

Appendix 4

In this appendix underlining indicates new text and striking through indicates deleted text.



The DFSA Rulebook

Collective Investment Rules

(CIR)

9 ACCOUNTING, AUDIT AND PERIODIC REPORTING OF A FUND

9.1 Application

9.1.1 This chapter applies to a Fund Manager, a Trustee and an Auditor of a Domestic Fund.

Guidance

The IFR module contains specific requirements relating to ~~accounting, audit and reporting~~ that apply to a Fund and its Fund Manager where that Fund is an Islamic Fund.

9.2 Preparation of Fund accounts

Accounting standards

9.2.1 A Fund Manager must, in respect of a Domestic Fund, prepare and maintain all financial accounts and statements in accordance with the International Financial Reporting Standards (IFRS) or USGAAP as supplemented by the Statement of Recommended Practice (SORP) issued from time to time by the United Kingdom's Investment Managers Association (IMA).

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Function of the auditor

Guidance

Article 44(1) of the Law requires an Auditor of a Domestic Fund to prepare an audit report.

9.3.8 A Fund Manager must, in writing, require the Fund's Auditor to:

- (a) conduct an audit of the Fund's accounts in accordance with the requirements of the relevant standards published by the International Auditing and Assurance Standards Board (IAASB);
- (b) produce a report on the audited accounts which states:
 - (i) whether, in the Auditor's opinion, the accounts have been properly prepared in accordance with the accounting standards adopted by the Fund in accordance with the Rules in this module and the Constitution;
 - (ii) whether the accounts give a true and fair view of the financial position of the Fund, including the net income and the net gains

- or losses of the Fund Property, or, as the case may be, the Fund Property attributable to the Sub-Fund for the annual accounting period in question and the financial position of the Fund or Sub-Fund as at the end of the annual accounting period;
- (iii) whether, in the Auditor's opinion, proper accounting records for the Fund, or as the case may be, Sub-Fund have not been kept, or that the accounts are not in agreement with the accounting records and returns, or that the accounts do not comply with the applicable accounting standards; and
 - (iv) any other matter or opinion required by the Law or the Rules ~~in this module~~; and
- (c) in addition to the opinion's referred to in (b), statements about:
- (i) whether the Auditor has been given all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of his audit; and
 - (ii) whether the Auditor is of the opinion that the information given in the report of the directors or in the report of the Fund Manager for that period is consistent with the accounts.