|  |
| --- |
| Pro Forma Auditor’s Report on Financial Information – ASX Clear Participants |

|  |
| --- |
| GENERAL INSTRUCTIONS |

**WHO SHOULD USE THIS REPORT?**

This report is to be used by all ASX Clear Participants other than a Participant that is subject to the Other Capital Regime.

**AUDIT QUALIFICATION**

If an audit firm considers it necessary to “qualify” the pro forma auditor’s report provided by ASX Clear, it should include a comment in the Auditor’s Opinion section to explain the reason for this.

**WHAT IF THE PARTICIPANT IS “INACTIVE”?**

As the financial records and capital rules do not differentiate between an “active” and “inactive” Participant, all Participants are required to satisfy the reporting requirements set out in the pro forma auditor’s report for the capital regime applicable to them.

**DUE DATE FOR LODGEMENT**

The auditor’s report must be lodged within three months of the Participant’s financial year end.

***Note:***

***Any deletions, amendments or omissions will deem the auditor’s report as incorrect or incomplete.***

***If a Participant lodges an incorrect or incomplete auditor’s report a revised report will be required to be re-lodged, and a late fee may be imposed if the requirements set out above are not satisfied.***

|  |
| --- |
| ASX CONTACTS |

If you have a question on the preparation of the auditor’s report, ASX Counterparty Risk Assessment can be contacted via the following email address:

Email: ***CRAteam@asx.com.au***

**INDEPENDENT AUDITOR’S REPORT TO THE DIRECTORS OF** [**PARTICIPANT\_NAME**]

To: The **Directors**, [**Participant\_name]**;

**AUDITOR’S REPORT ON THE RETURN**

We have audited the financial information set out in the attached.

Annual Audited Return, excluding the:

- Directors’ Statement Relating to Accounts of a Participant and

- financial information set out in the:

• “Prior” columns of the Income Statement (ICS) section;

• “Current Assets (prior)”, “Non Current Assets (prior)”, “Current Liabilities (prior)”, “Non Current Liabilities (prior)”, “Equity (prior)” and “Reserves (prior)” columns of the Balance Sheet (BAL) section; and

• “Prior Return” columns of the Core Capital, Liquid Capital Calculation, Liquid Margin Calculation and Ratio of Liquid Capital to Total Risk Requirement (CAP – CC, LQC, LM) section,

(the “Return”) of [Participant\_name]\* (“the Participant”) for the [period] ended [date].\*\*

***The Responsibility of the Directors for the Return***

The **directors** of the Participant are responsible for the preparation and fair presentation of the financial information set out in the Return in accordance with the requirements of the **ASX Clear Pty Ltd (“ASX Clear”) Operating Rules**. This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial information set out in the Return to ensure that the Return is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on the financial information set out in the Return based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial information set out in the attached Return is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures of the financial information set out in the Return. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial information set out in the Return whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Participant’s preparation and fair presentation of the financial information set out in the Return in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Participant’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the **directors** of the Participant, as well as evaluating the overall presentation of the financial information set out in the Return.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENCE**

In conducting our audit, we have complied with the independence requirements of APES 110: Code of Ethics for Professional Accountants.

**BASIS FOR QUALIFIED OPINION (IF APPLICABLE)**

**[QUALIFIED] AUDITOR’S OPINION**

In our opinion, **[except for the matters referred to in the qualification below],** the Return of **[Participant\_name]** for the **[period]** ended **[date]** presents fairly, in all material respects, the financial information of the Participant for the **[period]** ended **[date]** as required by **ASX Clear in accordance with the ASX Clear Operating Rules** that are relevant to the preparation and presentation of the Return.

**BASIS OF PREPARATION AND RESTRICTION ON DISTRIBUTION AND USE**

Without modifying our opinion, we draw attention to the basis of preparation of the Return. The Return has been prepared in accordance with ASX Clear Operating Rules4.4, 4.5 and S1.3.1.

This report has been prepared for the Participant in order to meet its obligations to lodge this report with **ASX Clear.** We disclaim any assumption of responsibility for reliance on this report to any person other than the Participant and **ASX Clear** or for any purpose other than that for which it was prepared.

Dated this day of

**Audit Firm “Signature”**………………………………………………………………………

Name of Audit Firm…………………………………………………

Address of Audit Firm…………………………………………………

Partner’s Signature…………………………………………………….

Name of Partner…………………………………………………….

**If an auditor is not satisfied as to any matter a qualified audit opinion should be expressed.**