

**Form FS71**

Corporations Act 2001  
s912AA, s912AB, s912AC, s989B

# Auditor's Report for AFS Licensee

Refer to Australian Securities and Investments Commission (ASIC) Regulatory Guide 166 and the attached Guide before completing this form.

## AFS licensee details (the 'licensee')

AFS licensee name

AFS licence number

## Lodgement details

**Who should ASIC contact if there is a query about this form?**

ASIC registered agent number (if applicable)

Firm/organisation

Contact name/position description

Telephone number (during business hours)

Email address (optional)

Postal address

Suburb/City

State/Territory

Postcode

## Auditor details

ASIC registered company auditor number (for individual auditor or authorised audit company)

Family name

Given name

or

Provide details as registered with ASIC

Authorised audit company name

ACN/ABN

or

Firm name (if applicable)

ABN

Office, unit, level

Street number and street name

Suburb/City

State/Territory

Postcode

Country (if not Australia)

Financial year

This form is for the financial year   /   /   to   /   /

# 1 Application Statements

Limited Licensee

The licensee was a limited licensee for the following part of the financial year:

/   /   to   /   /

Retail OTC derivative issuer,  
Responsible entity, IDPS  
Operators, Custodial or  
Depository Services

During the financial year the licensee was:

(a) a retail OTC derivative issuer

from   /   /   to   /   /

(b) authorised to operate registered schemes as a responsible entity

from   /   /   to   /   /

(c) authorised to operate an Investor Directed Portfolio Service (IDPS) as an IDPS operator

from   /   /   to   /   /

(d) authorised to provide custodial or depository services

from   /   /   to   /   /

Market Participant or Clearing Participant

During the financial year, the licensee relied on being a market participant or a clearing participant

from   /   /   to   /   /

and, during this period the licensee was a participant in the:

- (a) ASX market; or
- (b) Chi-X market; or
- (c) ASX 24 market, and restricted its financial services business to participating in the ASX 24 market and incidental business; or
- (d) licensed CS facility operated by ASX Clear Pty Limited; or
- (e) licensed CS facility operated by ASX Clear (Futures) Pty Limited, and restricted its financial services business to participating in the licensed CS facility and incidental business; or
- (f) APX market

**Parts 4 to 8** of this form are **not** applicable to any part of the financial year during which the licensee relied on being a market participant or clearing participant, and was a participant in a market or facility listed above.

APRA Regulated bodies

During the financial year, the licensee relied on being, and was, an Australian Prudential Regulation Authority (APRA)

regulated body from   /   /   to   /   /

For financial years ending on or after 1 July 2015 **Part 7** (with Part 4) is applicable for any part of the financial year where the licensee was an APRA regulated body and both a responsible entity of a registered managed investment scheme (MIS) and a registrable superannuation entity licensee (RSE licensee). Otherwise, **Parts 4 to 8** of this form are **not** applicable to any part of the financial year during which the licensee was an APRA regulated body.

## 2 Independent Auditor's Report - Subsection 989B(3) of the Act

Report on the Licensee's  
Financial Report/Statements

To ASIC and the licensee

The licensee has prepared a financial report under Chapter 2M of the *Corporations Act 2001* and we attach a copy of our auditor's report on the financial report in an annexure marked  (indicate identifying letter or symbol used to mark annexure). The financial report is that which the ASIC Form FS70 signed by the licensee on ...../...../..... (insert the date Part 1 of the FS70 was signed) and initialled by us for identification relates.

The licensee has prepared a financial report (but not under Chapter 2M) on the basis that it is a reporting entity and we have audited the financial report of the licensee which comprises the statement of financial position as at the end of the financial year, the statement of profit or loss and other comprehensive income (or the statement of profit or loss and separate statement of comprehensive income), statement of changes in equity and statement of cash flows for the financial year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration. The financial report is that which the ASIC Form FS70 signed by the licensee on ...../...../..... (insert the date Part 1 of the FS70 was signed) and initialled by us for identification relates.

The licensee has prepared financial statements (but not under Chapter 2M) on the basis that it is not a reporting entity and we have audited the financial statements of the licensee, which comprises the profit and loss statement for the financial year, the balance sheet as at the end of the financial year, and the notes thereto. The financial statements are those that the ASIC Form FS70 signed by the licensee on ...../...../..... (insert the date Part 1 of the FS70 was signed) and initialled by us for identification relates.

### The Licensee's Responsibility for the Financial Report/Statements (refer annexure for Chapter 2M Financial Reports)

The licensee is responsible for preparing the financial report/statements (as appropriate) to be true and fair in accordance with the *Corporations Act 2001* and for such internal control as the licensee determines is necessary to enable the preparation of the financial report/statements that gives a true and fair view, and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility (refer annexure for Chapter 2M Financial Report)

Our responsibility is to express an opinion on the financial report/statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report/statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report/statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report/statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the licensee's preparation of the financial report/statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the licensee, as well as evaluating the overall presentation of the financial report/statements.

Unless we have included a disclaimer of opinion below, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Where we have included a Disclaimer of Opinion below, then because of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Modified opinion (refer annexure for Chapter 2M Financial Report)

We have included a

qualified opinion  adverse opinion  disclaimer of opinion

and the basis for this modified opinion

below

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

## 2 Continued... Independent Auditor's Report - Subsection 989B(3) of the Act

### Opinion (refer annexure for Chapter 2M Financial Reports)

Unless a modified opinion has been included above or in an annexure, in our opinion the financial report/statements of the licensee for the financial year are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial performance and financial position of the licensee; and
- (b) if the licensee:
  - (i) is a reporting entity, that the financial report complies with Australian Accounting Standards.
  - (ii) is not a reporting entity, that the financial statements are in accordance with all the recognition and measurement requirements of the Australian Accounting Standards, and in accordance with the disclosure requirements of the Australian Accounting Standards that apply to non-reporting entities, except that where the licensee is a natural person if noted in the financial report/statements, the licensee may exclude from the financial report/statements and notes thereto the revenue and expenses that do not relate to any business of the licensee or all the revenue and expenses that do not relate to a financial services business of the licensee.

### Basis of Accounting (refer annexure for Chapter 2M Financial Reports)

Without modifying our opinion, we draw attention to the notes to the financial report/statements, which describe the basis of accounting. The financial report/statements have been prepared for the purpose of fulfilling the licensee's reporting responsibilities under the *Corporations Act 2001*. As a result, unless the financial report/statements are included in a general purpose financial report, they may not be suitable for another purpose.

### Report on Internal Controls and Required Accounts

We have audited, in relation to the financial year (excluding any period during which the licensee was a limited licensee pursuant to subsection 989B(4) of the *Corporations Act 2001*) (a) the operating effectiveness of internal controls used by the licensee to comply with (i) Divisions 2, 3, 4, 4A, 5 and 6 of Part 7.8 of the *Corporations Act 2001*; and (ii) Division 7 of Part 7.8 other than section 991A (the 'specified internal controls'), and (b) the operation and control of each account required by sections 981B and 982B to be maintained by the licensee (the required accounts).

### Licensee's Responsibility for the Specified Internal Controls and Required Accounts

To the extent of the licensee's obligations under the *Corporations Act 2001*, the licensee is responsible for establishing and maintaining effective internal controls in relation to the licensee's compliance with the requirements of the Act, and for operating and controlling accounts required by the Act in accordance with the Act. The Licensee is responsible for identifying the control objectives, identifying the risks that threaten achievement of the control objectives, designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives, and operating effectively the controls as designed throughout the period.

### Auditor's Responsibility

Our responsibility is to express an opinion based on our audit on the operating effectiveness of the specified internal controls and on the licensee's operation and control of the required accounts. We conducted our engagement in accordance with the Auditing and Assurance Standards Board's Standards. Those Standards require that we comply with relevant ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, throughout the period the specified internal controls operated effectively and the required accounts were operated and controlled as required.

An assurance engagement to report on the operating effectiveness of controls involves performing procedures to obtain evidence about the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives. Unless we have included a Disclaimer of Opinion below, we believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Inherent Limitations

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the controls that we have assured operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

## 2 Continued... Independent Auditor's Report - Subsection 989B(3) of the Act

Report on Internal Controls and  
Required Accounts continued

### Modified opinion

We have included a

qualified opinion  adverse opinion  disclaimer of opinion

and the basis for this modified opinion

below

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

### Opinion

Unless a modified opinion has been included above or in an annexure, in our opinion, in all material respects, in relation to the financial year (excluding any period during which the licensee was a limited licensee):

(a) the internal controls used by the licensee to comply with Divisions 2, 3, 4, 4A, 5 and 6 of Part 7.8 of the *Corporations Act 2001*; and Division 7 of Part 7.8 other than section 991A have been effective; and

(b) each account required by sections 981B and 982B of the *Corporations Act 2001* to be maintained by the licensee has been operated and controlled in accordance with those sections.

Report on Records, Information  
and Explanations

Pursuant to regulation 7.8.13 of the *Corporations Regulations 2001*, our responsibility is to provide an opinion on whether we received all necessary records, information and explanations from the licensee.

### Modified opinion

We have included a

qualified opinion  adverse opinion  disclaimer of opinion

and the basis for this modified opinion

below

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

### Opinion

Unless a modified opinion has been included above or in an annexure, in our opinion, in all material respects, in relation to our auditor's report required under subsection 989B(3) of the *Corporations Act 2001* for the financial year, we received all necessary records, information and explanations from the licensee.

## 3 FS70 Statement

Unless matters are described

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

we have not identified anything that causes us to believe paragraphs 4(a), 4(b) and 4(c) in the licensee's Form FS70 for the financial year are not true.

## 4 Scope - Audit and review of financial requirements

The following applies to the opinions expressed in parts 5 to 8 in this form.

We have audited and reviewed (as applicable) aspects of the licensee's financial requirements as specified in the *Corporations Act 2001* and the licensee's licence conditions. The financial requirements of Australian financial service licensees and their audit obligations are further explained in ASIC's Regulatory Guide *RG 166 Licensing: Financial requirements*.

### The Licensee's Responsibility

The licensee is responsible for their compliance with the *Corporations Act 2001*, and for such internal controls that they determine are necessary for their compliance.

### Auditor's Responsibility

We conducted our audit and review in accordance with the applicable standards issued by the Auditing and Australian Standards Board (AUASB). Those standards require that we comply with relevant ethical requirements relating to audit and review engagements and plan and perform our audit to obtain reasonable assurance, and our review to obtain limited assurance about the licensee's compliance with the financial requirements in order to express our opinions.

The 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 review procedures consisted primarily of inspection of evidence and observation of, and enquiry about, the operation of the procedures and internal controls of the financial risk management system and comparison and other such analytical review procedures we considered necessary.

### Limitations

Because of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. We have not audited the overall internal control structure of the licensee and no opinion is expressed as to its effectiveness. An audit is not designed to detect all weaknesses in control procedures or all instances of non-compliance as it is not performed continuously throughout the period and the tests performed are on a sample basis having regard to the nature and size of the licensee. Any projection of the evaluation of internal control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Where we have expressed an opinion in relation to projections our procedures have been restricted to an examination on a test basis throughout the relevant period to determine that the licensee had a projection in place, a review of projections identified on a test basis to ensure that they were materially in accordance with the requirements of the Act, as modified, to prepare projection of the licensee's cash flows as applicable, and testing that projections identified on a test basis were mathematically accurate based on the underlying assumptions as documented by the licensee. The underlying assumptions for projections are subject to significant uncertainties and contingencies often outside the control of the licensee. If events do not occur as assumed, actual results and cash maintained by the licensee may vary significantly from the projection. Accordingly, we do not confirm or guarantee the achievement of the projections, as future events, by their nature, are not capable of independent substantiation.

Accordingly, we have included such tests and procedures that we considered necessary in the circumstances. Unless we have included a Disclaimer of Opinion below, we believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit and review opinions.

## 5 Licence conditions - Basic level financial requirements

Part 5 of this form does **not** apply to the licensee for the financial year.

Part 5 of this form does not apply to any part of the financial year where the licensee was:

- (a) a limited licensee as defined in subsection 989B(4) of the Act.
- (b) a retail OTC derivative issuer (refer part 6).
- (c) authorised to operate registered schemes as a responsible entity (refer part 7)
- (d) authorised to operate an Investor Directed Portfolio Service (IDPS) as an IDPS operator (refer part 7) ; or
- (e) authorised to provide custodial or depository services (refer part 8)

The following auditor's opinions are expressed where the licensee's cash needs option and dates are included. Where no dates are included no opinion is expressed.

License conditions

The opinions in part 5 are based on the conditions in ASIC Pro Forma 209 [PF 209]. The opinions expressed below are to be read as though the PF 209 condition references 13 to 26 were replaced with  to , which are the paragraph references to the identical conditions in the licensee's actual licence.

Where the licensee's actual licence conditions differ from the relevant PF209 conditions, and where practical to do so, written amendments or notations have been made on this form to reflect these differences as necessary, otherwise we have attached the opinions required by the licensee's licensee conditions in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

Cash needs requirements option

The licensee used the cash needs requirements 'Option ' [number 1 to 5 is inserted as appropriate] as defined in the conditions of the licensee's licence (its licence).

'Option 1' or 'Option 2'

### Where the licensee used cash needs requirements 'Option 1' or 'Option 2'

in relation to the period   /   /   to   /   /

where necessary we have included a

qualified opinion  adverse opinion  disclaimer of opinion

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

otherwise

- (a) in our opinion, based on our audit, in all material respects, the licensee:
  - (i) complied with all the financial requirements under conditions 13 to 26 (inclusive) of its licence other than paragraph 13(c) of its licence, except for paragraph (e) of the definition of "Option 1" under its licence if the licensee purports to comply with "Option 1"; and
  - (ii) had at all times a projection (covering at least the following 3 months) that purported to, and appeared on its face to comply with, paragraph (a) of the definition of either "Option 1" or "Option 2" (as applicable) under its licence; and
  - (iii) correctly calculated the projections on the basis of the assumptions the licensee adopted for the projections; and
- (b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following an examination of the documents the licensee relied on in complying with "Option 1" or "Option 2" as defined under its licence, in all material respects:
  - (i) the licensee did not satisfy the requirements of paragraph 912A(1)(h) of the Act for managing the risk of having insufficient financial resources to comply with the conditions of its licence; and
  - (ii) the licensee failed to comply with the cash needs requirement using either "Option 1" or "Option 2" as defined under its licence (as applicable) except for paragraphs (a), (c) and (e) of the definition of "Option 1" or paragraphs (a and (c) of the definition of "Option 2"; and
  - (iii) if the licensee relied on "Option 1" as defined under its licence, the assumptions the licensee adopted for its projection were unreasonable; or
  - (iv) if the licensee relied on "Option 2" as defined under its licence, the basis for the selection of assumptions to meet the requirements for the projection adopted was unreasonable.

## 5 Continued... Licence conditions - Basic level financial requirements

'Option 3'

### Where the licensee used cash needs requirements 'Option 3'

in relation to the period   /   /   to   /   /    
[D] [D] [M] [M] [Y] [Y] [D] [D] [M] [M] [Y] [Y]

where necessary we have included a

qualified opinion  adverse opinion  disclaimer of opinion

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

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otherwise:

(a) in our opinion, based on our audit, in all material respects, the licensee:

(i) complied with all the financial requirements under conditions 13 to 26 (inclusive) of its licence other than paragraph 13(c); and

(ii) has obtained from an Australian ADI or a foreign deposit-taking institution approved in writing by ASIC as an eligible provider an enforceable and unqualified commitment to pay on demand from time to time an unlimited amount to the licensee, or the amount for which the licensee is liable to its creditors at the time of demand to the licensee's creditors or a trustee for the licensee's creditors.

'Option 4'

### Where the licensee used cash needs requirements 'Option 4'

in relation to the period   /   /   to   /   /    
[D] [D] [M] [M] [Y] [Y] [D] [D] [M] [M] [Y] [Y]

where necessary we have included a

qualified opinion  adverse opinion  disclaimer of opinion

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

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otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee complied with all the financial requirements under conditions 13 to 26 (inclusive) of its licence other than paragraph 13(c); and

(b) in our opinion, based on our audit, in all material respects, following our examination of the documents prepared for subparagraph 13(c)(iv)(C), the licensee complied with subparagraph 13(c)(iv)(A) and subparagraph 13(c)(iv)(C) of its licence; and

(c) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following our examination of the documents prepared for subparagraph 13(c)(iv)(C) of its licence, in all material respects:

(i) the licensee did not satisfy the requirements of paragraph 912A(1)(h) of the Act for managing the risk of having insufficient financial resources to comply with the conditions in its licence; and

(ii) the basis for the selection of the assumptions adopted was unreasonable.



## 5 Continued... Licence conditions - Basic level financial requirements

'Option 5'

### Where the licensee used cash needs requirements 'Option 5'

The licensee purports to comply with Alternative A in subparagraph 13(c)(v)(E) for the following period:

/   /   to   /   /    
[D] [D] / [M] [M] / [Y] [Y] to [D] [D] / [M] [M] / [Y] [Y]

The licensee relied on Alternative B in subparagraph 13(c)(v)(E) for the following period:

/   /   to   /   /    
[D] [D] / [M] [M] / [Y] [Y] to [D] [D] / [M] [M] / [Y] [Y]

in relation to the period   /   /   to   /   /    
[D] [D] / [M] [M] / [Y] [Y] to [D] [D] / [M] [M] / [Y] [Y]

where necessary we have included a

qualified opinion  adverse opinion  disclaimer of opinion

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee:

(i) complied with all the financial requirements under conditions 13 to 26 (inclusive) of its licence other than paragraph 13(c); and

(ii) complied with subparagraph 13(c)(v)(A) and (B) of its licence; and

(iii) for any period when the licensee purports to comply with Alternative A in subparagraph 13(c)(v)(E), the parent entity has provided an enforceable and unqualified commitment to pay on demand from time to time an unlimited amount to the licensee or to meet the licensee's liabilities; and

(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, for any period when the licensee relied on Alternative B in subparagraph 13(c)(v)(E), following our examination of the documents prepared for Alternative B, in all material respects:

(i) the licensee did not satisfy the requirements of paragraph 912A(1)(h) of the Act for managing the risk of having insufficient financial resources to comply with the conditions in its licence; and

(ii) the basis for the selection of the assumptions adopted was unreasonable.

## 6 Licence conditions - Retail OTC Derivative Issue [CO 12/752]

Part 6 of this form does **not** apply to the licensee for the financial year.

Part 6 of this form applies only to the period during the financial year, if any, where section 912AB of the *Corporations Act 2001* applied to the licensee (i.e. where the licensee was a retail OTC derivative issuer) – refer also to [CO 12/752].

In relation to the period   /   /   to   /   /    
[D D] [M M] [Y Y] [D D] [M M] [Y Y]

where necessary we have included a

qualified opinion  adverse opinion  disclaimer of opinion

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee:

- (i) complied with subsections 912AB(4) and (5) and other financial requirements in conditions on its licence; and
- (ii) had at all times a projection that purports to, and appears on its face to, comply with paragraph 912AB(3)(a); and
- (iii) correctly calculated the projection in paragraph 912AB(3)(a) on the basis of the assumptions the licensee adopted for the projection; and

(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following our examination of the calculations, assumptions and description prepared under paragraph 912AB(3)(c) and relied on by the licensee in complying with paragraph 912AB(3)(a), in all material respects:

- (i) the licensee did not satisfy the requirements of paragraph 912A(1)(h) of the Act for managing the risk of having insufficient financial resources to comply with subsections 912AB(4) and (5) and other financial requirements in conditions on its licence; or
- (ii) the licensee failed to comply with paragraphs 912AB3(b), (c) or (d); or
- (iii) the assumptions the licensee adopted for its projection in paragraph 912AB(3)(a) were inappropriate.

## 7 Licence conditions - Responsible Entity or IDPS Operator [CO 13/760]

Part 7 of this form does **not** apply to the licensee for the financial year.

Part 7 of this form applies only to the period during the financial year, if any, where section 912AA of the *Corporations Act 2001* applied to the licensee (i.e. where the licensee was authorised to operate registered schemes as a responsible entity or was authorised to operate an Investor Directed Portfolio Service (IDPS) as an IDPS operator) – refer also to [CO 13/760].

In relation to the period   /   /   to   /   /    
[D] [D] [M] [M] [Y] [Y] [D] [D] [M] [M] [Y] [Y]

where necessary we have included a

qualified opinion  adverse opinion  disclaimer of opinion

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

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otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee:

- (i) complied with paragraph 912AA(3)(b) and subsections 912AA(4) and (8) and other financial requirements in conditions on its licence; and
- (ii) had at all times a projection that purports to, and appears on its face to, comply with paragraph 912AA(3)(a); and
- (iii) correctly calculated the projection in paragraph 912AA(3)(a) on the basis of the assumptions the licensee used for the projection; and

(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following an examination of the calculations, assumptions and description prepared under paragraph 912AA(3)(c) and relied on by the licensee in complying with paragraph 912AA(3)(a), the projections prepared under paragraph 912AA(3)(a) and the document prepared under paragraph 912AA(3)(e), in all material respects:

- (i) the licensee did not have adequate systems for managing the risk of having insufficient financial resources to comply with subsections 912AA(4) and (8) and other financial requirements in conditions on its licence; or  
Note: Paragraph 912A(1)(h) requires a licensee (other than certain bodies regulated by APRA) to have adequate risk management systems; or
- (ii) the licensee failed to comply with paragraph 912AA(3)(c); or
- (iii) the licensee will not have access when needed to enough financial resources to meet its liabilities over the projected term of at least the next 12 months; or
- (iv) the licensee will not hold at all times during the period to which the projection relates in cash or cash equivalents, an amount equal to or greater than the current amount the licensee is required to hold in cash or cash equivalents under subsection 912AA(8); or
- (v) the assumptions the licensee adopted for its projection in paragraph 912AA(3)(a) were unreasonable.

## 8 Licence conditions - Custodial or depository service provider [CO 13/761]

Part 8 of this form does **not** apply to the licensee for the financial year.

Part 8 of this form applies only to the period during the financial year, if any, where section 912AC of the *Corporations Act 2001* applied to the licensee (i.e. where the licensee was authorised to provide custodial or depository services) – refer also to [CO 13/761].

In relation to the period   /   /   to   /   /    
[D] [D] [M] [M] [Y] [Y] [D] [D] [M] [M] [Y] [Y]

where necessary we have included a

qualified opinion  adverse opinion  disclaimer of opinion

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

otherwise:

(a) in our opinion, based on our audit, in all material respects the licensee:

- (i) complied with paragraph 912AC(3)(b) and subsections 912AC(4) and (7) (or did not need to comply with subsections 912AC(4) and (7) on the basis that subsection 912AC(5) applied) and other financial requirements in conditions on its licence; and
- (ii) had at all times a projection that purports to, and appears on its face to, comply with paragraph 912AC(3)(a); and
- (iii) correctly calculated the projection in paragraph 912AC(3)(a) on the basis of the assumptions the licensee used for the projection; and

(b) based on our review, the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, following our examination of the calculations, assumptions and description prepared under paragraph 912AC(3)(c) and relied on by the licensee in complying with paragraph 912AC(3)(a), the projections prepared under paragraph 912AC(3)(a) and the document prepared under paragraph 912AC(3)(e), in all material respects:

- (i) the licensee did not have adequate systems for managing the risk of having insufficient financial resources to comply with subsections 912AC(4) and (7) of this section (if applicable) and other financial requirements in conditions on its licence; or  
*Note: Paragraph 912A(1)(h) requires a licensee (other than certain bodies regulated by APRA) to have adequate risk management systems.*
- (ii) the licensee failed to comply with paragraph 912AC(3)(c); or
- (iii) the licensee will not have access when needed to enough financial resources to meet its liabilities over the projected term of at least the next 12 months; or
- (iv) the licensee will not hold at all times during the period to which the projection relates in cash or cash equivalents, an amount equal to or greater than the current amount the licensee is required to hold in cash or cash equivalents under subsection 912AC(7); or
- (v) the assumptions the licensee adopted for its projection in paragraph 912AC(3)(a) were unreasonable; and

(c) if the licensee sought to comply with the NTA requirement in paragraph 912AC(4)(b) on the basis that it was an **incidental provider**, the auditor has no reason to believe that licensee did not satisfy the requirement in paragraph (b) of the definition of incidental provider in subsection 912AC(12).

## 9 Non-material Matters

Part 9 of this form relates to the audits and reviews (as appropriate) performed in relation to, and the opinions expressed in part 2 to 8, other than the audit and opinion expressed in the "Report on the Licensee's Financial Report/Statements" in part 2.

The opinions expressed have been in all material respects. Unless they have already been reported in parts 2 to 8, we include all non-material misstatements, contraventions or other exceptions identified by us as part of our audits and reviews

below or

in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

## 10 Independence and Quality Control

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Australian Standard on Quality Control ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## 11 Section 990K Matters

Subsection 990K(1) of the *Corporations Act 2001* requires that, in the performance of duties as auditor of the licensee, we become aware of a matter referred to in subsection (2), we must, within 7 days after becoming aware of the matter, lodge a written report on the matter with ASIC and send a copy of the report to the licensee, and to each licensed market (if any) and each licensed CS facility (if any) in which the licensee is a participant.

Pursuant to section 990K of the Act, if in the performance of our duties as auditor of the licensee, we become aware of a matter referred to in subsection (2), we are required to lodge a written report to ASIC within 7 days.

We have reported all matters to ASIC as required by section 990K, either previously, in other parts of this form, or

below or  in an annexure marked  (indicate identifying letter or symbol used to mark annexure)

## Signature

This form must be signed by:

- the individual auditor; or
- if the auditor is a firm, by an ASIC registered company auditor of the firm; or
- in the case of an authorised audit company, by a current director.

To the best of my knowledge, the information in this form and annexures is true and complete (it is an offence to provide false or misleading information to ASIC).

Name

Signature

Capacity

Auditor

Authorised audit company director

Date signed

/   /    
[D] [D] [M] [M] [Y] [Y]

## Lodgement

Send completed and signed forms to:  
Australian Securities and Investments Commission,  
PO Box 4000, Gippsland Mail Centre VIC 3841.

### For more information

Web [www.asic.gov.au](http://www.asic.gov.au)

Need help? [www.asic.gov.au/question](http://www.asic.gov.au/question)

Telephone 1300 300 630

# Guide: Auditor's report for AFS Licensee

This guide does not form part of the form. It is included by ASIC to assist you in completing and lodging the Form FS71. Refer to Australian Securities and Investments Commission (ASIC) Regulatory Guide 166

|  |   |
|--|---|
| <b>Signature</b>                       | This form must be signed by: <ul style="list-style-type: none"><li>• the individual auditor; or</li><li>• if the auditor is a firm, by an ASIC registered company auditor of the firm; or</li><li>• in the case of an authorised audit company, by a current director.</li></ul>  |
| <b>Lodgement period</b>                | Must be lodged with a Form FS70 each financial year.  |
| <b>Lodgement fees</b>                  | Nil   |
| <b>Other forms to be completed</b>     | Nil   |
| <b>Lodgement details</b>               | <p><b>Electronically through the ASIC website</b><br/>AFS licensees should:</p> <ul style="list-style-type: none"><li>• enter the information from their paper FS70 into the AFS licensees portal on our website at <a href="http://www.asic.gov.au">www.asic.gov.au</a></li><li>• attach electronic copies of their financial report/statements and audit report in RTF, TIF or PDF format. File attachments must not contain any active or encrypted content.</li><li>• retain the signed original FS70 and FS71 and financial report/statements for their records, as required under the ASIC Electronic Lodgement Protocol.</li></ul> <p><b>Electronically through Standard Business Reporting</b><br/>AFS licensees or their auditor should:</p> <ul style="list-style-type: none"><li>• enter the information from their paper FS70 into the SBR enabled accounting software. Refer to <a href="http://www.sbr.gov.au">www.sbr.gov.au</a> for more details.</li><li>• attach electronic copies of their financial report/statements and audit report in PDF format. File attachments must not contain any active or encrypted content. Copies of the financial reports can also be sent in inline XBRL format.</li><li>• retain the signed original FS70 and FS71 and financial report/statements for their records, as required under the ASIC Electronic Lodgement Protocol.</li></ul> <p><b>Paper</b><br/>Whether lodging in person or by mail, submit the:</p> <ul style="list-style-type: none"><li>• signed and original FS70 and FS71 and financial report/statements.</li></ul> <p>AFS licensees should retain signed copies for their records.</p> <p>Postal address:<br/>Australian Securities &amp; Investments Commission<br/>PO Box 4000<br/>Gippsland Mail Centre Victoria 3841</p> |
| <b>Application Statements - Part 1</b> | <p>Date ranges are included in the application statements as appropriate. Where no date is included, no statement is taken to have been made.</p> <p><b>Limited licensee</b></p> <p>Note that under subsection 989B(4) of the <i>Corporations Act 2001</i> (the 'Act') limited licensee means a financial service licensee that (a) does not deal with money to which Division 2 of Part 7.8 of the Act applies; and (b) is only licensed to provide one or more limited financial services.</p> <p><b>Market Participant or Clearing Participant</b></p> <p>Refer to ASIC Regulatory Guide 166 (including RG166.13 and Appendix 1) for guidance on where an AFS licensee may rely on being a market participant or a clearing participant.</p>   |

|   |  |   |   |
|---|--|---|---|
| <b>Modified Opinions - Parts 2 to 8</b>   | <p>Where the auditor needs to express a modified opinion, including a qualified opinion, adverse opinion or disclaimer of opinion (as per the relevant AUASB standards) this is to be included in the form in the space provided or in an annexure.</p> <p>The basis for the modified opinion and the modified opinion itself is to be included with appropriate titles, i.e. "Basis for Qualified Opinion", "Basis for adverse opinion", "Basis for disclaimer of opinion", "Qualified Opinion", "Adverse Opinion", "Disclaimer of Opinion."</p>  |   |   |
| <b>Non-material Mistatements - Part 9</b>   | <p>The nature, timing and extend of procedures to be planned and performed for an audit or review conducted in accordance the Australian Auditing Standards are determined based on the auditor's assessment of materiality.</p> <p>In Part 2 of this form, the opinion required to be provided on the licensee's financial report/statements is on whether the financial report/statements give a true and fair view. The other opinions required by this form in parts 2 to 8 are made in all material respects - part 9 relates to these other opinions.</p> <p>Where during the course of the audits or and reviews for these other opinions, misstatements are identified and accumulated by the auditor, that are not considered to be material and have not otherwise been reported in parts 2 to 8, they should be reported part 9.</p> <p>Misstatements to be reported may include, as appropriate, those in relation to non-compliance or exceptions relating to the operating effectiveness of controls, operation and control of accounts, receipt of necessary information, compliance with financial requirements.</p>                       |   |   |
| <b>Section 990K Matters - Part 11</b>   | <p>Subsection 990K(2) requires that a report must be given in relation to any matter that, in the opinion of the auditor:</p> <ul style="list-style-type: none"> <li>(a) has adversely affected, is adversely affecting or may adversely affect the ability of the licensee to meet the licensee's obligations as a licensee; or</li> <li>(b) constitutes or may constitute a contravention of: <ul style="list-style-type: none"> <li>(i) a provision of Subdivision A or B of Division 2 (or a provision of regulations made for the purposes of such a provision); or</li> <li>(ii) a provision of Division 3 (or a provision of regulations made for the purposes of such a provision); or</li> <li>(iii) a provision of Subdivision B or C of this Division (or a provision of regulations made for the purposes of such a provision); or</li> <li>(iv) a condition of the licensee's licence; or</li> </ul> </li> <li>(c) constitutes an attempt to unduly influence, coerce, manipulate or mislead the auditor in the conduct of the audit.</li> </ul> <p>See also ASIC Regulatory Guide RG 34 <i>Auditor's obligations: Reporting to ASIC</i>.</p> |   |   |
| <b>Procedure</b>  | <p>You must complete all applicable fields as indicated on the FS71. If any required fields are incomplete or contain invalid data types, ASIC staff will be unable to process the form. If appropriate, ASIC will contact you by telephone or, if the incomplete or invalid data is significant, the FS71 will be returned to the licensee.</p>   |   |   |
| <b>Penalty</b>  | <p>It is an offence not to comply with subsection 1311(1).</p>   |   |   |
| <b>How to provide additional information</b>  | <p><b>Annexures</b></p> <p>If there is insufficient space in any section of the form, you may alternately submit annexures as part of this lodgement.</p> <p>To make any annexure conform to the regulations, you must</p> <ol style="list-style-type: none"> <li>1. use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides</li> <li>2. show the company name and ACN or ARBN</li> <li>3. number the pages consecutively</li> <li>4. print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied</li> <li>5. mark the annexure with an identifying letter or symbol eg a,b,c or 1,2,3 etc.</li> <li>6. endorse the annexure with the words:<br/>This annexure (mark) of (number) pages referred to in form (form number and title)</li> <li>7. sign and date the annexure</li> </ol> <p>The annexure must be signed by the same person(s) who signed the form.</p>  |   |   |
| <b>Privacy</b>  | <p>The information provided to ASIC in this form may include personal information. Please refer to our privacy policy (<a href="http://www.asic.gov.au/privacy">www.asic.gov.au/privacy</a>) for information about how we handle your personal information, your rights to seek access to and correct personal information, and to complain about breaches of your privacy.</p>  |   |   |
| <b>Lodgement</b>  | <table border="0"> <tr> <td style="vertical-align: top;"> <p>Send completed and signed forms to:<br/>Australian Securities and Investments Commission,<br/>PO Box 4000, Gippsland Mail Centre VIC 3841.</p> </td> <td style="vertical-align: top;"> <p><b>For more information</b></p> <p>Web <a href="http://www.asic.gov.au">www.asic.gov.au</a><br/>Need help? <a href="http://www.asic.gov.au/question">www.asic.gov.au/question</a><br/>Telephone 1300 300 630</p> </td> </tr> </table>   | <p>Send completed and signed forms to:<br/>Australian Securities and Investments Commission,<br/>PO Box 4000, Gippsland Mail Centre VIC 3841.</p> | <p><b>For more information</b></p> <p>Web <a href="http://www.asic.gov.au">www.asic.gov.au</a><br/>Need help? <a href="http://www.asic.gov.au/question">www.asic.gov.au/question</a><br/>Telephone 1300 300 630</p> |
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