

## Independent practitioner's assurance report

[Addressee]

[Address]

### Scope

We have been engaged by the Directors of **[Company Name]** (the "Company") in possession of a Financial Institutions licence granted by the Malta Financial Services Authority (the "Regulator" or the "MFSA") to perform an independent 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, pursuant to the Financial Institutions Act (Chapter 376 of the Laws of Malta), Chapter 3 of the Financial Institutions Rule Book ("Rules") issued by the Malta Financial Services Authority (the "MFSA"), to report on the below 'Subject Matter' in terms of R3-2.13.8 and R3-2.13.9 of the Rules for the year ended **[Date]** :

The underlying Subject Matter of this engagement is represented by the accounting information included in the FIR/03 Financial Institutions Return (hereinafter 'FI Return'), as limited to the sections represented hereunder (hereinafter collectively referred to as the "Information in the FI Return"):

#### TAB 'Income Statement'

- i. FI-IS-023 - Total FI Related Revenue
- ii. FI-IS-024 - Total Direct Costs
- iii. FI-IS-026 - Other Income
- iv. FI-IS-027 - Administrative expenses
- v. FI-IS-029 - Finance Income
- vi. FI-IS-030 - Finance Costs
- vii. FI-IS-032 – Tax (Expense) Income
- viii. FI-IS-033 - Profit (loss) After Tax
- ix. FI-IS-045 - Total Comprehensive income

#### Tab 'Balance Sheet'

- i. FI-BS-001 - Total Non-Current Assets (cell J15)
- ii. FI-BS-011 - Total Current Assets (cell J27)
- iii. FI-BS-021 - Total Equity and Other Reserves (cell J45)
- iv. FI-BS-033 – Minority interest
- v. FI-BS-034 - Total Non-Current Liabilities (cell J63)
- vi. FI-BS-039 - Total Current Liabilities (cell J70)

#### Input tab

- i. FI-IP-O1 - Contingent Assets
- ii. FI-IP-O2 - Contingent Liabilities

We have been engaged to report on the Subject Matter, whether anything has come to our attention that causes us to believe that:

1. the Information in the FI Return is not, in all material respects, consistent with the company's audited annual financial statements for the financial year ended [Date]; and
2. the Information in the FI Return has not been properly prepared in all material respects, in accordance with the MFSA's requirements as set out in the Guidelines to the FI Return (hereinafter referred to as the "Regulator's Requirements on the Compilation of the FI Return").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the FI Return, and accordingly, we do not express a conclusion on this information.

This limited assurance engagement is being performed following the completion of our audit of the Company's financial statements for the financial year ended [Date]. The following matters required by Rule R3-2.13.8 are covered by our work on the financial statement audit and are therefore outside the scope of this Report:

- (i) proper accounting records have been kept during the financial year ended [Date]; and
- (ii) all information and explanations necessary for the purpose of the financial statements audit have been obtained.

### **Criteria applied by the Company**

In preparing the Subject Matter, the Company applied the requirements set out by MFSA in the Regulator's Requirements on the Compilation of the FI Return as well as the financial information in the Company's audited annual financial statements (the "Criteria"). As a result, the subject matter information may not be suitable for another purpose.

### **Company's responsibilities**

The Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

## Directors' responsibilities

The directors are responsible for:

- the preparation and fair presentation of the FI Return, under the provisions set out in the Rules;
- designing, implementing, and maintaining internal control systems and procedures relevant to the preparation and fair presentation of the FI Return, that is free from material misstatement, whether due to fraud or error; and,
- keeping proper accounting records and maintaining adequate systems for the control of those records as required by the Rules.

## Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and the terms of reference for this engagement as agreed with the Company on **[date of signed engagement letter]**. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report.

The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

## Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants together with the ethical requirements that are relevant to our audit of the financial statements in accordance with of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta, and have the required competencies and experience to conduct this assurance engagement.

International Standard on Quality Management, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, requires that we design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures were based on the knowledge obtained during the statutory audit of the Company for the year ended **[Date]**. Procedures included obtaining an understanding of the Company and its environment relevant to the Subject Matter of this report together with such other procedures as we considered necessary in the circumstances, including:

- (i) examining evidence supporting the consistency, in all material respects, of the Information in the FI Return to the Company's audited annual financial statements; and
- (ii) evaluating whether the Information in the FI Return has been properly prepared, in all material respects, in accordance with the Regulator's Requirements on the Compilation of the FI Return; and

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## **Conclusion**

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that:

- (a) the Information in the FI Return for the financial year ended [Date] is not, in all material respects, consistent with the audited annual financial statements of the Company for the year then ended; and
- (b) the Information in the FI Return for the financial year ended [Date] has not been properly prepared, in all material respects, in accordance with the Regulator's Requirements on the Compilation of the FI Return.

## **Restricted use**

This report is intended solely for the information and use of the Company and MFSA and is not intended to be and should not be used by anyone other than those specified parties. We accept no duty, responsibility or liability to any party, other than the Company or MFSA in connection with this report or this engagement.

**[Practitioner's Signature]**

Principal

**[Date of report]**