

AFR 1

Application for Audit Firm Registration

Please use this form if you are applying to register your firm (either a partnership or a limited company) under the Auditor Regulation Act 2011. Please read the Guide to the form (pages 6 – 7) carefully before you complete the application form.

Please complete Sections 1-10 and return the form to us (see page 5 for details).

Section 1 – Company details (refer note 1 of guide)

Full name of firm	<input type="text"/>	Company Registration number (if applicable)	<input type="text"/>	
Business street address	<input type="text"/>			
Business postal address	<input type="text"/>			
Email address	<input type="text"/>			
Contact phone number	<input type="text"/>	<input type="text"/>	(Mobile) <input type="text"/>	<input type="text"/>
Website address	<input type="text"/>			

The country, state or territory in which your firm has its head office, or principal place of business

Limited companies only – country, state or territory of incorporation

Please provide details of the person in your firm responsible for your firm's registration

First name/Surname	<input type="text"/>				
Contact phone number	<input type="text"/>	<input type="text"/>	(Mobile)	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>				

Is your firm a

Partnership Limited Company

Note: a registered firm must be either a limited company or a partnership. We are not able to approve a limited partnership as a registered audit firm.

NZICA can only authorise a limited company that is incorporated in New Zealand. If your company is incorporated outside New Zealand you can apply to the Financial Markets Authority for registration.

Section 2 – Details of voting rights and directors/partners

Please complete the following information for all persons who control any voting rights (companies only) and all directors/partners. An Excel version of this table is also available (form AFR 100)

Name	Director/ Partner?	% of voting rights controlled (If your firm is a partnership you do not need to complete this)	CA ANZ membership number (if applicable)	If a member of a relevant body other than NZICA (see notes below), specify name of the body	If holding a practising certificate, specify who it was issued by	If a member of an "approved professional accounting body" (see notes below), specify name of the body	Licensed auditor?
	<input type="checkbox"/>						<input type="checkbox"/>
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Notes:

- For a limited company, if any voting rights are held in trust or if there are different classes of shares **please provide details with your application**, including copies of the shareholder agreement, constitution and/or trust deeds as appropriate.
- For a limited company, the majority of voting rights must be controlled by members of a relevant body (i.e. NZICA, CA ANZ, another accredited body or approved association as defined under s 36 (i) (c) Financial Reporting Act 2013) holding a Certificate of Public Practice (or equivalent for non CA ANZ members).
- For a partnership, the majority of partners must be members of an approved professional accounting body holding a practising certificate issued by that professional accounting body.
- "Control" in relation to voting rights means having directly or indirectly effective control of the voting rights.
- At least one director/partner must be an individual licensed auditor.
- "Director" means a person occupying the position of a director of the company by whatever name called.
- An approved professional accounting body is an accredited body, a body that the person must belong to under audit licensing laws of New Zealand or the person's home jurisdiction or an accounting body that is a member of the International Federation of Accountants and meets NZICA's criteria (see guidance notes for full details).
- Please refer to the guidance notes for the minimum requirements for companies and partnerships.

Section 3 - Other licensed auditors

If the firm has any other licensed auditors who are not listed in Section 2, for example employees or contractors, please provide details below:

Name	CA ANZ membership number (if applicable)

Section 4 - Fit and proper person (refer note 3 of guide)

Yes, I have attached an AL100 – Fit and Proper Person form from each partner/director of the firm.

Section 5 - Systems and processes for ensuring high quality audits (refer note 4 of guide)

Does your audit firm have systems, policies and processes which comply with the requirements of the Professional and Ethical Standards as issued by the XRB?

Yes No If 'No' please provide details below:

Does your audit firm have systems, policies and procedures which are necessary to ensure compliance with the requirements of New Zealand auditing and assurance standards relating to FMC audits?

Yes No If 'No' please provide details below:

Does your audit firm ensure key decisions and judgements involved in an FMC audit are always subject to engagement quality control review by another licensed auditor in a timely manner?

Yes No If 'No' please provide details below:

Yes, I have attached our firm's Quality Control Manual, which shows how the firm meets the requirements.

Section 6 – Professional indemnity insurance (refer note 3 of guide)

Yes, I confirm that the company has, and will at all times hold, professional indemnity insurance that can reasonably be regarded as adequate and appropriate for the scale and nature of the business of the company (see guidance notes).

I have attached details of our firm's most recent policy schedule confirming the firm has appropriate professional indemnity insurance cover.

Section 7 – Declaration

1. I am authorised to complete this application on behalf of the named firm, and the parties named in the application and confirm that the details in the application are true and correct.
2. I authorise the New Zealand Institute of Chartered Accountants to lawfully obtain at any time, from any person or entity, any information about myself or the firm that it considers necessary or desirable to obtain in order to process this application, and I authorise any such person or entity to release this information to the New Zealand Institute of Chartered Accountants. I confirm that I have obtained such an authorisation from all other parties named in the application and that I have the authority to give the authorisation on behalf of the company.
3. I acknowledge that NZICA will provide information about the firm, including the firm's name, business address, email address, website address, country state or territory of head office, date of registration, names of all partners, directors and employees who are licensed auditors, any conditions on the registration and any other prescribed information to the Registrar of Companies for inclusion on the public register maintained in accordance with Section 38 of the Auditor Regulation Act 2011.

Privacy Collection Statement

New Zealand Institute of Chartered Accountants (NZICA or we) is a body corporate established under the New Zealand Institute of Chartered Accountants Act 1996 (NZ). NZICA collects, holds, uses and discloses personal information (as defined in applicable legislation) about you in accordance with the privacy policy of Chartered Accountants Australia and New Zealand (CA ANZ) available at <http://www.charteredaccountants.com.au/privacy> (CA ANZ Privacy Policy).

Some of the personal information we collect comprises 'sensitive information' (as defined in applicable legislation) including information relating to membership of a trade or professional association or union, criminal records, health or other sensitive information to the extent that it is reasonably necessary for one or more of the functions or activities of NZICA.

NZICA collects your personal information to fulfil its statutory role in regulating the professional conduct of CA ANZ members resident in New Zealand. If you do not provide personal information, we may not be able to process your renewal of Auditor Licence.

NZICA and CA ANZ may disclose personal information to each other and each of our respective agents, contractors and service providers (such as where we outsource functions to third parties), to local and international professional bodies and other regulators and government and statutory bodies in New Zealand and Australia. We may also collect information about individuals from a third party (such as other professional bodies with which we have reciprocal arrangements). It is likely that personal information will be disclosed to overseas recipients as provided in the CA ANZ Privacy Policy.

The CA ANZ Privacy Policy also sets out how you can seek to access and correct your personal information or raise a privacy concern or complaint and how it will be dealt with as well as details about the disclosure of your personal information to entities overseas.

CA ANZ is formed in Australia. Our members are not liable for our debts and liabilities.

I have read, understood and agree to and consent to the CA ANZ Privacy Policy and the Privacy Collection Statement above.

Signature

Full name

Date

ADDITIONAL PROVISIONS FOR EU DATA SUBJECTS

The following additional provisions apply to you if the (EU) 2016/679 General Data Protection Regulation (GDPR) applies to you. GDPR will apply to you if you are or become a resident of the member states of the EU, Norway, Iceland and Liechtenstein (EU data subjects).

Lawful grounds: Under the GDPR, we are permitted to process your information for the purposes described above, by relying on one or more of the following lawful grounds: (a) you have explicitly agreed that we may process your information for a specific reason; (b) the processing is necessary to perform the agreement we have with you or to take steps to enter into an agreement with you; (c) the processing is necessary for us to comply with our legal obligation; or (d) the processing is necessary for our legitimate interests, which include: (i) to protect our business interests; (ii) to ensure that complaints, including complaints about member conduct, are appropriately investigated; (iii) to evaluate, develop or improve our products and services; or (iv) to keep our members informed of relevant products and services, unless you indicate that you do not wish us to do so. We generally rely on your specific consent to process special categories of personal data (i.e., 'sensitive information'). However, in some cases (for example, relating to an alleged offence), we may need to use some of that information to comply with our legal obligations.

Withdrawing your consent: Where you have consented to our processing of your information (including special categories of personal data), you may withdraw your consent at any time. To do so, contact us using the details set out in our Privacy Policy. In some cases we may lawfully continue to process your information even after you withdraw your consent, by relying on the legal bases described above. Other important information such as transferring your personal data outside the European Economic Area information, your specific GDPR rights over your personal data and how and when we retain and destroy your personal data is explained in our Privacy Policy.

Section 8 – Payment details

FEES PAYABLE

The fee for this application is \$1,385. This includes the Registrar of Companies fee of \$350. The Registrar's fees of \$350 is refundable if we do not register your firm. The balance of the fee is to cover our work in assessing your application and is not refundable.

Total amount payable

\$ 1,385

PAYMENT METHOD

PAY BY DIRECT CREDIT

Electronic Payments can be made to our

Westpac account: **03-0566-0222278-003**

SWIFT code: **WPACNZ2W** (for overseas transfers)

→ Please include your name and code '**AUDITLIC**' in your reference.

PAY BY

Amex Diners Mastercard Visa

Card no.

Expiry date /

Cardholder name

Cardholder signature

Section 9 – Checklist

1. Completed **all** sections, and **signed** the declaration **Yes**
2. Completed payment details **Yes**

Attached the following: (if applicable)

3. Form AL100 – Fit and Proper Person (for each of your firm's partners and directors) **Yes**
4. Excel version of AFR100 if applicable **Yes**
5. Further information about voting rights or share classes of a limited company if required (see section 2) **Yes**

6. A declaration from a qualified solicitor that your firm is a partnership or a copy of current partnership deed (partnership only) **Yes**
7. Information setting out how your firm has systems and processes in place for ensuring high quality audits **Yes**
8. A copy of your firm's relevant policies and procedures relating to your firm's quality control systems **Yes**
9. A copy of your firm's relevant policies and procedures relating to your firm's quality control systems **Yes**

Section 10 – Submitting your application

HOW TO APPLY FOR A REGISTRATION

You must complete the NZICA application form and forward all the relevant information, including fees, to NZICA for consideration to:

email regulation.nzica@charteredaccountantsanz.com

OR

post

NZ Regulation
Chartered Accountants ANZ
PO Box 11342
Wellington 6142

ANY QUESTIONS

If you have any questions you can contact the NZ Regulation team at:

email regulation.nzica@charteredaccountantsanz.com

phone Customer Support on **0800 469 422**

Application for Audit Firm Registration

Guide to the form

DOES MY AUDIT FIRM NEED TO REGISTER?

If your firm undertakes an FMC audit with a balance date after 30 June 2012 then your firm must be registered. The firm must also ensure that for each FMC audit:

- The engagement partner/director holds a licence
- The individual who carries out the engagement quality control review (EQCR) of key decisions and judgements also holds a licence.

DEFINITIONS

FMC Audits (formerly issuer audit)

(Section 6 of the Auditor Regulation Act 2011 (ARA))

(a) Means the audit of

(i) The financial statements or group financial statements of an FMC reporting entity that are prepared under the Financial Markets Conduct Act 2013; or

(ii) The financial statements of a scheme or a fund prepared under section 461A of the Financial Markets Conduct Act 2013; or

(iii) The financial statements referred to in section 461B of the Financial Markets Conduct Act 2013; and

(b) Includes any audit or review required to be carried out under the regulations made, or exemptions granted, under the Financial Markets Conduct Act 2013 or the Securities Act 1978 by a qualified auditor (within the meaning of either of those Acts); and

(c) Includes any audit of the financial statements or group financial statements prepared under the Financial Reporting Act 1993 in accordance with section 55 of the Financial Reporting Act 2013; and

(d) Includes any issuer audit (as defined in this Act before the commencement of this paragraph); but

(e) Does not include any audit carried out under the Public Audit Act 2001 (whether the Auditor-general or any other person is acting as the auditor).

It only includes New Zealand issuers and does not include overseas issuers who may issue securities.

Note: Section 55 of the Financial Reporting Act 2013 includes transitional provisions that capture issuers defined under the Financial Reporting Act 1993. Such issuers do not become FMC reporting entities until after their "effective date" (see clauses 17 and 19 of Schedule 4 of the Financial Markets Conduct Act 2013) but they are nevertheless FMC audits.

Note: An audit of a retirement village operator ceased to be an FMC audit for periods commencing 1 April 2014 onwards, unless the operator is an issuer for some other reason (for example a listed company) (section 55(1)(b)(i) of the Financial Reporting Act 2013).

FMC reporting entity (formerly issuer)

1. Has the same meaning as in sections 6(1) and 451 of the Financial Markets Conduct Act 2013 which is:

(a) Every person who is an issuer of a regulated product (but see section 452);

(b) Every person who holds a licence under Part 6 (other than an independent trustee of a restricted scheme);

(c) Every licensed supervisor;

(d) Every listed issuer (but see section 351(1)(ab));

(e) Every operator of a licensed market (other than a market licensed under section 317 (overseas-regulated markets));

(f) every recipient of money from a conduit issuer (see section 453);

(g) every registered bank;

(h) every licensed insurer;

(i) every credit union;

(j) every building society;

(k) every person that is an FMC reporting entity under clause 27A of Schedule

And, in accordance with section 6 of the ARA:

2. Includes a person to which section 55 of the Financial Reporting Act 2013 applies

3. Includes any issuer before the commencement of this paragraph.

Accredited body

As defined in Section 6 of the ARA. Currently NZICA and CPA Australia.

Approved association

As defined in Section 5 of the Financial Reporting Act 2013.

Approved professional accounting body

As defined in the FMA prescribed minimum standards. An accredited body, or an overseas auditor licensing body or another accounting related body that is a member of IFAC and meets NZICA's criteria.

Relevant body

NZICA, another accredited body or an approved association (Regulation 5A of the Auditor Regulations 2012).

REGISTRATION PROCESS

If NZICA considers your firm meets the registration requirements then NZICA will authorise the Registrar of Companies to register your audit firm on the register of licensed auditors and registered audit firms.

Note 1 – Firm information

Please provide all current information requested. If your application is approved we will provide this information to the Companies office for inclusion on the public register.

Note 2 – Details of Voting rights and Directors/Partners

Please complete the details for each director/partner and holder of voting rights (if applicable). Details of voting rights are only required if the firm is a company.

We will check these details against Companies office records and consider whether they meet the requirements. We may need to contact you to clarify the position where the information is not clear.

At least one of the directors/partners in your firm must be a licensed auditor under the ARA.

Partnerships

- A majority (i.e. greater than 50%) of your firm's partners must be members of an approved professional accounting body and hold a practicing certificate; and

Companies

- A majority (i.e. greater than 50%) of directors must be “qualified persons”; and
- A majority of the voting rights in the company must be held by qualified persons.

A qualified person is a member of a relevant body (NZICA, another accredited body or approved association) who holds a practicing certificate issued by that body.

Note 3 – All directors/partners must be fit and proper

All directors/partners of your firm must be assessed by NZICA as being fit and proper persons. They must be fit and proper even though they may not hold, or wish to hold, an auditor licence.

Each director/partner must complete form AL100 – Fit and Proper Person and attach it to the application. The form can be found at www.nzica.com

Each director/partner must consider if any of the matters set out in Appendix 1 of form AL100 apply to them. If any such matter applies then they must provide full details to NZICA of the event, their conduct in relation to the event, any findings made in relation to the event, and any penalty or sanction imposed. NZICA will then consider the circumstances of the matter and their overall history and determine if they are fit and proper.

NZICA considers that the first five matters set out in Appendix 1 (dishonesty, imprisonment, other criminal convictions, offences against financial markets legislation and banned from acting as a director) to be the most serious. For other matters, the severity will depend on how recently the event occurred, and the circumstances surrounding the event.

Each person must also consider whether any other matter exists that could impact on whether they are fit and proper and if such matter does exist, disclose it to NZICA.

Note 4 – Systems and processes for ensuring high quality audits

Your firm must have systems, policies and processes which comply with the requirements of Professional and Ethical Standards issued by the XRB. Currently these standards are:

1. Professional and Ethical Standard 1 (Revised) – Code of Ethics for Assurance Practitioners (PES 1(Revised))
2. Professional and Ethical Standard 3 (Amended) – quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance Engagements (PES 3 (Amended)).

In addressing PES 1 (Revised) and PES 3 (Amended) your firm should explain how its systems, policies and procedures comply with the standards.

Your firm can adopt the standards in a way that is appropriate to your business. However, the standards should be applied in a manner that is appropriate to your firm’s whole audit and assurance business.

NZICA’s main focus will be on your firm’s compliance with PES 3 (Amended). Your audit firm must have appropriate policies and procedures on accepting/retaining audit engagements, assigning the engagement team, confirming and preserving independence and peer review of significant judgements.

Your firm’s systems, policies and procedures should ensure that all FMC audits are performed by an appropriate team. Audit firms will need to ensure:

- The engagement partner is a licensed auditor, is permitted under the terms of their licence to conduct the particular audit, and has the knowledge and expertise to conduct that audit

- The engagement team collectively has the skills, knowledge and expertise to conduct the audit
- The engagement quality control reviewer for an FMC audit is a licensed auditor and has knowledge and expertise to review the key decisions and judgements for that audit
- That rotational requirements for the engagement partner and EQCR on FMC audits are met.

You will need to attach to the application how your firm’s systems, policies and procedures comply, or materially comply with the standards.

Firms must have other systems, policies and procedures which are necessary or desirable to reasonably ensure compliance with the requirements of New Zealand auditing and assurance standards relating to FMC audits.

Most audit firms have audit manuals which explain how an engagement team from that firm would be expected to undertake an audit so as to comply with all applicable auditing and assurance standards. Having, and following, an audit manual (provided it is adequate) would generally satisfy this requirement.

You will need to confirm how your firm meets this requirement.

Your firm must ensure key judgements involved in an FMC audit are subject to engagement quality review by another licensed auditor in a timely manner.

You will need to provide information confirming key judgements involved in an FMC audit are subject to engagement quality control review in a timely manner (as required by clause 8 (1) (f) of the Prescribed Minimum Standards).

Note 5 – Your audit firm must have adequate and appropriate professional indemnity insurance

Your audit firm must have professional indemnity insurance that is adequate and appropriate for the nature and scale of your audit firm’s business activities.

Your firm will need to provide the necessary information with the application to allow NZICA to determine whether your firm has professional indemnity insurance that is adequate and appropriate for the nature and scale of your audit firm’s business activities. However, before providing any information you should discuss with NZICA the information we will require from you.

Any information provided will be kept confidential to NZICA and FMA only. NZICA’s assessment will be carried out on a case by case basis but your firm should provide:

- A general description of your firm’s insurance (or reinsurance) arrangements and run off cover for your former partnership if applicable
- The limit of indemnity for any claims (in the aggregate per claim)
- Details of insurance coverage, exclusions, costs covered, cancellation and any reinstatement arrangements. This should include details of any exclusions and any requirements for prior approval of certain types of audits.

Your firm should provide a summary of this information or provide a letter from your insurance broker addressing these points.