

**Appendix 6**

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



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# The DFSA Rulebook

Auditor Module

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## **APP4 SAFE CUSTODY AUDITOR'S REPORT**

**A4.1.1** In producing a Safe Custody Auditor's Report, an Auditor must state as at the date on which the Authorised Firm's audited statement of financial position was prepared:

- (a) the extent to which the Authorised Firm was holding and controlling Client Investments, ~~Arranging Custody~~ or Providing Custody; and
- (b) whether:
  - (i) the Authorised Firm has, throughout the year, maintained systems and controls to enable it to comply with the Safe Custody Provisions in COB App6;
  - (ii) the Safe Custody Investments are registered, recorded or held in accordance with the Safe Custody Provisions;
  - (iii) there have been any material discrepancies in the reconciliation of Safe Custody Investments;
  - (iv) the Auditor has received all necessary information and explanations for the purposes of preparing this report to the DFSA; and
  - (v) any of the requirements of the Safe Custody Provisions have not been met.

### **Guidance**

1. Where an Authorised Firm does not hold or control any Client Investments, Arrange Custody or Provide Custody as at the date on which the Authorised Firm's audited statement of financial position was prepared, the DFSA expects that such fact be stated to comply with Rule A4.1.1 (a) in this Appendix.
2. In producing a Safe Custody Auditor's Report an Auditor will need to consider which parts of COB App 6 are relevant to the Authorised Firm and only include an opinion to the extent relevant to the Authorised Firm's activity. ~~For example, the application of COB App 6 to an Authorised Firm carrying on the Financial Service of Arranging Custody is much more limited than its application to an Authorised Firm carrying on the Financial Service of Providing Custody. In this particular instance an Auditor producing a Safe Custody Auditor's Report for an Authorised Firm carrying on the Financial Service of Arranging Custody, will generally only need to consider COB Rules A6.5.1(1), A6.5.1(2), A6.5.1(3), A6.5.2 and A6.7.1(1).~~

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