

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 4185 of 16 July, 2015

LEGAL NOTICE NO. 118 OF 2015.

INTERPRETATION AND GENERAL CLAUSES ACT

**FINANCIAL SERVICES (AUDITORS) ACT 2009 (AMENDMENT)
REGULATIONS 2015**

In exercise of the powers conferred upon it by section 23(g)(ii) of the Interpretation and General Clauses Act, and in order to transpose, in part, into the law of Gibraltar, Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, the Government has made the following Regulations—

Title and commencement.

1.(1) These Regulations may be cited as the Financial Services (Auditors) Act 2009 (Amendment) Regulations 2015 and come into force on 20 July 2015.

(2) These Regulations shall have effect on the earlier of—

- (a) financial years beginning on or after 1 January 2016; or
- (b) 17 June 2016.

Amendment of Act.

2.(1) The Financial Services (Auditors) Act 2009 is amended by substituting for section 28 the following section -

“28.(1) A statutory auditor or audit firm must present the results of a statutory audit in an audit report prepared in accordance with the requirements of auditing standards adopted by the European Commission or Minister in accordance with section 26.

(2) The audit report must—

- (a) be in writing;
- (b) identify the entity whose annual or consolidated financial statements are the subject of the statutory audit;
- (c) specify whether the financial statements are annual or consolidated financial statements and the date and period they cover;
- (d) identify the financial reporting framework that has been applied in the preparation of the annual or consolidated financial statements;
- (e) include a description of the scope of the statutory audit, identifying the auditing standards in accordance with which the statutory audit was conducted;
- (f) include an audit opinion, which shall be either unqualified, qualified or an adverse opinion and shall state clearly the opinion of the statutory auditor or the audit firm as to—
 - (i) whether the annual financial statements give a true and fair view in accordance with the relevant financial reporting framework, and
 - (ii) where appropriate, whether the annual financial statements comply with statutory requirements;
- (g) refer to any other matters to which the statutory auditor or the audit firm wish to draw attention by way of emphasis without qualifying the report;
- (h) include an opinion and statement based on the work undertaken in the course of the audit, referred to in section 258 of the Companies Act 2014;
- (i) provide a statement on any material uncertainty relating to events or conditions that may cast significant doubt about the entity's ability to continue as a going concern;

- (j) identify the place of establishment of the statutory auditor or audit firm; and
 - (k) be signed and dated by the statutory auditor.
- (3) The Minister may make regulations prescribing additional requirements in relation to the content of an audit report.
- (4) Where an audit firm carries out a statutory audit, the audit report must be signed by the statutory auditors carrying out the statutory audit on behalf of the audit firm.
- (5) Where a statutory audit is carried out by more than one statutory auditor or audit firm, the statutory auditors or audit firms must—
 - (a) submit a joint report and opinion; and
 - (b) agree on the results of the statutory audit; or
 - (c) where an agreement cannot be reached, submit the reasons for disagreement and the opinion of each statutory auditor or audit firm in a separate paragraph of the audit report.
- (6) Where more than one statutory auditor or audit firm has been simultaneously engaged to carry out a statutory audit, the audit report must be signed—
 - (a) by all statutory auditors engaged; or
 - (b) by the statutory auditors carrying out the statutory audit on behalf of every audit firm.
- (7) In exceptional circumstances the competent authority may authorise the signature referred to in subsections (4) and (6) not to be disclosed to the public if such disclosure could lead to an imminent and significant threat to the personal security of any person. In any case the names of the person involved shall be made known by the audit firm to the competent authority.

- (8) The report of a statutory auditor or an audit firm on consolidated financial statements must comply with the requirements of this section and—
- (a) in reporting on the consistency of directors' reports and financial statements as required by subsection (2)(e), the statutory auditor or audit firm shall consider the consolidated financial statements and consolidated directors' report; and
 - (b) where the annual financial statements of the parent undertaking are attached to the consolidated financial statements, the reports of the statutory auditor or the audit firm required under this section may be combined."

Dated 16th July, 2015.

A J ISOLA,
Minister responsible for financial services,
for the Government.

EXPLANATORY MEMORANDUM

These Regulations transpose, in part, into the law of Gibraltar, Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts.