) or that do not permit the service (“6”).

(12)H) Independent Business Reviews.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
6	3	1	15	3	8	36	7

Comments/Rationales provided

- **4 – United States** An independent business review is a service that has no application in the local context and as we understand, its application in the international context may encompass a broad range of procedures and tasks that the accounting firm might perform for the audit client. Certain types of procedures performed in conjunction with independent business review services may not impair the accounting firm’s independence. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.
- **5 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However, there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: there is no specific prohibition and general principles would be applicable. A business review of accounting and bookkeeping services could be viewed to create a self-review threat and would not be permitted in most circumstances unless sufficient safeguards can be put in place.
- **Blank – Canada and South Africa** Not clear what this term would encompass; terminology in this question is not sufficiently defined for us to provide a response.

(12)I) Other Bankruptcy Services.

Permitted ----- Not permitted						Total	Blank
1	2	3	4	5	6		
3	2	2	9	4	13	33	10

Comments/Rationales provided

- **2 – United Kingdom** Services generally permitted, but the auditor should not take on a management role. Professional body ethical guidance also prohibits auditors from normally accepting appointment as Nominee and/or Supervisor of a Company Voluntary arrangement, Administrator, Administrative or Other Receiver or as Liquidator where the company is insolvent.
- **4 – United States** A bankruptcy trustee can appoint an auditor to audit the financial statements of a company, but that auditor cannot also be acting as a “bankruptcy liquidator” of the company, similar to the “receivership” function in some Commonwealth jurisdictions. However, evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances.
- **6 - Thailand** The Public Company Law and The Commercial Law do not allow the auditors to be the liquidator of their audit client.
- **6 - Australia** The Corporations Act does not contain specific requirements in relation to this item. However, there is a general independence requirement in the Corporations Act and this service is viewed to create a subjective and objective conflict. Professional ethical requirements further support the underlying principle: Except in the case of a members' voluntary winding up: (i) No person in a practice shall accept appointment as liquidator, provisional liquidator, controller, scheme manager, or administrator of a company if any person in the practice has, or during the previous two years has had, a continuing professional relationship with the company.

- **Blank – Canada and South Africa** Not clear what this term would encompass; terminology in this question is not sufficiently defined for us to provide a response.
- **Blank – Isle of Man** In general, the UK accountancy standards and the UK’s policy in this area apply. In particular, the APB’s Ethical Standard ES5 “Non-audit services provided to audit clients” applies. Where the audited company is listed on an investment market or exchange outside the UK, the rules of that listing authority would apply.

Other Comments/Rationales provided in respect of other services generally (not directed to one particular service):

- **United States** Some of the services listed above are not explicitly prohibited, but by their nature may impair the auditor's independence in applying the general standard of auditor independence in Rule 2-01(b), with consideration to the four principles delineated in the Preliminary Note to Rule 2-01. However evaluating and determining whether the service is prohibited would require a comprehensive analysis of the facts and circumstances. The notion of Corporate Recovery services has no application, given the operation of the bankruptcy system in the United States. However, these services may constitute certain procedures or tasks that by their nature could impair the auditor's independence.
- **Thailand** Services 12C – 12H are advisory services that the auditors do not take part in the operation and financial decision making of audit clients. The Code of Conduct allows the auditor to provide advisory services where those services do not impair his/her independence, and he/she does not take part in the operational or financial decision making of the audit client. Therefore, the auditor can provide the services in 12C – 12H if he/she can prove his/her independence in fact and in appearance that he/she does not take part in the operational or financial decision making of the audit client.

Audit Client Definition [“Significant Influence” criteria]

One of the questions that applied to each category of non-audit services was as follows, “Is the situation different for questions 1-12 if the services are provided to an entity over which the audit client has a significant influence (i.e. is equity accounted in the group accounts) but which is not audited by the firm?”

Overall, a majority [72% to 83%, depending on the particular non-audit service] of jurisdictions indicate that the same permissions or prohibitions apply to non-audit services apply to entities in which the audit client has significant influence. However, several jurisdictions noted that the significant influence criteria only applied when the entity over which there is significant influence is also considered material to the audit client.

Comments/Rationales provided

- **Australia** While there is no specific legislative prohibition, the auditee has significant control over the associate and if transactions/operations are material to the auditee, then the non-audit services should not be provided by the auditor on the basis that a subjective or objective conflict is likely to exist. Professional ethical requirements define listed audit clients as including related entities.
- **Canada** The situation is different only to the extent that a service could be provided to an entity over which the audit client has significant influence if that entity is not material to the client. The auditor would still be required to consider the potential threat to independence and to put in place appropriate safeguards to offset any identified threat.

- **China** The services can be provided to the entity above mentioned if the service compatible with the audit service engaged by the firm.
- **France** Responses above apply only to the entity audited, its controlling parent and its controlled subsidiaries Hence it does not apply to equity accounted companies. This response is made on the basis that the law only prohibits clearly such services for controlled subsidiaries. Therefore, it can be deduced that is not prohibited for equity accounted entities. However, there are general principles of independence based on the threats and safeguards approach which need to be complied with in every circumstances and may lead to consider that a service provided to a non controlled entity could impair the auditor's independence.
For example, if a holding company has only investments in equity accounted subsidiaries, one would likely consider that the auditor of the parent company or a firm in the network would not be allowed to provide significant bookkeeping or valuation services to a material equity accounted subsidiary without creating a significant independent risk for the auditor.
- **Gibraltar** In accordance with section 290.172 of the IFAC code of ethics.
- **Hong Kong** The definition of audit client includes entities that are equity accounted for provided it is material to the audit client.
- **Israel** A clear prohibition exists in regard to a subsidiary, but not regarding any company in which one has substantial influence. Nevertheless, the ISA had stated in the past that there is a need to prohibit provision of services for to a company in which one has substantial influence only.
- **Italy** The prohibition operates also for the audit client parent companies, the companies it controls and those subject to common control. It doesn't apply to entities over which the audit client has a significant influence.
- **Japan** The rule of the CPA Law, which prohibits providing non-audit services to audit clients, does not apply to audits of entities over which the audited entities have significant influence. However, the JICPA Code of Ethics prohibits providing services to subsidiaries and etc. of audit clients with continuous remuneration, if these companies are significant for financial statements of audit clients, and thus would clearly impair auditors' independence.
- **Korea** Yes. Yet there are no explicit regulations in regards to this.
- **Mexico** It is not forbidden.
- **Panama** The limitation would not apply to a company different from the audit client.
- **Poland** The auditor has to assess if he/she is able to maintain independence and impartiality in compliance with provisions of the Code of Professional Ethics for Statutory Auditors. Besides, auditor's income by providing any services to subsidiaries cannot be higher than 50% and more of his/her annual income. Auditor is not allowed to provide some of the services mentioned in the Question 1, e.g.: B, G or J.
- **Switzerland** There are no specific rules that apply if services are provided to entities over which the audit client has a significant influence. In such cases, a principle-based approach requires that the auditor assesses if the service to be provided does threaten his independence. This decision is made on a case-by-case basis.
- **United States** No. However, please note that our rules require that the audit client has both significant influence and that the entity is material to the audit client. The SEC rules apply the term "significant influence" as it is used in U.S. GAAP, specifically APB No. 18. It recognizes that "significant influence" can be exercised in several ways: representation on the board of directors; participation in key policy decisions; material inter-company transactions; interchange of personnel; or other means. APB No. 18 also recognizes that an important consideration is the extent of the equity investment, particularly in relation to the concentration of other investments. In order to provide a reasonable degree of uniformity in application of this standard, the SEC concluded that an investment (direct or indirect) of 20% or more of the voting stock of an investee should create a rebuttable presumption that in the absence of evidence to the contrary an investor has the ability to exercise significant influence over an investee. Conversely, an investment of less than 20% of the voting stock of an investee creates a rebuttable presumption that an investor does not have the ability to exercise significant influence unless such ability can be demonstrated.
- **United Kingdom** If the services are provided to an entity that is not a significant affiliate, then the firm can provide accounting services, as long as the firm does not undertake part of the role of management.

Appendix A

Survey of Regulation of Non-Audit Services



OICU-IOSCO

November 2005

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Introduction

Background

Recent financial and audit failures have raised numerous issues, including how auditors can maintain their independence and perform quality audits. The IOSCO Technical Committee has appointed a Chairs Committee on Auditing to study the related issues bearing on the quality of audits and auditor independence. The overarching purpose of the Chairs Committee is to improve auditor independence practices and encourage cross-border convergence of these practices. The IOSCO Technical Committee has also requested work that focuses on the issue of non-audit services offered to audit clients and the potential impact of these services on auditor independence.

Corporate fraud and accounting scandals around the world have led to a heightened focus on the regulation of auditors, audit quality and auditor independence. If investors and markets are given to doubts about the independence of the auditor of a company's financial statements, the value that investors place on those financial statements may be seriously compromised and market integrity may be impaired. The provision of non-audit services to its audit client is one factor that creates an environment in which perceived and actual conflicts of interest may result.

This situation has led legislatures, securities regulators and auditor oversight authorities to adopt and/or strengthen laws, rules, regulations, and standards restricting or eliminating the provision of certain non-audit services to audit clients. Perhaps the most visible and significant result has been the establishment of national auditor oversight authorities, and the strengthening of audit standards and their enforcement with a significant emphasis on independence. The heightened focus on the latter aspect of auditor independence is a positive development for investor assurance. However, for capital markets around the world to receive the maximum benefit from increased investor confidence, the objectives, principles and rules supporting that confidence need to be robust, conceptually sound, and well understood.

Inconsistencies among jurisdictions in the regulation of non-audit services create problems for investors, preparers, auditors and regulators. An auditor may provide a non-audit service to a client in a jurisdiction where that service is not restricted, but that client may want to issue securities in a jurisdiction where the provision of such service violates securities laws and/or audit standards. Such situations can result in preparers and auditors violating the requirements in place in other jurisdictions. Because of the existence of these types of cross border dilemmas, an IOSCO study of the regulation of non-audit services will be useful to IOSCO members in determining how best to deal with audit independence issues, not only in their local jurisdictions, but in a global context. The project will collect information with the view that IOSCO will seek to explore areas for possible convergence on non-audit service prohibitions and permissions.

Purpose

The purpose of the survey is to examine the regulation of non-audit services offered to listed company audit clients, any public companies undertaking capital raising from the public and financial intermediaries. As jurisdictions have differing views as to which services might give rise to an actual or perceived conflict of interest, the survey will collect information about the regulation of permissible and restricted or prohibited non-audit services in the various jurisdictions. This survey does not address the provision of non-audit services to non-audit clients.

The objectives are as follows:

- develop a common understanding of when a service provided by an auditor to an audit client is regarded and defined as a "non-audit service";
- identify areas in which there appear to be significant differences among jurisdictions with respect to permitted non-audit services to an audit client and to gain an understanding of the local rationale for permitting specific non-audit services with a view to considering how these differences relate to IOSCO Principles of Auditor Independence [see IOSCO Auditor Independence Principles dated October 2002]; and
- identify areas of possible convergence for regulation of non-audit services to an audit client.

In 2004 the IOSCO Technical and Emerging Markets Committees undertook a survey on Regulation and Oversight of Auditors, which was designed to identify national and/or regional responses to financial reporting failures and resulting changes in public expectations for audits. A small part of this survey did address certain aspects of permitted non-audit services and we have considered these responses in constructing this survey. The results of that survey were published in April 2005.

Instructions

It is recommended that the survey be completed in consultation with any appropriate external bodies if the securities regulator does not have the knowledge with which to answer all the questions but that the securities regulator should retain ultimate responsibility for completing this survey. Any external bodies that assist with responding to the survey should be included in the list of persons that complete the survey.

The survey is divided into three parts. Part A examines the legal framework for non-audit services provided to audit clients; Part B examines the general policy rationale where there are specifically permitted non-audit services provided to audit clients; and Part C examines specific non-audit services provided to an audit client. Part C is divided into two sections, the first section is in respect of the provision of services by the audit firm and the second is in relation to affiliates / associates of the audit firm. Part C is divided into primary and secondary questions to determine whether the answers differ when services are provided to an entity in which the audit client has a significant influence, a parent entity of the

audit client or by a network firm of the auditor. These questions are designed to identify the scope of the restrictions on non-audit services, which may differ between jurisdictions.

In Part A of the survey one of the responses includes a "Don't Know" option. This is primarily designed to accommodate a situation where a jurisdiction is unable to answer a particular question without additional information that is not available to them after reasonable inquiries. For example, where the information in the question is insufficient to enable the proper application of the principle in a principles-based jurisdiction, particularly when the principle has not been tested. To ensure the usefulness of the survey, jurisdictions are asked to not use this option if possible. If in answering the survey, you believe an answer is not applicable to your jurisdiction please add that comment. You may also provide additional commentary if this is necessary to clarify or better explain your responses to individual questions.

To ensure the survey prints as it should appear in blank form, the survey should be first saved as a word document before using it to make entries (manual or electronic). You can complete the survey electronically by using the tab key to move to the data entry fields to enter text and by clicking the mouse inside the boxes. You may also complete the survey manually, writing in answers and attaching additional sheets as needed.

Completed surveys should be e-mailed or faxed to the Australian Securities and Investments Commission by 31 January 2006.

Email: international@asic.gov.au Fax: + 61 2 9911 2634

For assistance in interpreting questions or for any other questions regarding this survey, please contact: Mr Lee White by telephone: 6129911 2459 or by e.mail: lee.white@asic.gov.au

Survey completed by (name of securities regulator):

Contact person:

Country:

Email address:

Telephone number:

Fax number:

List of other organisations that assisted with completing the survey:

Would your organisation like to receive a summary of survey responses?

If yes, please provide an email address:

Y	N
<input type="checkbox"/>	<input type="checkbox"/>

PART A

Legal Framework for Non-Audit Services provided to audit clients.

For the purposes of this survey a **non-audit service** performed by an auditor or its affiliates, associates or network firms (as applicable) for its audit client, is the performance of any service for that audit client beyond services required to permit the external auditor to provide an audit opinion on financial statements. Non-audit services provided to audit clients raise independence concerns in many jurisdictions because they are typically services which may require the auditor to audit their own work, act as an advocate for the audit client or raise potential conflicts of interest, because of financial interrelationships between the client and the auditor. Bookkeeping and the provision of expert advice on accounting treatments are for these purposes examples of non-audit services.

The term "jurisdiction" in the survey is designed to refer to the country in which the securities regulator operates. If the regulator operates in a federal system and the answers will differ within component States or Provinces, please indicate that fact but the primary answer should refer to the rules applicable to listed companies on your country's main stock exchanges. Other definitions are set out at the back of the survey

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1. Does your jurisdiction regulate in a broad sense, auditor independence as it relates to non-audit services? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. If so, does the regulation of auditor independence specify (check all that apply): | | |
| a) The principles that govern which non-audit services are permitted. | <input type="checkbox"/> | <input type="checkbox"/> |
| b) The principles that govern which non-audit services are prohibited. | <input type="checkbox"/> | <input type="checkbox"/> |
| c) A list of non-audit services which are permitted. | <input type="checkbox"/> | <input type="checkbox"/> |
| d) A list of prohibited non-audit services. | <input type="checkbox"/> | <input type="checkbox"/> |
| e) A list of conditionally permitted non-audit services. | <input type="checkbox"/> | <input type="checkbox"/> |
| f) A materiality threshold below which the general prohibition does not apply. If so, please describe how materiality is defined.
.....
..... | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Other, please specify:
.....
..... | | |

3. What are the organisations responsible for the regulation of auditor independence as it relates to non-audit services? Check all that apply.

a) Legislature.

b) Securities Regulator.

c) Auditor Oversight Board.

d) Professional licensing authorities or other professional bodies.

e) Audit committees.

f) Companies regulator.

4. Are there any other bodies responsible for the administration of any Codes, best practice recommendations or other non-legislative requirements relating to the framework for the rules governing performance of non-audit services and, if they can be accessed via the Internet, their web address.

If so, please list:

.....
.....
.....

5. Please explain the interrelationship between these organisations if more than one is involved in the regulation.

.....
.....
.....

6. What form does the regulation take? (Check all that apply).

a) Legislation.

b) Instruments issued by the Securities Regulator.

c) Stock Exchange rules.

d) Rules of the local Professional bodies.

e) Individual contract between the auditor and client, if permitted under the law

f) Best practice guidelines (issued by whom?).

7. Please list the names and legal references of the principal laws and regulations (legislation) that govern permitted or prohibited non-audit services and, if they can be accessed via the Internet, their web address.

.....
.....
.....

8. What other sources are there in your jurisdiction for regulating auditor independence and the prohibition of non-audit services?

a) Contracted terms between clients and auditors

b) Business, industry or voluntary best practice guidelines

c) Other regulations or mechanisms that help to ensure compliance with the provision of non-audit services, please specify (Such as a banning or prohibition power in relation to persons being eligible to audit listed companies or a similar such role that is played by the audit committee of the board)

.....
.....
.....

Yes **No** **Don't know**

9. Is there a requirement to disclose the level or value of non-audit services?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

a) By the auditor as part of the audit report.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

b) By the auditor in some other document. If so, please provide details:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

.....
.....
.....

c) By the audit client in its financial statements.

d) By the audit client in any other publicly available documents? If so please provide details.

.....

e) By the auditor or audit client in any other way? If so please provide details.

.....

10. Does the framework or rules apply to: **Yes** **No** **Don't Know**

(This question seeks to identify the scope of the application of the provision of the non audit service rules from the perspective of the suppliers of the services)

a) The auditor (if he or she is a natural person).

b) The audit firm, e.g. where the auditor is a member of the firm.

c) All partners of the audit firm.

d) All partners and employees of the audit firm.

e) Controlled entities of the audit firm (e.g. subsidiaries).

f) Affiliates, associates or networks of the audit firm.

If so please provide the definition of "associate" or "affiliate" or "network" applicable in your jurisdiction

.....

g) Joint venture bodies in which the auditor has an interest.

h) Other, please specify:

.....

	Yes	No	Don't Know
11. Are the requirements governing non-audit services applicable to: [Check all applicable boxes.] (This question seeks to ascertain if rules relating to non-audit services differ depending upon the type or location of audit client)			
a) Audits of all companies listed in your jurisdiction regardless of their domicile.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Audits of all companies listed and domiciled in your jurisdiction, but only with respect to audit work conducted in your jurisdiction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Audits of unlisted companies not domiciled in your jurisdiction raising capital in your jurisdiction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Auditors domiciled in your jurisdiction, with respect to services provided to listed companies domiciled in your jurisdiction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Auditors domiciled in your jurisdiction, to work they perform in any jurisdiction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Auditors domiciled outside your jurisdiction for work performed on companies in your jurisdiction:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Audits of all public companies that raise capital in your jurisdiction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) All audited companies in your jurisdiction that are listed and non-listed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
12. Does your jurisdiction apply the:		
a) International professional body standards (<i>i.e.</i> The Code of Ethics for Professional Accountants of the International Federation of Accountants (IFAC) as they relate to auditor independence and the provision of non-audit services.	<input type="checkbox"/>	<input type="checkbox"/>
OR		
b) Some other set of ethical standards?	<input type="checkbox"/>	<input type="checkbox"/>

--	--

If so, please identify the body and its standards:

.....
.....
.....

13. If applicable, are the IFAC standards:

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

a) Modified in their application in your jurisdiction and, if so, please explain the details:

.....
.....
.....

b) Interpreted differently from the generally "accepted" IFAC interpretation in your jurisdiction and, if so, please explain the Details:

		N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

.....
.....
.....

14. Which organisation, if any, in your jurisdiction has responsibility for inspecting audit firms, undertaking surveillance or for conducting a "quality assurance" program for audit firms (collectively called "inspection function") and determining audit firms' adherence to the rules governing the provision of non-audit services?

.....
.....
.....

15. Does the inspection function cover:

Yes	No	Don't Know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

a) adequacy of the firm-wide policies for monitoring compliance with independence requirements.

b) compliance with firm-wide policies on a sampling basis.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

c) compliance with the rules governing non-audit services on a sample basis with individual clients.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

d) Other, please specify:

.....
.....
.....

16. What are the limitations / constraints (if any) of the inspection

function?

.....
.....

17. What is the basis upon which the inspection function powers are exercised in your jurisdiction (*i.e.* voluntary compliance with the inspection, professional ethical requirement or legislatively mandated compliance etc)?

.....
.....

18. Which organisation is responsible for fact or evidence gathering (*e.g.* production of documents or subpoena of witnesses) and what powers does the organisation have in relation to evidence gathering?

.....
.....

19. Which organisation is responsible for enforcement (being the imposition of civil, administrative or criminal sanctions) for a breach of the rules?

- Organisations responsible:

.....
.....

If more than one, please explain any differences in the nature of the enforcement activity and available sanctions (*e.g.* a breach of the rule may give rise to a breach of professional ethics).

- Nature of the enforcement activities:

.....
.....

- Available sanctions for a breach:

.....
.....

20. What role, if any, does the securities regulator have with respect of the development of, application of, inspection or enforcement of, the rules governing non-audit services?

a) None.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

b) Primary responsibility.

c) Coordination or oversight responsibility.

d) Influence only.

e) Other please specify:

.....
.....

21. Are changes to the current framework identified above in progress or has your jurisdiction undertaken to change the rules governing the provision of non-audit services?

Yes **No**

If so, please describe expected changes, the process by which they will be made, and indicate when the changes are expected to occur?

.....
.....
.....

PART B

General policy rationale where there are specifically permitted Non-Audit Services provided to audit clients.

1. Does your jurisdiction require that auditors of listed companies maintain their independence from the audit client?

- Yes
- No
- Other please explain

.....

.....

.....

2. Does your jurisdiction permit the provision of specified non-audit services to a listed company audit client?

- Yes
- Yes, but only by affiliates of the auditor
- Yes, but only with required disclosure to investors
- Yes, but only with specific permission of the audit committee or board.
- No, but it prohibits specific non-audit services
- No
- Other please specify

.....

.....

.....

Part B continued...

3. Does your jurisdiction have an explicitly stated policy rationale for the permitted or prohibited non-audit service listed in Part C? Please detail.

.....
.....
.....

4. Is the policy rationale for permitted non-audit services detailed in question 3 based on the fact that: (check all that apply)

- The service does not threaten auditor independence.
- The service has always been provided by auditors though threats to independence are recognized to exist.
- There is a materiality carve out in the regime.
- Value of service and economies of its provision outweigh threats to auditor independence.
- The conditions or limitations imposed on the provision of the service satisfactorily reduce the threat to independence.

Please explain the nature of those conditions or limitations:

.....
.....
.....

- It is a regulatory service

Other comments:

.....
.....
.....

PART C - SECTION ONE

Specific Non-Audit Services provided to audit clients.

In answering questions in Part C, please make reference to the scaling definition. For all responses that are marked as 1, 2, 3, 4, 5, or 6 please provide narrative where appropriate as to the circumstances under which the non-audit service may be provided to the audit client. You may also choose to expand upon the policy rationale for each non-audit service in this Part. Questions should be answered in reference to listed audit clients and if appropriate in relation to the regulation of non-audit services offered to any public companies undertaking capital raising from the public and financial intermediaries.

In section one of this Part, the primary questions are asked in respect of the provision of services by the **audit firm only**. The secondary part to each question asks whether the answer would be the same or any different when the question is asked in respect of a non-audit services that is provided to a company over which the audit client has a "**significant influence**" (being a company that is equity accounted in the group accounts).

In section two of this Part we ask the same primary questions but from the perspective of **affiliates / associates** of the audit firm. This is to understand if the rules about non-audit services differ when provided by a third party associated or affiliated (also known as "networks" of the audit firm under IFAC standards) with the audit firm. The secondary part to each question also asks whether the answer would be the same when the question is asked in respect of services that are provided:

- (i) to an entity in which the audit client has a **significant influence** (*e.g.* is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate;
- (ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm); and
- (iii) by a **network firm** of the auditor (using the definition of that term if applicable in your jurisdiction).

If you need to provide additional commentary please do so. If the answer requires a qualification or explanation please provide that additional information. For example, a non-audit service may be permitted subject to conditions. In that case, please provide details of what the conditions require, whether by way of additional disclosure, limiting the quantum or time period of the service or some other requirement.

Scaling Definition

- 1 Permitted
- 2 Permitted in most circumstances
- 3 Permitted with mandated disclosures
- 4 Permitted in limited circumstances
- 5 Not permitted in most circumstances
- 6 Not permitted

If you do not know the answer to a particular question, please indicate accordingly for each question. This answer may be applicable to jurisdictions where the rules are principle based and their application to particular circumstances cannot be decided without additional information.

Accounting and Bookkeeping Services provided to audit clients.

(1) Can the auditor provide any of the following non-audit services to the audit client?

	1	2	3	4	5	6
A) Payroll Services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Debt collection services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Assistance or advice with preparation of the Financial Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Prepare source documents.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Create or change journal entries in parent or consolidated entity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Create or change journal entries in divisions or subsidiaries of the parent company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Cash handling services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Custody of assets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I) Audit firm staff secondments to the areas responsible for preparation of financial records.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J) Corporate recovery (insolvency) services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K) Debt recovery and management, such as bad debt assessment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L) Independent business reviews.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, please specify:

.....

.....

.....

1(II) Is the situation different in question 1 above if the services are provided to an entity over which the audit client has a significant influence (eg is equity accounted in the group accounts) but which is not audited by the firm?

No

Yes, please explain

.....

Financial Information System Design and Implementation provided to audit clients.

(2) Is the auditor permitted to provide any of the following non-audit services to the audit client?

	1	2	3	4	5	6
A) Is the auditor permitted to design financial Information Technology (IT)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Is the auditor permitted to implement financial IT systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Is the auditor permitted to design or implement non-financial IT systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Is the auditor permitted to design and/or implement directly any of the following?						
i. Impairment modelling software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Post employment benefits calculation software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Net present value software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. Tax effect accounting software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. People management software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

vi.	Share registry software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii.	Virus protection software systems.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
/iii.	e-commerce systems.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ix.	Off the shelf accounting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, please specify:

.....

2(II) Is the situation different in question 2 above, if the services are provided to an entity in which the audit client has a significant influence (eg is equity accounted in the group accounts) but which is not audited by the firm?

No

Yes, please explain

.....

Appraisal or Valuation Services, Fairness Opinions or Contribution-In-Kind Reports provided to audit clients.

(3) Can the auditor provide any of the following non-audit services to the client?

1 2 3 4 5 6

A)	Valuation services that are material (may mean something different in different jurisdictions and situations)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
----	---	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

B) Valuation services that are neither separately nor in aggregate material to the Financial Report.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

C) Any of the following valuation services that may be provided to audit clients:

i. Valuations for tax related items (i.e., tax value of inventory).

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

ii. Employee stock plans.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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iii. Business combinations.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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iv. Impairment testing valuations.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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v. Debt.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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vi. Equity shares in privately held entities.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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vii. Pricing studies.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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viii. Financial investments.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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ix. Tax allocations.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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x. Derivatives.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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xi. Other, please specify.

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D) Other Appraisal services.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If clarification is required, please explain:

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3(II) Is the situation different in question 3 above, if the services are provided to an entity in which the audit client has a significant influence (eg is equity accounted in the group accounts) but which is not audited by the firm?

- No
- Yes, please explain

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Actuarial Services provided to audit clients.

(4) Can the auditor provide any of the following non-audit services?

A) **Financial Statement related services provided to the audit client:**

	1	2	3	4	5	6
i. Calculating post employment benefit liabilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Impairment modelling.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Employee share plans.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. Share-based payments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. Prospective information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5	6
vi. Self-insured workers compensation liabilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii. General and specific insurance claims.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
viii. Acquisition analysis including fair value accounting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ix. Superannuation/pension.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B) Non-Financial Statement related services to the audit client:	1	2	3	4	5	6
i. Forecasting cash-flow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Preparing prospective information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Preparing analyses/reports for due diligence assignments Answer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4(II) Is the situation different in question 4 above, if the services are provided to an entity in which the audit client has a **significant influence** (eg is equity accounted in the group accounts) but which is not audited by the firm?

No

Yes, please explain

.....

Internal Audit Services provided to audit clients.

(5) Can the auditor provide any of the following non-audit services to the audit client?	1	2	3	4	5	6
A) Performing internal accounting controls testing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- B) Providing assistance in implementation of internal controls.
- C) Setting the scope, risk and frequency of the internal audit work.
- D) Assisting in determining which recommendations from internal audit the entity implements.
- E) Coordinating and reporting internal audit's findings to management or the Audit Committee.
- F) Performing internal controls testing on non-accounting controls (*i.e.* controls – system interfaces)
- G) Is the auditor staff providing the internal audit service permitted to assist in the Financial Statement audit? **Y** **N**
- H) Audit firm staff secondments to the internal audit division of the audit client?

Other, please specify:

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5(II) Is the situation different in question 5 above, if the services are provided to an entity in which the audit client has a **significant influence** (eg is equity accounted in the group accounts) but which is not audited by the firm?

- No
- Yes, please explain

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Management Functions provided to audit clients.

(6) Can the auditor provide any of the following non-audit services to the audit client?

1 2 3 4 5 6

A) Is the audit staff permitted to act in the capacity of management for an audit client?

B) Is the auditor permitted, in any circumstance, to approve or sign documents on behalf of the audit client?

C) Is the auditor permitted, outside of the statutory audit function, to delegate/supervise work of staff of the audit client?

D) Is the auditor permitted, in any circumstance, to influence the client's accounts or financial report (*i.e.* request journal entries and transactions)?

6(II) Is the situation different in question 6 above, if the services are provided to an entity in which the audit client has a **significant influence** (eg is equity accounted in the group accounts) but which is not audited by the firm?

No

Yes, please explain

.....

Human Resources services provided to audit clients.

(7) Is the auditor permitted to provide the following non-audit services?

	1	2	3	4	5	6
A) Reviewing the professional qualifications of a number of applicants and providing advice on their suitability for the position.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Conduct and attend candidate interviews on behalf of the audit client.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Create selection criteria for candidate suitability for a position.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Undertake reference checks for potential candidates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Act as a negotiator in determining position, status, compensation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Draft employment contracts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Sign an employment contract and engage the candidate to commence employment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Assist in the performance appraisals of audit client staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I) Recommend bonuses and offer incentives (employee stock options).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J) Attend and conduct performance counselling sessions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K) Recommend the termination of	_____	_____	_____	_____	_____	_____

audit client staff based on performance

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L) Prepare and/or assist in termination remuneration/salary

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M) Provide other Human Resource Services:

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Please specify:

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7(II) Is the situation different in question 7 above, if the services are provided to an entity in which the audit client has a **significant influence** by (eg is equity accounted in the group accounts) but which is not audited by the firm?

No

Yes, please explain

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Broker Dealer Services provided to audit clients.

(8) Is the auditor permitted to provide the following non-audit services to the audit client?

A) Buy and sell shares on behalf of the audit client both on exchange and private sale.

	1	2	3	4	5	6

B) Identify and introduce an audit client to acquisition target entities.

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- | | | | | | | | |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| C) | Identify and introduce an audit client to possible acquirers of audit subsidiaries/investments. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| D) | Promote or underwrite shares of an audit client's or its subsidiary. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| E) | Provide transaction advice on acquiring or disinvesting of divisions or entities. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| F) | Provide Due-Diligence services. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| G) | Provide acquisition analysis and advise on the basis of Fair Value | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| H) | Provide analysis of accounting and financial reporting effects of transactions. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I) | Provide opinions on corporate transactions for use by the client or External parties such as | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Other, please specify

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8(II) Is the situation different in question 8 above, if the services are provided to an entity in which the audit client has a **significant influence** (eg is equity accounted in the group accounts) but which is not audited by the firm?

- No
- Yes, please explain

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Legal Services provided to audit clients.

(9) Is the auditor permitted to provide the following legal services to the audit client?

	1	2	3	4	5	6
• Litigation support						
A) Act as an expert witness.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Calculate estimated damages.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Assist with document management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Legal work	1	2	3	4	5	6
D) Contract support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Legal due diligence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Mergers and acquisition advice and support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Restructuring advice and support.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Act for the audit client in dispute resolution or litigation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I) Negotiate contract terms for the audit client	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J) General advocacy services for client	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, Please specify

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9(II) Is the situation different in question 9 above, if the services are provided to an entity in which the audit client has a **significant influence** (eg is equity accounted in the group accounts) but which is not audited by the firm?

- No
- Yes, please explain

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Post employment benefits – Plan and administration services provided to audit clients.

(10) **Can the auditor provide any of the following non-audit services for the audit client?**

Please answer the following questions in reference to the Audit Client's specifically affiliated post-employment plan. Questions are not applicable to outsourced plan providers.

	1	2	3	4	5	6
A) Can the auditor act in a fiduciary duty capacity on the audit client's employment benefit plan? ('the plan').	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Can the auditor act as administrator of the plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Can the auditor make disbursements and calculate on behalf of the plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Can the auditor provide assurance services to the plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, please specify:

.....

10(II) Is the situation different in question 10 above, if the services are provided to an entity in which the audit client has a **significant influence** (eg is equity accounted in the group accounts) but which is not audited by the firm?

No

Yes, please explain

.....

Tax Services provided to audit clients.

(11) Is the auditor permitted to provide the following non-audit services to the audit client?

	1	2	3	4	5	6
• Tax Compliance						
A) Prepare and lodge of tax returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Assist in the resolution of tax disputes with Tax Authorities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Prepare the calculation for taxes payable/receivable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Tax Opinions and Advice						
D) Prepare advice on Tax Planning opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1	2	3	4	5	6
E) Prepare an opinion or reasonably arguable position papers on the taxation treatment of a transaction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

F) Provide advice on tax implications for acquiring or selling investments or subsidiaries.

• **Other**

G) Prepare the calculation of the tax-effect accounting balances.

H) Prepare the income tax calculation for tax compliance and then use this calculation for auditing the tax effect accounting balances

Other matters not listed above, please specify

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11(II) Is the situation different in question 11 above, if the services are provided to an entity in which the audit client has a **significant influence** (eg is equity accounted in the group accounts) but which is not audited by the firm

No

Yes, please explain

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Other Services provided to audit clients.

In addition to the “other services” listed below, please specify and explain any service that you permit or prohibit that has not appeared elsewhere in this survey.

(12) Can the auditor provide any of the following services to the audit client?	1	2	3	4	5	6
A) Share-registry services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Company secretarial services including lodging documents with the Company's Office and stock exchanges on behalf of the audit client.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5	6
C) Provide accounting advice on treatment or application of accounting standards for the audit client.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Provide an audit on wages declarations which is given to third parties. (i.e. Workers Compensation Audits)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Provide any service that involves client funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Corporate Recovery Services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Regulatory Reviews or audits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Independent Business Reviews.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I) Other Bankruptcy Services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12(II) Is the situation in question 12 above, different if the services are provided to an entity in which the audit client has a **significant influence** (eg is equity accounted in the group accounts) but which is not audited by the firm?

No

Yes, please explain

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PART C – SECTION TWO

The primary questions relate to **affiliates or associates** of the audit firm providing services to listed company audit clients of the audit firm. The secondary questions also ask whether the answers would be different when the services are provided:

- i. to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate;
- ii. to a **parent entity** of the audit client (who is not audited by the particular audit firm); and
- iii. by a **network firm** of the auditor (using the definition of that term if applicable in your jurisdiction).

Do your jurisdiction's rules on audit independence apply uniformly to both the audit firm, it's affiliates and network firms (including the audit firms associates)?

- Yes : Do not answer the section below
- No: **Please answer the following questions**

Accounting and Bookkeeping Services provided to audit clients.

(1) Can the auditors affiliate provide any of the following non-audit services to the audit client?

	1	2	3	4	5	6
A) Payroll Services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Debt collection services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- | | | | | | | | |
|----|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| C) | Assistance or advice with preparation of the Financial Report. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| D) | Prepare source documents. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| E) | Create or change journal entries in parent or consolidated entity. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| F) | Create or change journal entries in divisions or subsidiaries of the parent company. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| G) | Cash handling services. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| H) | Custody of assets. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I) | Audit affiliate or associate staff secondments to the areas responsible for records. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| J) | Corporate recovery (insolvency) services. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| K) | Debt recovery and management. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| L) | Independent business reviews. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Other, please specify:

.....

1(II) Are the answers to question 1 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

- No
- Yes, please explain

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(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

- No
- Yes, please explain

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(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)

- No
- Yes, please explain

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Financial Information System Design and Implementation provided to audit clients.

(2) Is the auditors' affiliate permitted to provide any of the following non-audit services to the audit client?

	1	2	3	4	5	6
A) Is the affiliate permitted to design financial Information Technology (IT)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Is the affiliate permitted to implement financial IT systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Is the affiliate permitted to design or implement non-financial IT systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Is the affiliate permitted to design and/or implement directly any of the following?						
i. Impairment modelling software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ii. Post employment benefits calculation software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Net present value software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. Tax effect accounting software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. People management software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vi. Share registry software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii. Virus protection software systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
viii. e-commerce systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ix. Off the shelf accounting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, please specify:

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2(II) Are the answers to question 2 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

- No
- Yes, please explain

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(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)?

- No
- Yes, please explain

.....

(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)?

- No
- Yes, please explain

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Appraisal or Valuation Services, Fairness Opinions or Contribution-In-Kind Reports provided to audit clients.

(3) Can the auditors' affiliate provide any of the following non-audit client?

	1	2	3	4	5	6
A) Valuation services that are material (may mean something different in different jurisdictions and situations)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Valuation services that are neither separately nor in aggregate material to the Financial Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Any of the following valuation services may be provided to audit clients:						
i. Valuations for tax related items (i.e. tax value of inventory).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Employee stock plans.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Business combinations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5	6
iv. Impairment testing valuations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. Debt.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vi. Equity shares in privately held entities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii. Pricing studies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
viii. Financial investments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ix. Tax allocations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
x. Derivatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
xi. Other, please specify.						
					
					
					

	1	2	3	4	5	6
D) Other Appraisal services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If clarification required, please comment:

.....

.....

.....

3(II) Are the answers to question 3 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

No

Yes, please explain

.....
.....
.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

No

Yes, please explain

.....
.....
.....

(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)

No

Yes, please explain

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.....

Actuarial Services provided to audit clients.

(4) Can the auditors' affiliate provide any of the following non-audit services to the audit clients?

A) *Financial Statement related services provided to the audit client:*

i. Calculating post employment benefit liabilities

	1	2	3	4	5	6
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	_____	_____	_____	_____	_____

ii. Impairment modelling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Employee share plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. Share-based payments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. Prospective information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
x. Self-insured workers compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
xi. General and specific insurance claims	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
xii. Acquisition analysis including fair value accounting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
xiii. Superannuation/pension	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B) ***Non-Financial Statement related services to the audit client:***

	1	2	3	4	5	6
i. Forecasting cash-flow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Preparing prospective information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Preparing analyses/reports for due diligence assignments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4(II) Are the answers to question 4 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

No

Yes, please explain

.....
.....
.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

- No
- Yes, please explain

.....

(iii) by a "Network firm" of the auditor (using the definition of that term if applicable in your jurisdiction)

- No
- Yes, please explain

.....

Internal Audit Services provided to audit clients.

(5) Can the auditors' affiliate provide any of the following non-audit services to the audit client?	1	2	3	4	5	6
A) Performing internal accounting controls testing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Providing assistance in implementation of internal controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Setting the scope, risk and frequency of the internal audit work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Assisting in determining which recommendations from internal audit the entity implements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Coordinating and reporting internal audit's findings to management or the Audit Committee.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Performing internal controls testing on non-accounting controls (<i>i.e.</i> , controls – system interfaces).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Y N

G) Is the affiliates' staff providing the internal audit service permitted to assist in the Financial Statement audit?

H) Audit firm staff secondments to the internal audit division of the audit client

Other, please specify

.....
.....
.....

5(II) Are the answers to question 5 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's **associate / affiliate**?

- No
- Yes, please explain

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.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

- No
- Yes, please explain

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.....

(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)

- No
- Yes, please explain

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.....
.....

Management Functions provided to audit clients.

(6)	Can the auditors' affiliate provide any of the following non-audit services to the audit client?	1	2	3	4	5	6
A)	Act in the capacity of management management for an audit client?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B)	Approve or sign documents on behalf of the audit client?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C)	Outside of the statutory audit function, delegate/supervise work of staff of the audit client?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D)	In any circumstance, influence the preparation of the audit client's accounts or financial report (<i>i.e.</i> request journal entries and transactions)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6(II) Are the answers to question 6 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (*e.g.* is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

No

Yes, please explain

.....

.....

.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

No

Yes, please explain

.....

.....

.....

(iii) by a "Network firm" of the auditor (using the definition of that term if applicable in your jurisdiction)

No

Yes, please explain

.....

Human Resources provided to audit clients.

(7) Is the auditors' affiliate permitted to provide the following non-audit services?

	1	2	3	4	5	6
A) Review the professional qualifications of a number of applicants and providing advice on their suitability for the position.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Conduct and attend candidate interviews on behalf of the audit client.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Create selection criteria for candidate suitability for a position.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Undertake reference checks for potential candidates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Act as a negotiator in determining position, status, compensation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Draft employment contracts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Sign an employment contract and engage the candidate to commence employment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Assist in the performance appraisals of audit client staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D)	Recommend bonuses and offer incentives (employee stock options).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J)	Attend and conduct performance counselling sessions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K)	Recommend the termination of audit client staff based on performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L)	Prepare and/or assist in termination remuneration/salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M)	Provide other Human Resource Services (Please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7(II) Are the answers to question 7 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (*e.g.* is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

- No
- Yes, please explain

.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

- No
- Yes, please explain

.....

(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)

- No
- Yes, please explain

.....

Broker Dealer Services provided to audit clients.

(8) **Is the auditors' affiliate permitted to provide the following non-audit services to the audit client?**

	1	2	3	4	5	6
A) Buy and sell shares on behalf of the audit client both on exchange and private sale.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Identify and introduce an audit client to acquisition target entities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Identify and introduce an audit client to possible acquirers of audit subsidiaries/investments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Promote or underwrite shares of an audit client's or its subsidiary.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Provide transaction advice on acquiring or disinvesting of divisions or entities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Provide Due-Diligence services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Provide acquisition analysis and advise on the basis of Fair Value.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Provide analysis of accounting and financial reporting effects of transactions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I) Provide opinions on corporate transactions for use by the client or external parties such as shareholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, please specify

.....

8(II) Are the answers to question 8 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

- No
- Yes, please explain

.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

- No
- Yes, please explain

.....

(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)

- No
- Yes, please explain

.....

Legal Services provided to audit clients.

(9) Is the auditors' affiliate permitted to provide the following non-audit services to the audit client?

• Litigation support	1	2	3	4	5	6
A) Act as an expert witness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Calculate estimated damages.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Assist with document Management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

• Legal work	1	2	3	4	5	6
D) Contract support.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Legal due diligence.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Mergers and acquisition advice and support.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G) Restructuring advice and support.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Act for the audit client in dispute resolution or litigation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I) Negotiate contract terms for the audit client.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J) General advocacy services for client.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, Please specify:

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9(II) Are the answers to question 9 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (*e.g.* is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

No

Yes, please explain

.....

.....

.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

No

Yes, please explain

.....
.....
.....

(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)

No

Yes, please explain

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.....

Post employment benefits – Plan and administration services provided to audit clients.

(10) Can the auditors' affiliate provide any of the following non-audit services for the audit client?

Please answer the following questions in reference to the Audit Client's specifically affiliated post-employment plan. Questions are not applicable to outsourced plan providers.

	1	2	3	4	5	6
A) Act in a fiduciary duty capacity on the audit client's post employment benefit plan? ('the plan').	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Act as administrator of the plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Make disbursements and calculate receipts due from the audit client on behalf of the plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D) Provide assurance services to the plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, please specify:

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.....

10(II) Are the answers to question 10 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (*e.g.* is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

- No
- Yes, please explain

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.....
.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

- No
- Yes, please explain

.....
.....
.....

(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)

- No
- Yes, please explain

.....
.....
.....

Tax Services provided to audit clients.

(11) Is the auditors' affiliate permitted to provide the following non-audit services to the audit client?

	1	2	3	4	5	6
<ul style="list-style-type: none"> <i>Tax Compliance</i> 						
A) Prepare and lodge of tax returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Assist in the resolution of tax disputes with Tax Authorities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Prepare the calculation for taxes payable/receivable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Tax Opinions and Advice</i> 						
D) Prepare advice on Tax Planning opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E) Prepare an opinion or reasonably arguable position papers on the taxation treatment of a transaction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F) Provide advice on tax implications for acquiring or selling investments or subsidiaries.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Other</i> 						
G) Prepare the calculation of the tax-effect accounting balances.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H) Prepare the income tax calculation for tax compliance and then use this calculation for auditing the tax effect accounting balances.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other matters not listed above, please specify:

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11(II) Are the answers to question 11 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

No

Yes, please explain

.....

(ii) to a parent entity of the audit client (who is not audited by the particular audit firm)

No

Yes, please explain

.....

(iii) by a "Network firm" of the auditor (using the definition of that term if applicable in your jurisdiction)

No

Yes, please explain

.....

Other Services provided to audit clients.

In addition to the "other services" listed below, please add and explain any service that you permit or prohibit that has not appeared elsewhere in this survey.

(12) Can the auditors' affiliate provide any of the following services to the audit Client?	1	2	3	4	5	6
A) Share-registry services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B) Company secretarial services including lodging documents with the Company's Office and stock exchanges on behalf of the audit client.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C) Provide accounting advice on treatment or application of accounting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

standards for the audit client.

D)	Provide an audit on wages declarations which is given to third parties. (i.e. Workers Compensation Audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E)	Provide any service that involves client funds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F)	Corporate Recovery Services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G)	Regulatory Reviews or audits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H)	Independent Business Reviews.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I)	Other Bankruptcy Services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12(II) Are the answers to question 12 above, different if the services are provided:

(i) to an entity in which the audit client has a **significant influence** (e.g. is equity accounted in the group accounts) but which is not audited by the firm's associate / affiliate?

No

Yes, please explain

.....
.....
.....

(ii) to a **parent entity** of the audit client (who is not audited by the particular audit firm)

No

Yes, please explain

.....
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.....

(iii) by a "**Network firm**" of the auditor (using the definition of that term if applicable in your jurisdiction)

No

Yes, please explain

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.....

Appendix

Definitions and Abbreviations

- **Audit Client**

Means the entity or group of entities whose financial reports are the subject of the external audit.

- **Auditor**

A natural or legal person permitted to undertake external audits of listed companies.

- **Audit firm**

The partnership or legal person to which the natural person auditor is a partner or employee.

- **Partner of the audit firm**

A natural person who has an equity or ownership interest in the audit firm.

- **Employees of the audit firm**

Professional staff employed by the auditor or audit firm.

- **Controlled entities of the audit firm**

Entities over which the audit firm or its partners have a capacity to determine the outcome of decisions about that entities financial or operating policies.

- **Affiliate of the audit firm**

The term "Affiliate" which includes associates of the audit firm, is intended to mean the term as defined or understood in your jurisdiction. Generally it means any entity controlled by the audit firm, partner or director of the firm. In some jurisdictions it may have a wider meaning.

- **Network firm**

The term network firm of the auditor generally has a wider meaning than affiliate and is used for example in IFAC standards. In the survey it is intended to have the meaning it has (if any) in your jurisdiction.

- **Company's Office**

Means the regulator in your jurisdiction that administers your companies law.

- **Regulatory Service**

Means the provision of a service for a regulatory authority in the jurisdiction in relation to the audit client whether that service is required by legislation or administrative action.

APPENDIX B:

Listing of the jurisdictions of the 40 IOSCO Members which participated in the Survey and consented to its public release

<ol style="list-style-type: none">1. Argentina (EMC)2. Australia (TC)3. Bermuda (EMC)4. Brazil (EMC)5. Canada (TC)6. China P.R. (EMC)7. Costa Rica (EMC)8. Finland (Other)9. France (TC)10. Germany (TC)11. Gibraltar (Other)12. Greece (Other)13. Hong Kong (TC)14. Hungary (EMC)15. Indonesia (EMC)16. Isle of Man (Other)17. Israel (EMC)18. Italy (TC)19. Japan (TC)20. Jersey (Other)21. Korea (EMC)22. Luxembourg (Other)	<ol style="list-style-type: none">23. Malaysia (EMC)24. Mexico (TC)25. Morocco (EMC)26. Netherlands (TC)27. New Zealand (Other)28. Norway (Other)29. Panama (EMC)30. Poland (EMC)31. Portugal (Other)32. Romania (EMC)33. South Africa (EMC)34. Spain (TC)35. Switzerland (TC)36. Chinese Taipei (EMC)37. Thailand (EMC)38. Turkey (EMC)39. United Kingdom (TC)40. United States (TC)
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APPENDIX C:

Collation of statistical data

Contained in responses to the Survey

Identifier	Jurisdiction	C1A	C1B	C1C	C1D	C1E	C1F	C1G	C1H	C1I	C1J	C1K
CIA2ARG	Argentina	2	6	1	6	6	6	6	6	6	6	6
CIA3AUS	Australia	6	6	5	6	6	6	5	5	6	6	6
CIA4BER	Bermuda	5	5	6	6	5	6	5	5	5	4	5
	Brazil	6	6	6	4	6	6	6	6	6	6	6
CIA5CAN	Canada	6	6	Blank	6	6	6	6	6	Blank	Blank	6
	China, P.R.	6	6	4	6	6	6	6	6	6	6	6
CIA7COR	Costa Rica	6	6	6	6	6	6	6	6	6	6	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	6	6	6	6	6	6	6	6	6	6
CIA10GER	Germany	6	6	6	6	6	6	6	6	6	5	6
CIA11GIB	Gibraltar	6	6	4	6	4	4	6	6	5	4	6
CIA12GRE	Greece	6	6	6	6	6	6	6	6	6	6	6
CIA13HKN	Hong Kong	6	Blank	4	6	6	6	4	4	4	Blank	Blank
	Hungary	Blank	Blank	6	Blank	6	6	Blank	Blank	Blank	Blank	Blank
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	6	6	6	6	6	6	6	5	6	6	6
CIA17ITA	Italy	6	6	6	6	6	6	6	6	6	6	6
CIA19JPN	Japan	5	5	4	5	5	5	5	5	5	5	5
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	6	6	6	6	6	6	6	6	6	5	5
CIA21LUX	Luxembourg	6	6	6	6	6	6	6	6	6	6	6
	Malaysia	4	Blank	4	6	6	Blank	Blank	Blank	Blank	Blank	Blank
	Mexico	6	6	6	6	6	6	6	6	6	6	6
	Morocco	6	6	6	6	6	6	6	6	6	6	6
CIA23NET	Netherlands	6	6	Blank	Blank	6	6	6	6	6	Blank	6
CIA24NZL	New Zealand	5	Blank	1	6	4	4	Blank	4	5	Blank	Blank
CIA26NWY	Norway	6	6	5	5	6	6	6	6	4	6	6
CIA27PAN	Panama	6	5	5	5	3	3	6	6	4	4	4
CIA28POL	Poland	6	6	6	6	6	6	6	6	6	6	6
CIA39POR	Portugal	6	6	4	6	6	6	6	6	6	6	6
CIA29ROM	Romania	6	6	6	6	6	6	6	6	6	6	6
CIA31SAF	South Africa	6	6	4	6	6	6	6	6	4	6	6
CIA32SPN	Spain	6	6	6	6	6	6	6	6	6	6	6
CIA33SCH	Switzerland	6	1	5	6	6	6	6	6	5	5	6
	Chinese Taipei	5	6	4	6	5	5	5	6	6	2	2
CIA35THL	Thailand	6	6	6	6	6	6	6	6	6	4	4
	Turkey	6	6	6	6	6	6	6	6	6	6	6
CIA36UNK	UK	6	6	6	6	6	6	6	2	2	2	6
CIA38USS	US	6	6	4	6	6	6	6	6	6	6	6
	A	6	6	2	4	6	6	6	6	4	6	5
	B	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	C	6	6	5	6	6	6	6	6	6	5	6
Counts		1	0	1	2	0	0	0	0	0	0	0
		2	1	0	1	0	0	0	0	1	1	2
		3	0	0	0	0	1	0	0	0	0	0
		4	1	0	9	2	2	2	1	2	5	4
		5	4	3	5	3	3	2	4	4	5	4
		6	31	30	19	31	32	32	30	29	24	21
	Total 1 to 6	37	34	36	36	38	37	35	36	35	32	34
	Regulation	212	213	184	215	212	213	216	210	202	198	209
	Blank	6	9	7	7	5	6	8	7	8	11	9
Total Responses		43	43	43	43	43	43	43	43	43	43	43
	Total Y/N											
	% Yes											
	% No											
% of 5 and 6		95%	97%	67%	94%	92%	92%	97%	92%	83%	81%	91%
% of 1 and 2		3%	3%	8%	0%	0%	0%	0%	3%	3%	6%	3%

Identifier	Jurisdiction	C1L	C1(II)_1	C2A	C2B	C2C	C2D(i)	C2D(ii)	C2D(iii)	C2D(iv)	C2D(v)
CIA2ARG	Argentina	2	No	3	3	3	6	6	6	6	6
CIA3AUS	Australia	5	No	6	6	3	5	5	5	5	3
CIA4BER	Bermuda	4	No	5	5	3	5	5	5	5	5
	Brazil	6	No	6	6	6	6	6	6	6	6
CIA5CAN	Canada	Blank	Yes	6	6	2	6	6	5	6	Blank
	China, P.R.	6	Blank	6	6	4	6	6	6	6	4
CIA7COR	Costa Rica	1	No	6	6	4	6	6	6	6	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	No	6	6	6	6	6	6	6	6
CIA10GER	Germany	1	No	6	6	6	6	6	6	6	5
CIA11GIB	Gibraltar	2	Yes	4	4	2	2	2	2	2	2
CIA12GRE	Greece	6	No	6	6	6	6	6	6	6	6
CIA13HKN	Hong Kong	Blank	No	4	4	1	Blank	Blank	Blank	Blank	Blank
	Hungary	1	No	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	6	No	6	6	6	6	6	6	6	6
CIA17ITA	Italy	6	Yes	6	6	6	6	6	6	6	6
CIA19JPN	Japan	5	Yes	5	5	2	5	5	5	5	2
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	5	Yes	6	6	4	6	6	6	6	4
CIA21LUX	Luxembourg	4	No	5	5	4	5	5	5	5	5
	Malaysia	Blank	No	4	4	4	Blank	Blank	Blank	Blank	Blank
	Mexico	6	No	6	6	6	6	6	6	6	6
	Morocco	6	No	6	6	Blank	6	6	6	6	6
CIA23NET	Netherlands	Blank	No	5	5	5	5	5	5	5	5
CIA24NZL	New Zealand	4	No	4	4	Blank	4	4	4	4	4
CIA26NWX	Norway	4	No	6	6	6	6	6	6	6	6
CIA27PAN	Panama	1	Yes	6	6	6	6	6	6	6	6
CIA28POL	Poland	2	Yes	6	6	6	6	6	6	6	6
	Portugal	4	No	5	4	4	5	5	5	5	5
CIA29ROM	Romania	4	No	6	6	4	6	6	6	6	4
CIA31SAF	South Africa	Blank	No	6	6	6	6	6	6	6	6
CIA32SPN	Spain	6	No	5	5	1	5	5	5	5	5
CIA33SCH	Switzerland	5	Yes	6	6	1	6	6	6	6	1
	Chinese Taipei	1	No	5	5	4	4	5	5	5	5
CIA35THL	Thailand	4	No	4	4	4	4	4	4	4	4
	Turkey	6	No	6	6	6	6	6	6	6	6
CIA36UNK	UK	2	Yes	5	5	2	5	5	5	5	2
CIA38USS	US - SEC	4	No	6	6	2	6	6	6	6	2
	A	4	Yes	6	6	4	6	6	6	6	6
	B	Blank	No	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	C	5	No	5	6	5	5	6	6	6	6
Counts		1	5	0	0	3	0	0	0	0	1
		2	4	0	0	5	1	1	1	1	4
		3	0	1	1	3	0	0	0	0	1
		4	9	5	6	10	3	2	2	2	5
		5	5	9	7	2	9	9	10	10	6
		6	10	22	23	12	22	23	22	22	17
	Total 1 to 6	33		37	37	35	35	35	35	35	34
	Regulation	142		200	200	152	202	204	203	203	178
	No		4								
	Yes		10								
	Total Y/N		14								
	% Yes		29%								
	% No		71%								
	Blank	10	5	6	6	8	8	8	8	8	9
Total Responses		43	43	43	43	43	43	43	43	43	43
% of 5 and 6		45%		84%	81%	40%	89%	91%	91%	91%	68%
% of 1 and 2		27%		0%	0%	23%	3%	3%	3%	3%	15%

Identifier	Jurisdiction	C2D(vi)	C2D(vii)	C2D(viii)	C2D(ix)	C2(II)	C3A	C3B	C3Ci	C3Cii
CIA2ARG	Argentina	6	6	6	6	No	6	1	1	6
CIA3AUS	Australia	3	3	5	3	No	6	3	3	3
CIA4BER	Bermuda	3	3	5	5	No	5	5	5	5
	Brazil	6	6	6	6	No	6	4	6	6
CIA5CAN	Canada	Blank	1	Blank	6	Yes	6	6	6	6
	China, P.R.	6	1	1	1	Blank	6	6	6	6
CIA7COR	Costa Rica	6	6	6	6	No	6	6	6	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	6	6	6	No	6	6	6	6
CIA10GER	Germany	5	6	5	6	No	6	2	5	5
CIA11GIB	Gibraltar	2	2	2	2	No	4	2	5	5
CIA12GRE	Greece	6	6	6	6	No	6	6	6	6
CIA13HKN	Hong Kong	Blank	Blank	Blank	Blank	No	6	4	Blank	Blank
	Hungary	Blank	Blank	Blank	Blank	No	4	4	6	6
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	6	6	6	6	No	6	6	6	6
CIA17ITA	Italy	6	6	6	6	Yes	6	6	6	6
CIA19JPN	Japan	2	2	2	5	Yes	5	2	5	5
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	4	4	5	6	Yes	5	5	4	4
CIA21LUX	Luxembourg	5	5	5	5	No	6	5	5	6
	Malaysia	Blank	Blank	Blank	Blank	No	5	4	1	Blank
	Mexico	6	6	6	6	Yes	6	6	6	6
	Morocco	6	Blank	Blank	Blank	No	6	6	6	6
CIA23NET	Netherlands	5	5	5	5	No	6	5	6	6
CIA24NZL	New Zealand	4	Blank	Blank	4	No	6	4	6	6
CIA26NWX	Norway	6	6	6	6	No	6	6	6	6
CIA27PAN	Panama	6	6	6	6	Yes	6	6	1	3
CIA28POL	Poland	6	6	6	6	No	6	2	6	6
	Portugal	5	4	4	6	No	6	6	6	6
CIA29ROM	Romania	4	4	4	6	No	Blank	Blank	Blank	Blank
CIA31SAF	South Africa	6	6	6	6	No	6	6	6	6
CIA32SPN	Spain	5	2	5	5	No	5	2	5	5
CIA33SCH	Switzerland	1	1	1	Blank	Yes	6	6	1	6
	Chinese Taip	5	4	4	5	No	5	2	5	5
CIA35THL	Thailand	4	4	4	4	No	6	6	6	6
	Turkey	6	6	6	6	No	6	6	6	6
CIA36UNK	UK	1	1	2	Blank	No	5	1	Blank	Blank
CIA38USS	US - SEC	6	6	6	6	No	6	6	2	6
	A	6	4	4	6	Yes	6	4	6	6
	B	Blank	Blank	Blank	Blank	No	Blank	Blank	Blank	Blank
	C	6	6	6	5	Blank	6	6	6	6
Counts		1	2	4	2	1	0	2	4	0
		2	2	3	3	1	0	6	1	0
		3	2	2	0	1	0	1	1	2
		4	4	6	5	2	2	6	1	1
		5	6	2	7	7	7	4	7	6
		6	18	16	15	20	28	18	21	25
	Total 1 to 6	34	33	32	32		37	37	35	34
	Regulation	181	164	177	195		211	169	184	207
	No					29				
	Yes					8				
	Total Y/N					37				
	% Yes					78%				
	% No					22%				
	Blank	9	10	11	11	6	6	6	8	9
Total Responses		43	43	43	43	43	43	43	43	43
% of 5 and 6		71%	55%	69%	84%		95%	59%	80%	91%
% of 1 and 2		12%	21%	16%	6%		0%	22%	14%	0%

Identifier	Jurisdiction	C3Ciii	C3Civ	C3Cv	C3Cvi	C3Cvii	C3Cviii	C3Cix	C3Cx	C3D_1
CIA2ARG	Argentina	6	6	6	6	1	6	1	6	6
CIA3AUS	Australia	3	5	3	5	3	3	3	5	Blank
CIA4BER	Bermuda	5	5	5	5	5	5	5	5	3
	Brazil	6	6	6	6	6	6	6	6	Blank
CIA5CAN	Canada	6	6	6	6	6	6	6	6	5
	China, P.R.	6	6	6	6	6	6	6	6	Blank
CIA7COR	Costa Rica	6	6	6	6	6	6	6	6	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	6	6	6	6	6	6	6	6
CIA10GER	Germany	5	5	5	5	5	5	5	5	Blank
CIA11GIB	Gibraltar	5	5	5	5	5	5	5	5	4
CIA12GRE	Greece	6	6	6	6	6	6	6	6	6
CIA13HKN	Hong Kong	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	Hungary	6	6	6	6	6	6	6	6	Blank
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	6	6	6	6	6	6	6	6	Blank
CIA17ITA	Italy	6	6	6	6	6	6	6	6	6
CIA19JPN	Japan	5	5	5	5	5	5	5	5	5
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	4	6	5	5	5	5	4	5	5
CIA21LUX	Luxembourg	6	5	5	6	5	6	6	5	5
	Malaysia	Blank	Blank	Blank	Blank	Blank	Blank	1	Blank	4
	Mexico	6	6	6	6	6	6	6	6	6
	Morocco	6	6	6	6	6	6	6	6	Blank
CIA23NET	Netherlands	6	6	6	6	6	6	6	6	5
CIA24NZL	New Zealand	6	6	6	6	6	6	6	6	6
CIA26NWY	Norway	6	6	6	6	6	6	6	6	6
CIA27PAN	Panama	3	3	3	3	3	3	1	3	Blank
CIA28POL	Poland	6	6	6	2	6	2	2	6	2
	Portugal	6	6	6	6	6	6	6	6	6
CIA29ROM	Romania	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA31SAF	South Africa	6	6	6	6	6	6	6	6	6
CIA32SPN	Spain	5	5	5	5	5	5	5	5	5
CIA33SCH	Switzerland	6	6	6	1	Blank	6	6	6	Blank
	Chinese Taipei	5	5	5	5	5	5	5	5	Blank
CIA35THL	Thailand	6	6	6	6	6	6	6	6	Blank
	Turkey	6	6	6	6	6	6	6	6	Blank
CIA36UNK	UK	5	5	5	5	Blank	5	4	5	Blank
CIA38USS	US - SEC	6	6	6	6	2	6	6	6	6
	A	6	6	6	6	4	6	6	4	4
	B	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	C	6	6	6	6	6	6	6	6	6
Counts		1	0	0	0	1	1	0	3	0
		2	0	0	0	1	1	1	1	0
		3	2	1	2	1	2	1	1	1
		4	1	0	0	0	1	0	2	1
		5	7	9	9	9	8	8	6	10
		6	25	25	24	23	20	24	23	23
	Total 1 to 6	35	35	35	35	33	35	36	35	23
	Regulation	206	209	206	200	194	203	189	206	191
	No									
	Yes									
	Blank	8	8	8	8	10	8	7	8	20
Total Responses		43	43	43	43	43	43	43	43	43
% of 5 and 6		91%	97%	94%	91%	85%	91%	81%	94%	78%
% of 1 and 2		0%	0%	0%	6%	6%	3%	11%	0%	4%

Identifier	Jurisdiction	C3(II)_1	C4Ai	C4Aii	C4Aiii	C4Aiv	C4Av	C4Avi	C4Avii	C4Aviii	C4Aix
CIA2ARG	Argentina	No	6	6	6	6	6	6	6	6	6
CIA3AUS	Australia	No	5	5	5	5	5	5	5	5	5
CIA4BER	Bermuda	No	5	5	5	5	5	5	5	5	5
	Brazil	No	6	6	6	6	6	6	6	6	6
CIA5CAN	Canada	Yes	6	6	6	6	Blank	6	6	6	6
	China, P.R.	Blank	6	6	6	6	6	6	6	6	6
CIA7COR	Costa Rica	No	6	6	6	6	6	6	6	6	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	No	6	6	6	6	6	6	6	6	6
CIA10GER	Germany	No	6	6	5	5	5	5	5	6	5
CIA11GIB	Gibraltar	Yes	5	5	5	5	5	5	5	5	5
CIA12GRE	Greece	No	6	6	6	6	6	6	6	6	6
CIA13HKN	Hong Kong	No	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	Hungary	Blank	6	6	6	6	6	6	6	6	6
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	No	6	6	6	6	6	6	6	6	6
CIA17ITA	Italy	Yes	6	6	6	6	6	6	6	6	6
CIA19JPN	Japan	Yes	5	5	5	5	5	5	5	5	5
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	Yes	6	6	6	6	6	6	6	6	6
CIA21LUX	Luxembourg	No	6	6	6	6	6	6	6	6	6
	Malaysia	No	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	Mexico	Yes	6	6	6	6	6	6	6	6	6
	Morocco	No	6	6	6	6	6	6	6	6	6
CIA23NET	Netherlands	No	5	5	5	5	5	5	5	5	5
CIA24NZL	New Zealand	No	6	6	6	6	6	6	6	4	6
CIA26NWY	Norway	No	6	6	6	6	6	6	6	6	6
CIA27PAN	Panama	Yes	6	3	6	4	6	4	1	1	6
CIA28POL	Poland	Yes	6	6	6	6	6	6	6	6	6
	Portugal	No	6	6	6	6	6	6	6	6	6
CIA29ROM	Romania	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA31SAF	South Africa	No	6	6	6	6	6	6	6	6	6
CIA32SPN	Spain	No	6	6	6	6	6	6	6	6	6
CIA33SCH	Switzerland	Yes	6	6	6	Blank	Blank	6	Blank	6	6
	Chinese Taipei	No	5	5	5	5	5	5	5	5	5
CIA35THL	Thailand	No	6	6	6	6	6	6	6	6	6
	Turkey	No	6	6	6	6	6	6	6	6	6
CIA36UNK	UK	No	5	5	5	5	5	5	5	5	5
CIA38USS	US - SEC	No	6	6	6	6	6	6	6	6	6
	A	Yes	6	6	6	6	6	6	6	6	6
	B	No	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	C	No	6	6	6	6	6	6	6	6	6
Counts	1		0	0	0	0	0	0	1	1	0
	2		0	0	0	0	0	0	0	0	0
	3		0	1	0	0	0	0	0	0	0
	4		0	0	0	1	0	1	0	1	0
	5		7	7	8	8	8	8	8	7	8
	6		28	27	27	25	25	26	25	26	27
	Total 1 to 6		35	35	35	34	33	35	34	35	35
	Regulation		215	211	214	211	213	211	208	207	214
	No	26									
	Yes	10									
	Total Y/N	36									
	% Yes	72%									
	% No	28%									
	Blank	7	8	8	8	9	10	8	9	8	8
Total Responses		43	43	43	43	43	43	43	43	43	43
% of 5 and 6			100%	97%	100%	97%	100%	97%	97%	94%	100%
% of 1 and 2			0%	0%	0%	0%	0%	0%	3%	3%	0%

Identifier	Jurisdiction	C4Bi	C4Bii	C4Biii	C4(II)_1	C5A	C5B	C5C	C5D	C5E	C5F	C5G
CIA2ARG	Argentina	1	1	1	No	6	6	6	6	1	1	No
CIA3AUS	Australia	3	3	3	No	3	5	6	3	5	3	No
CIA4BER	Bermuda	3	3	3	No	4	5	5	5	5	3	No
	Brazil	5	5	5	No	4	4	4	4	4	4	No
CIA5CAN	Canada	Blank	Blank	Blank	Yes	6	6	6	6	6	2	Yes
	China, P.R.	6	6	6	Blank	4	4	6	4	4	1	Yes
CIA7COR	Costa Rica	6	6	6	No	6	6	6	6	6	6	No
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	6	2	No	6	6	6	6	6	6	No
CIA10GER	Germany	4	5	4	No	6	6	6	6	5	6	No
CIA11GIB	Gibraltar	4	4	4	Yes	4	4	6	6	6	2	No
CIA12GRE	Greece	6	6	6	No	6	6	6	6	6	6	No
CIA13HKN	Hong Kong	Blank	Blank	Blank	No	4	4	6	4	1	1	Yes
	Hungary	6	6	6	No	6	6	6	6	6	6	Blank
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	6	6	4	No	6	6	6	6	6	6	No
CIA17ITA	Italy	6	6	6	Yes	2	4	6	6	6	6	No
CIA19JPN	Japan	4	4	4	Yes	5	5	5	5	5	2	N/A
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	4	4	4	yes	6	6	6	6	6	6	No
CIA21LUX	Luxembourg	5	5	4	No	4	5	6	6	5	4	No
	Malaysia	4	4	4	No	6	4	4	4	4	4	No
	Mexico	6	6	6	Yes	6	6	6	6	6	6	No
	Morocco	6	6	Blank	No	6	6	6	4	4	4	Yes
CIA23NET	Netherlands	5	5	5	No	5	5	5	5	5	5	No
CIA24NZL	New Zealand	4	4	4	No	4	4	4	4	5	4	No
CIA26NWY	Norway	4	4	4	No	6	4	6	6	6	6	No
CIA27PAN	Panama	1	1	1	Yes	1	1	1	1	1	1	Yes
CIA28POL	Poland	6	6	6	No	Blank	Blank	Blank	Blank	Blank	Blank	No
	Portugal	4	4	1	No	5	5	5	5	6	5	No
CIA29ROM	Romania	Blank	Blank	Blank	Blank	1	4	6	6	6	1	Yes
CIA31SAF	South Africa	4	6	6	No	6	6	6	6	6	4	No
CIA32SPN	Spain	4	4	4	No	5	5	5	5	5	5	No
CIA33SCH	Switzerland	1	Blank	1	Yes	6	4	6	2	6	1	Yes
	Chinese Taip	2	2	2	No	1	5	5	5	1	1	No
CIA35THL	Thailand	4	4	4	No	4	4	4	4	4	4	Yes
	Turkey	6	6	6	No	6	6	6	6	6	6	Blank
CIA36UNK	UK	2	2	2	No	4	4	6	5	5	2	Yes
CIA38USS	US - SEC	6	6	4	No	6	6	6	6	6	2	No
	A	4	4	4	Yes	4	4	6	6	6	4	No
	B	Blank	Blank	Blank	No	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	C	6	6	6	No	5	4	6	6	6	4	No
Counts		1	3	2	4		3	1	1	1	4	7
		2	2	2	3		1	0	0	1	0	5
		3	2	2	2		1	0	0	1	0	2
		4	12	10	13		10	14	4	7	5	9
		5	3	4	2		5	8	6	7	9	3
		6	13	14	10		17	14	26	20	19	11
	Total 1 to 6	35	34	34		37	37	37	37	37	37	
	Regulation	163	170	150		175	181	203	189	183	140	
	No				28							26
	Yes				9							9
	Total Y/N				37							35
	% Yes				76%							74%
	% No				24%							26%
	Blank	8	9	9	6	6	6	6	6	6	6	7
Total Responses		43	43	43	43	43	43	43	43	43	43	43
% of 5 and 6		46%	53%	35%		59%	59%	86%	73%	76%	38%	
% of 1 and 2		14%	12%	21%		11%	3%	3%	5%	11%	32%	

Identifier	Jurisdiction	C5H	C5(II)	C6A	C6B	C6C	C6D	C6(II)	C7A	C7B	C7C	C7D
CIA2ARG	Argentina	6	No	6	6	6	6	No	6	6	6	6
CIA3AUS	Australia	6	No	6	6	6	6	No	3	3	3	3
CIA4BER	Bermuda	4	No	6	6	6	6	No	3	3	4	6
	Brazil	4	No	6	6	6	6	No	4	6	6	4
CIA5CAN	Canada	6	Yes	6	6	6	1	Yes	1	4	6	4
	China, P.R.	6	Blank	6	6	6	6	No	4	4	4	4
CIA7COR	Costa Rica	6	No	6	6	6	6	No	6	6	6	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	No	6	6	6	6	No	6	6	6	6
CIA10GER	Germany	5	No	6	6	6	6	No	6	6	6	6
CIA11GIB	Gibraltar	4	Yes	6	6	6	6	Yes	4	4	4	4
CIA12GRE	Greece	6	No	6	6	6	6	No	6	6	6	6
CIA13HNG	Hong Kong	4	No	6	6	6	4	No	1	6	1	1
	Hungary	6	No	6	6	6	6	No	6	6	6	6
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	6	No	6	6	6	6	Blank	Blank	Blank	Blank	Blank
CIA17ITA	Italy	5	Yes	6	6	6	6	Yes	6	6	6	6
CIA19JPN	Japan	5	Yes	5	5	5	5	Yes	5	5	5	5
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	6	Yes	4	6	4	6	Yes	4	4	3	3
CIA21LUX	Luxembourg	2	No	6	6	6	6	No	4	6	6	4
	Malaysia	4	No	6	6	6	6	No	1	4	6	1
	Mexico	6	Yes	6	6	6	6	Yes	6	6	6	6
	Morocco	6	No	6	6	6	6	No	4	4	4	4
CIA23NET	Netherlands	5	No	6	6	6	6	No	5	6	5	5
CIA24NZL	New Zealand	4	No	6	6	6	1	No	4	6	6	Blank
CIA26NWY	Norway	4	No	6	6	4	6	No	4	6	6	4
CIA27PAN	Panama	4	Yes	6	6	6	6	Yes	6	6	6	6
CIA28POL	Poland	6	No	6	6	6	6	No	6	6	6	6
	Portugal	5	No	6	6	6	6	No	5	5	5	5
CIA29ROM	Romania	4	No	6	6	6	6	No	4	6	4	4
CIA31SAF	South Africa	2	No	6	6	6	6	No	6	6	6	6
CIA32SPN	Spain	6	No	6	6	6	6	No	2	2	2	2
CIA33SCH	Switzerland	6	Yes	6	6	6	6	Yes	4	4	4	4
	Chinese Taip	6	No	6	6	6	6	No	6	6	6	6
CIA35THL	Thailand	4	No	6	6	6	6	No	6	6	6	6
	Turkey	6	No	6	6	6	6	No	6	6	6	6
CIA36UNK	UK	2	No	6	6	6	6	No	4	4	4	4
CIA38USS	US - SEC	6	No	6	6	6	5	No	4	4	6	6
	A	4	Yes	6	6	6	6	Yes	4	2	4	2
	B	Blank	No	6	6	6	6	No	Blank	Blank	Blank	Blank
	C	6	No	6	6	6	6	No	6	6	6	6
Counts		1	0	0	0	0	2		3	0	1	2
		2	3	0	0	0	0		1	2	1	2
		3	0	0	0	0	0		2	2	2	2
		4	11	1	0	2	1		13	9	8	10
		5	5	1	1	1	2		3	2	3	3
		6	19	37	38	36	34		15	22	22	17
	Total 1 to 6	38		39	39	39	39		37	37	37	36
	Regulation	174		219	221	217	209		168	188	188	174
	No		29					29				
	Yes		9					9				
	Total Y/N		37					38				
	% Yes		76%					76%				
	% No		24%					24%				
	Blank	5	5	4	4	4	4	5	6	6	6	7
Total Responses		43	43	43	43	43	43	43	43	43	43	43
% of 5 and 6		63%		97%	100%	95%	92%		49%	65%	68%	56%
% of 1 and 2		8%		0%	0%	0%	5%		11%	5%	5%	11%

Identifier	Jurisdiction	C7E	C7F	C7G	C7H	C7I	C7J	C7K	C7L	C7M	C7(II)	C8A
CIA2ARG	Argentina	6	6	6	6	6	6	6	6	Blank	No	6
CIA3AUS	Australia	6	6	6	6	6	6	6	6	3	No	6
CIA4BER	Bermuda	6	4	6	5	6	6	6	6	3	No	6
	Brazil	6	6	6	6	6	6	6	6	6	No	6
CIA5CAN	Canada	6	2	6	6	6	6	6	6	Blank	Yes	6
	China, P.R.	4	4	6	4	4	4	4	4	Blank	Blank	6
CIA7COR	Costa Rica	6	6	6	6	6	6	6	6	6	No	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	6	6	6	6	6	6	6	6	No	6
CIA10GER	Germany	6	6	6	6	6	6	6	6	5	No	6
CIA11GIB	Gibraltar	4	4	6	4	5	4	4	2	2	Yes	6
CIA12GRE	Greece	6	6	6	6	6	6	6	6	6	No	6
CIA13HKN	Hong Kong	6	6	6	6	6	6	6	6	Blank	No	Blank
	Hungary	6	6	6	6	6	6	6	6	6	Blank	6
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	6
CIA17ITA	Italy	6	6	6	6	6	6	6	6	6	Yes	6
CIA19JPN	Japan	5	5	5	5	5	5	5	5	5	Yes	5
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	3	3	3	3	3	3	3	3	3	Yes	5
CIA21LUX	Luxembourg	6	6	6	6	6	6	6	6	5	No	6
	Malaysia	6	6	6	6	6	6	6	6	6	No	6
	Mexico	6	6	6	6	6	6	6	6	6	Yes	1
	Morocco	4	4	6	4	4	4	4	4	Blank	No	6
CIA23NET	Netherlands	5	5	6	6	5	5	5	6	5	No	6
CIA24NZL	New Zealand	6	Blank	6	6	6	6	6	6	Blank	No	6
CIA26NWY	Norway	6	6	6	6	6	6	6	6	4	No	6
CIA27PAN	Panama	6	6	6	6	6	6	5	5	6	Yes	6
CIA28POL	Poland	6	6	6	6	6	6	6	6	6	No	6
	Portugal	6	5	6	6	6	6	6	6	5	No	6
CIA29ROM	Romania	6	4	6	4	6	6	6	6	Blank	No	6
CIA31SAF	South Africa	6	6	6	6	6	6	6	6	6	No	6
CIA32SPN	Spain	2	2	6	2	2	2	2	2	2	No	6
CIA33SCH	Switzerland	6	4	6	6	6	6	6	6	6	Yes	6
	Chinese Taip	6	6	6	6	6	6	6	6	6	No	6
CIA35THL	Thailand	6	6	6	6	6	6	6	6	6	No	6
	Turkey	6	6	6	6	6	6	6	6	6	No	6
CIA36UNK	UK	6	4	6	6	6	6	6	6	Blank	Yes	6
CIA38USS	US - SEC	6	6	6	6	6	6	6	6	5	No	6
	A	5	6	6	6	6	5	6	6	Blank	Yes	6
	B	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	No	Blank
	C	6	6	6	6	6	6	6	6	6	No	6
Counts		1	0	0	0	0	0	0	0	0		1
		2	1	2	0	1	1	1	1	2	2	0
		3	1	1	1	1	1	1	1	1	3	0
		4	3	7	0	4	2	3	3	2	1	0
		5	3	3	1	2	3	3	3	2	6	2
		6	29	23	35	29	30	29	29	30	16	34
	Total 1 to 6	37	36	37	37	37	37	37	37	28		37
	Regulation	206	193	218	205	208	206	206	205	189		215
	No										26	
	Yes										10	
	Total Y/N										36	
	% Yes										72%	
	% No										28%	
	Blank	6	7	6	6	6	6	6	6	15	7	6
Total Responses		43	43	43	43	43	43	43	43	43	43	43
% of 5 and 6		86%	72%	97%	84%	89%	86%	86%	86%	79%		97%
% of 1 and 2		3%	6%	0%	3%	3%	3%	3%	5%	7%		3%

Identifier	Jurisdiction	C8B	C8C	C8D	C8E	C8F	C8G	C8H	C8I	C8(II)	C9A	C9B
CIA2ARG	Argentina	Blank	Blank	6	6	1	6	1	6	No	Blank	6
CIA3AUS	Australia	6	6	6	5	5	5	5	5	No	3	5
CIA4BER	Bermuda	3	6	6	3	3	3	3	4	No	6	4
	Brazil	6	6	6	6	4	6	2	6	No	6	6
CIA5CAN	Canada	Blank	Blank	6	2	Blank	Blank	Blank	Blank	Yes	6	Blank
	China, P.R.	6	6	6	6	6	6	6	6	Blank	4	4
CIA7COR	Costa Rica	6	6	6	6	6	6	6	6	No	6	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	6	6	6	6	6	6	6	No	6	6
CIA10GER	Germany	6	6	6	6	2	2	2	2	No	6	6
CIA11GIB	Gibraltar	2	2	6	4	4	4	4	4	Yes	4	4
CIA12GRE	Greece	6	6	6	6	6	6	6	6	No	6	6
CIA13HNG	Hong Kong	Blank	4	6	4	1	6	4	Blank	No	4	Blank
	Hungary	6	6	6	6	6	6	6	6	No	6	6
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	6	6	6	6	4	6	4	4	No	6	6
CIA17ITA	Italy	6	6	6	6	6	6	6	6	Yes	6	6
CIA19JPN	Japan	5	5	5	5	4	4	5	5	Yes	6	6
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	5	5	5	5	5	5	5	5	Yes	4	4
CIA21LUX	Luxembourg	5	5	6	5	2	6	2	2	No	6	6
	Malaysia	4	4	6	4	4	4	4	4	No	4	4
	Mexico	1	1	1	1	1	1	1	1	No	1	6
	Morocco	6	6	6	6	6	6	6	6	No	6	6
CIA23NET	Netherlands	6	6	5	2	2	5	5	5	No	5	5
CIA24NZL	New Zealand	4	4	6	4	4	4	4	4	No	4	4
CIA26NWY	Norway	6	6	6	6	2	6	2	4	No	4	6
CIA27PAN	Panama	6	6	6	6	6	6	6	6	Yes	6	6
CIA28POL	Poland	6	6	6	6	6	6	6	6	No	6	6
	Portugal	5	5	6	6	1	5	4	5	No	1	5
CIA29ROM	Romania	6	6	6	6	6	4	4	6	No	6	6
CIA31SAF	South Africa	6	6	6	6	6	6	6	6	No	6	6
CIA32SPN	Spain	6	6	6	6	6	6	6	6	No	5	5
CIA33SCH	Switzerland	4	4	6	4	2	2	2	4	Yes	1	5
	Chinese Taip	6	6	6	5	5	5	5	5	No	2	2
CIA35THL	Thailand	6	6	6	6	6	6	6	6	No	4	4
	Turkey	6	6	6	6	6	6	6	6	No	6	6
CIA36UNK	UK	Blank	Blank	6	2	2	5	5	5	No	2	5
CIA38USS	US - SEC	5	5	6	6	4	6	4	6	No	6	6
	A	4	4	6	4	2	4	2	4	Yes	6	4
	B	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	No	Blank	Blank
	C	6	6	6	6	6	6	5	6	No	4	6
Counts		1	1	1	1	1	4	1	2	1	3	0
		2	1	1	0	3	7	2	6	2	2	1
		3	1	0	0	1	1	1	0		1	0
		4	4	5	0	6	7	6	8	8	9	8
		5	5	5	3	5	3	6	7	7	2	6
		6	22	23	34	22	15	21	13	18	20	21
	Total 1 to 6	34	35	38	38	37	37	37	36		37	36
	Regulation	195	197	214	186	154	188	162	185		176	195
	No									30		
	Yes									8		
	Total Y/N									38		
	% Yes									79%		
	% No									21%		
	Blank	9	8	5	5	6	6	6	7	5	6	7
Total Responses		43	43	43	43	43	43	43	43	43	43	43
	% of 5 and 6	79%	80%	97%	71%	49%	73%	54%	69%		59%	75%
	% of 1 and 2	6%	6%	3%	11%	30%	8%	22%	8%		14%	3%

Identifier	Jurisdiction	C9C	C9D	C9E	C9F	C9G	C9H	C9I	C9J	C9(II)	C10A	C10B	
CIA2ARG	Argentina	1	1	1	1	1	6	6	1	No	6	6	
CIA3AUS	Australia	3	3	3	3	3	5	5	5	No	5	5	
CIA4BER	Bermuda	4	6	6	6	6	6	6	6	No	6	5	
	Brazil	6	6	6	6	6	6	6	6	No	6	6	
CIA5CAN	Canada	2	6	6	6	6	6	6	6	Yes	Blank	Blank	
	China, P.R.	4	4	4	4	4	4	4	4	Blank	6	6	
CIA7COR	Costa Rica	6	6	6	6	6	6	6	6	No	6	6	
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	
	France	6	6	6	6	6	6	6	6	No	6	6	
CIA10GER	Germany	6	4	4	4	4	4	4	4	No	6	6	
CIA11GIB	Gibraltar	4	4	4	4	4	5	5	4	Yes	6	6	
CIA12GRE	Greece	6	6	6	6	6	6	6	6	No	6	6	
CIA13HKN	Hong Kong	Blank	4	4	Blank	4	4	6	4	No	Blank	Blank	
	Hungary	6	6	6	6	6	6	6	6	No	6	6	
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	
CIA16ISR	Israel	6	6	6	6	6	6	6	Blank	No	6	6	
CIA17ITA	Italy	6	6	6	6	6	6	6	6	Yes	6	6	
CIA19JPN	Japan	6	6	6	6	6	6	6	6	No	5	5	
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	
CIA18KOR	Korea	4	4	4	4	4	4	4	4	Yes	4	4	
CIA21LUX	Luxembourg	2	6	4	4	4	5	6	6	No	6	6	
	Malaysia	4	Blank	Blank	Blank	Blank	Blank	Blank	Blank	No	Blank	Blank	
	Mexico	1	1	1	1	1	6	1	6	No	1	1	
	Morocco	6	4	4	6	6	4	4	4	No	6	6	
CIA23NET	Netherlands	5	5	4	5	4	5	5	4	No	6	6	
CIA24NZL	New Zealand	4	4	4	4	4	6	6	6	No	6	6	
CIA26NWY	Norway	4	6	2	4	4	6	6	6	No	6	6	
CIA27PAN	Panama	6	6	6	6	6	4	6	6	Yes	4	4	
CIA28POL	Poland	6	6	6	6	6	6	6	6	No	6	6	
	Portugal	5	4	4	4	5	6	6	6	No	6	6	
CIA29ROM	Romania	6	6	6	6	6	6	6	6	No	6	6	
CIA31SAF	South Africa	6	6	6	6	6	6	6	6	No	6	6	
CIA32SPN	Spain	5	6	6	6	6	6	6	6	No	6	6	
CIA33SCH	Switzerland	1	2	1	1	2	5	6	5	Yes	5	5	
	Chinese Taip	2	2	2	2	2	2	2	2	No	6	6	
CIA35THL	Thailand	4	4	4	4	4	4	4	4	No	6	6	
	Turkey	6	6	6	6	6	6	6	6	No	6	6	
CIA36UNK	UK	2	2	2	2	2	6	6	5	No	2	2	
CIA38USS	US - SEC	3	6	6	6	6	6	6	6	No	6	6	
	A	6	2	2	2	2	2	6	6	Yes	Blank	Blank	
	B	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	No	Blank	Blank	
	C	6	6	6	6	5	5	6	6	No	6	6	
Counts		1	3	2	3	3	2	0	1	1		1	1
		2	4	4	4	3	4	2	1	1		1	1
		3	2	1	1	1	0	0	0			0	0
		4	8	9	11	9	9	7	5	7		2	2
		5	3	1	0	1	3	5	3	3		3	4
		6	17	20	18	19	18	23	27	24		27	26
	Total 1 to 6	37	37	37	36	37	37	37	37	36		34	34
	Regulation	166	174	166	172	172	195	200	195			205	204
	No											31	
	Yes											7	
	Total Y/N											38	
	% Yes											82%	
	% No											18%	
	Blank	6	6	6	7	6	6	6	7	5	9	9	
Total Responses		43	43	43	43	43	43	43	43	43	43	43	43
% of 5 and 6		54%	57%	49%	56%	57%	76%	81%	75%		88%	88%	
% of 1 and 2		19%	16%	19%	17%	16%	5%	5%	6%		6%	6%	

Identifier	Jurisdiction	C10C	C10D	C10(II)	C11A	C11B	C11C	C11D	C11E	C11F	C11G	C11H
CIA2ARG	Argentina	6	1	No	1	1	6	1	1	1	6	6
CIA3AUS	Australia	5	3	No	3	3	3	3	3	3	5	5
CIA4BER	Bermuda	5	3	No	3	3	5	3	4	3	5	3
	Brazil	6	2	No	6	4	6	4	2	2	6	6
CIA5CAN	Canada	Blank	2	Blank	2	2	2	2	2	2	6	2
	China, P.R.	6	6	Blank	1	1	1	1	1	1	1	1
CIA7COR	Costa Rica	6	6	No	6	6	6	6	6	6	6	6
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	6	6	No	6	6	6	6	3	3	6	6
CIA10GER	Germany	6	6	No	1	1	1	5	5	5	5	5
CIA11GIB	Gibraltar	6	1	Yes	1	1	1	2	2	2	2	2
CIA12GRE	Greece	6	6	No	6	6	6	6	6	6	6	6
CIA13HKN	Hong Kong	Blank	Blank	No	1	1	5	1	1	1	Blank	Blank
	Hungary	6	6	No	6	6	6	4	4	4	6	6
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	6	6	No	1	1	1	1	1	1	Blank	Blank
CIA17ITA	Italy	6	6	Yes	6	6	6	6	6	6	6	6
CIA19JPN	Japan	5	2	Yes	6	6	6	6	6	6	5	6
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	4	4	Yes	4	4	4	4	4	4	4	4
CIA21LUX	Luxembourg	6	1	No	1	4	1	4	4	4	4	4
	Malaysia	Blank	Blank	No	1	1	1	1	1	1	1	1
	Mexico	1	1	No	2	2	2	2	2	2	2	2
	Morocco	6	6	No	6	4	6	4	4	4	1	1
CIA23NET	Netherlands	6	6	No	2	4	2	4	2	4	4	5
CIA24NZL	New Zealand	6	1	No	4	6	6	4	4	4	6	6
CIA26NWY	Norway	6	4	No	4	2	2	2	2	2	4	4
CIA27PAN	Panama	4	4	Yes	1	6	1	1	1	1	1	1
CIA28POL	Poland	6	6	No	6	6	6	2	2	2	6	6
	Portugal	6	6	No	4	4	5	6	5	5	6	5
CIA29ROM	Romania	6	6	No	6	6	6	6	6	6	6	6
CIA31SAF	South Africa	6	6	No	6	1	6	2	2	2	6	6
CIA32SPN	Spain	6	6	No	2	2	2	2	2	2	6	6
CIA33SCH	Switzerland	5	6	Yes	1	1	1	2	1	1	1	5
	Chinese Taipei	6	6	No	2	2	2	2	2	2	2	2
CIA35THL	Thailand	6	6	No	6	5	6	4	4	4	6	6
	Turkey	6	1	No	1	1	1	1	6	1	6	1
CIA36UNK	UK	5	2	No	2	5	2	2	2	2	6	6
CIA38USS	US - SEC	6	1	No	1	2	1	1	1	1	6	1
	A	Blank	Blank	Blank	6	6	4	2	2	2	6	6
	B	Blank	Blank	No	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	C	6	2	No	2	2	2	3	3	2	4	4
Counts		1	1	7	12	10	10	8	8	9	5	6
		2	0	5	7	7	8	11	12	12	3	4
		3	0	2	2	2	1	3	3	3	0	1
		4	2	3	4	6	2	8	7	7	5	4
		5	5	0	0	2	3	1	2	2	4	5
		6	26	18	13	11	14	7	6	5	19	16
	Total 1 to 6	34	35		38	38	38	38	38	38	36	36
	Regulation	207	151		123	127	132	115	112	107	170	158
	No			30								
	Yes			6								
	Total Y/N			36								
	% Yes			83%								
	% No			17%								
	Blank	9	8	7	5	5	5	5	5	5	7	7
Total Responses		43	43	43	43	43	43	43	43	43	43	43
% of 5 and 6		91%	51%		34%	34%	45%	21%	21%	18%	64%	58%
% of 1 and 2		3%	34%		50%	45%	47%	50%	53%	55%	22%	28%

Identifier	Jurisdiction	C11(II)	C12A	C12B	C12C	C12D	C12E	C12F	C12G	C12H	C12I	C12(II)
CIA2ARG	Argentina	No	6	6	1	1	6	6	1	1	6	No
CIA3AUS	Australia	No	3	3	5	3	Blank	6	3	5	6	No
CIA4BER	Bermuda	No	6	6	3	3	4	4	3	4	4	No
	Brazil	No	6	6	2	2	6	6	2	6	6	No
CIA5CAN	Canada	Yes	2	6	2	2	6	Blank	2	Blank	Blank	Yes
	China, P.R.	Blank	6	6	1	1	4	4	1	4	4	No
CIA7COR	Costa Rica	No	6	6	6	6	6	6	6	6	6	No
CIA8FIN	Finland	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
	France	No	6	6	2	1	6	6	1	6	6	No
CIA10GER	Germany	No	5	5	6	5	6	5	2	2	4	No
CIA11GIB	Gibraltar	Yes	4	4	2	2	6	4	1	1	4	Yes
CIA12GRE	Greece	No	6	6	6	6	6	6	6	6	6	No
CIA13HKN	Hong Kong	No	1	4	1	Blank	Blank	4	1	4	Blank	No
	Hungary	No	6	6	4	Blank	Blank	Blank	Blank	6	Blank	No
	Indonesia	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA15IOM	Isle of Man	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA16ISR	Israel	No	6	6	4	4	Blank	6	4	6	6	No
CIA17ITA	Italy	Yes	6	6	5	6	6	6	1	4	6	Yes
CIA19JPN	Japan	No	4	3	2	2	5	5	2	3	3	Yes
CIA20JER	Jersey	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
CIA18KOR	Korea	Yes	4	4	4	4	4	5	4	4	4	Yes
CIA21LUX	Luxembourg	No	6	6	4	1	6	6	1	4	5	No
	Malaysia	No	Blank	6	4	4	4	4	4	4	4	No
	Mexico	No	1	1	1	1	1	1	1	1	1	No
	Morocco	No	6	6	6	1	6	4	4	4	4	No
CIA23NET	Netherlands	No	Blank	5	4	5	5	5	5	5	5	No
CIA24NZL	New Zealand	No	Blank	Blank	2	1	Blank	Blank	1	4	Blank	No
CIA26NWY	Norway	No	6	6	2	2	6	4	4	4	4	No
CIA27PAN	Panama	Yes	3	6	1	1	3	6	1	1	3	Yes
CIA28POL	Poland	Yes	6	6	1	6	6	6	1	1	1	Yes
	Portugal	No	6	6	5	5	6	6	4	4	5	Blank
CIA29ROM	Romania	No	4	6	6	6	6	6	1	4	6	No
CIA31SAF	South Africa	No	6	6	1	1	6	Blank	1	Blank	Blank	No
CIA32SPN	Spain	No	6	6	5	2	6	6	1	6	5	No
CIA33SCH	Switzerland	Yes	1	1	5	1	6	1	1	1	1	Yes
	Chinese Taipei	No	2	5	2	2	5	2	2	2	2	No
CIA35THL	Thailand	No	6	6	4	4	4	4	4	4	6	No
	Turkey	No	6	6	6	6	6	6	6	6	6	No
CIA36UNK	UK	Yes	1	2	6	2	5	2	2	2	2	No
CIA38USS	US - SEC	No	6	6	2	1	6	6	1	4	4	No
	A	Yes	6	6	2	2	4	4	2	4	6	Yes
	B	No	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank	No
	C	Blank	6	6	2	2	6	5	2	5	6	No
Counts	1		4	2	7	11	1	2	16	6	3	
	2		2	1	11	10	0	2	8	3	2	
	3		2	2	1	2	1	0	2	1	2	
	4		4	3	7	4	6	9	7	15	9	
	5		1	3	5	3	4	5	1	3	4	
	6		22	26	7	6	21	16	3	8	13	
	Total 1 to 6		35	37	38	36	33	34	37	36	33	
	Regulation		177	193	124	107	195	177	89	142	165	
	No	28										29
	Yes	9										9
	Total Y/N	37										38
	% Yes	76%										76%
	% No	24%										24%
	Blank	6	8	6	5	7	10	9	6	7	10	5
Total Responses		43	43	43	43	43	43	43	43	43	43	43
% of 5 and 6			66%	78%	32%	25%	76%	62%	11%	31%	52%	
% of 1 and 2			17%	8%	47%	58%	3%	12%	65%	25%	15%	