

# Application for Audit Firm Registration

## AFR 1

Please complete this form if you are applying to register your firm (either a partnership or a limited company) under the Auditor Regulation Act 2011.

Before completing this form, please refer to the **Guidance notes** on pages 8–10. Once completed, please return the form to the NZ Regulation team (see page 7 for details).

### Section 1 – Business information (refer note 1 of the guide)

Name of audit firm	<input type="text"/>	Company registration number (if applicable)	<input type="text"/>
Business street address	<input type="text"/>		
Business postal address	<input type="text"/>		
Business website address	<input type="text"/>		
Business email address	<input type="text"/>		
Business phone number	<input type="text"/>		Mobile <input type="text"/>
Country, state, or territory in which your firm has its head office, or principal place of business	<input type="text"/>		
Limited companies <b>only</b> – country, state or territory of incorporation	<input type="text"/>		

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

Full name	<input type="text"/>		
Phone number	<input type="text"/>		Mobile <input type="text"/>
Email address	<input type="text"/>		

Is your firm a: (select **one** only)

Partnership     Limited Company

If your firm is a partnership:

**Yes**, I have attached a copy of our firm's current partnership deed or a declaration from a qualified solicitor that our firm is a partnership.

**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 (refer [note 2](#) of the guide)

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 on our website (form *AFR 100 Professional Memberships*).

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

### 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 or another accredited body or approved association) 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.
- 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.
- "Control" in relation to voting rights means having directly or indirectly effective control of the voting rights.
- 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 the guide for full details).
- Please refer to the **Guidance notes** (pages 8-10) 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 the guide)

I,  Name confirm that

1. All the directors/partners of the firm have reviewed the matters set out in Appendix 1 of the application form, and:  
(please select **one** only)

- None of those matters apply
- A matter does apply. Please ensure you provide full details to NZICA below:

- 2. No other matter exists that could impact on whether any director/partner of the firm is a fit and proper person. If such a matter does apply, I have fully disclosed it to NZICA; and
- 3. I consider all directors/partners of the firm are fit and proper persons for the purposes of the Auditor Regulation Act 2011.

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## Section 5 – Systems and processes for ensuring high quality audits

(refer **note 4** of the 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 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 Management Manual (or similar), which shows how the firm meets the above requirements.

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## Section 6 – Professional indemnity insurance (refer **note 5** of the guide)

**Yes**, I confirm that the firm 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 firm.

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

## Section 7 – 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 and Chartered Accountants Australia and New Zealand ABN 50 084 642 571 (**CA ANZ**) (together **us** or **we**) respectively collect, hold, use and disclose personal information (as defined in applicable legislation) about you in accordance with CA ANZ's privacy policy available at [www.charteredaccountantsanz.com/privacy-policy](http://www.charteredaccountantsanz.com/privacy-policy) (**CA ANZ Privacy Policy**).

Some of the personal information we collect may comprise '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. We only ever use such sensitive information to the extent that it is reasonably necessary for one or more of the functions or activities of NZICA and/or CA ANZ (as applicable) or as otherwise permitted under applicable laws.

NZICA collects your personal information to fulfil its statutory role in regulating the professional conduct of CA ANZ members resident in New Zealand. We may also collect the information on this application form for assessing and processing your application, for the management and administration of your NZICA and CA ANZ memberships and/or programs, for the provision of products and services to you and to otherwise communicate with or manage our relationship with you.

If you do not provide the personal information requested, we may not be able to process your application to be a qualified auditor.

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.

### **Additional Provisions for EU or UK 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.

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

## Section 8 – Declaration

### I declare that:

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 firm.
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.

By signing this form below, I declare that the information provided in this form is complete, true and correct.

This form can be signed by manual signature or electronic signature (whether digital or encrypted). If this form is signed by electronic signature, it will have the same force and effect as a manual signature.

### Please sign and date

Signature		Full name	
		Date	/ /
			(DD/MM/YYYY)

## Section 9 – Fees and payment details

### Fees payable:

The application fee comprises two components as follows:

1. NZICA's processing fee (non-refundable)	\$	1,035
2. Registrar of Companies registration fee	\$	350
<b>Total amount payable:</b>	<b>\$</b>	<b>1,385</b>

#### Fees:

1. **NZICA's processing fee – \$1,035**  
This fee is for considering your application.  
This fee is **non-refundable**.
2. **Registrar of Companies registration fee – \$350**  
This fee is set by the Auditor Regulations 2012, collected by NZICA and passed on to the Registrar.  
This fee is **refundable** if we do not register your firm.

All fees are quoted in **NZ\$** and include GST.

### Payable by:

1. Pay by **DIRECT CREDIT**

Electronic Payments can be made to our

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

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

**Note:** Please include your firm's name and code '**AUDITLIC**' in your reference.

2. If we should **invoice** your firm, please complete the below:

Contact	
Email	
Phone	

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## Section 10 – Checklist

### Please ensure you have:

- Completed **all** sections, and **signed** the declaration
- Paid fees** via direct credit

### Attached the following: (where applicable)

- Form *AFR 100 – Professional Memberships*
- A copy of your firm’s relevant policies and procedures relating to your firm’s quality management systems

### Partnership ONLY

- A copy of your firm’s current partnership deed or a declaration from a qualified solicitor that your firm is a partnership

### Limited company ONLY

- Further information about voting rights or share classes where required in **Section 2**

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## Section 11 – Submitting your application form

### How to apply for registration

Please return your completed application (with accompanying attachments) to:

**Email** [regulation.nzica@charteredaccountantsanz.com](mailto: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](mailto:regulation.nzica@charteredaccountantsanz.com)

**or**

**Phone** Member Support on **0800 469 422**

## Application for Audit Firm Registration

# Guidance notes (incl. Appendix 1 on page 11)

Please read the following notes **prior** to the completion of your *Application for Audit Firm Registration*.

### Does my audit firm need to register?

If your firm undertakes an FMC audit, 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 review (EQR) of key decisions and judgements also holds a licence.

### Registration process

If NZICA considers your firm meets the registration requirements then NZICA will authorise the Registrar of Companies to record your audit firm on the Auditors Register.

#### Note 1 – Business 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 of licensed auditors and registered audit firms (see Registration process above).

#### 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 Auditor Regulation Act 2011.

#### 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.

#### Companies

- A majority (i.e., greater than 50%) of directors must be "qualified persons".
- 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 – Fit and proper person

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 consider if any of the matters set out in **Appendix 1** (see page 11) 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. Failure to make any relevant disclosure may result in your firm's registration application being denied.

NZICA will then consider the circumstances of the matter and their overall history and determine if they are fit and proper. The presence of such a matter does not automatically disqualify the firm from being registered. However, it will require the firm to provide information in order to satisfy NZICA as to the firm's suitability to be registered. NZICA expects that more serious events will require the firm to provide more extensive evidence to satisfy NZICA that the director/partner is now a fit and proper person.

NZICA considers that the first five matters set out in **Appendix 1** (i.e., dishonesty, imprisonment, conviction of an offence under sections 130 to 138 of the Crimes Act 1961, offences against financial markets legislation and banned from acting as a director) to be the most serious. For other matters, the severity may depend on how recently the event occurred, the type of conduct or behaviour exhibited, and any mitigating circumstances surrounding the event.

Each director/partner 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.

Continued overleaf >



## 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 – International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)
2. Professional and Ethical Standard 3 – Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3)
3. Professional and Ethical Standard 4 – Engagement Quality Reviews (PES 4)

In addressing the Professional and Ethical Standards, 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. Your 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 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 engagement quality reviewer on FMC audits are met.

You will need to attach to the application evidence of 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.

## Note 5 – 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.

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 and 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.

If you are unsure if your firm's professional indemnity insurance is adequate and appropriate, we recommend you contact us **before** submitting your application.

## Definitions

### FMC audits (formerly issuer audit)

The definition of an FMC audit is included in section 6 of the Auditor Regulation Act 2011:

- a) It 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

Continued overleaf >

- b) It 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) It includes any issuer audit (as defined in this Act before the commencement of this paragraph); but
- d) It 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.

**FMC reporting entity** (formerly issuer)

- 1) Is defined in section 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 1.
- 2) Includes any issuer (as defined in the Auditor Regulation Act 2011 before the commencement of paragraph 6 of that Act).

Note that an entity that offered securities to the public under the Securities Act 1978 continues to be an FMC reporting entity until all the securities have been cancelled (refer to Part 2 of Schedule 4 of the Financial Markets Conduct Act 2013).

**Accredited body**

As defined in section 6 of the Auditor Regulation Act 2011. 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 the latest Auditor Regulation Act (Prescribed Minimum Standards and Conditions for Licensed Auditors and Registered Audit Firms) Notice. 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**

As defined in Regulation 5A of the Auditor Regulations 2012. NZICA, another accredited body or an approved association.

## Appendix 1: Fit and Proper

The following factors must be taken into account when determining whether a person is fit and proper:

- The person has been convicted of a crime involving dishonesty. A crime of dishonesty includes:
  - Any offence under sections 99 to 106 (bribery and corruption), 108 to 117 (misleading justice), and 217 to 266 (crimes against rights of property) of the Crimes Act 1961;
  - Any offence under sections 15 to 20 (offences resembling forgery or fraud) of the Summary Offences Act 1981; or
  - Any offence under any overseas law which is equivalent to one of those Crimes Act or Summary Offences Act offences set out above.
- The person has served or been sentenced to a term of imprisonment.
- The person has been convicted of any offence under sections 130 to 138 of the Crimes Act 1961.
- The person has been convicted of any offence under any provision of the financial markets legislation (as defined in the Financial Markets Authority Act 2011) or any offence under any provision of any overseas Act governing auditors, financial markets or financial services, corporations, financial reporting, or requirements for preventing money laundering or financing of terrorism or similar.
- The person has been banned from acting as a director of a company or other incorporated body, or from being involved in the management of any class of incorporated or unincorporated entity.
- The person has been subject to disciplinary action against them by any professional body or disciplinary tribunal, where those actions resulted in penalties, sanctions, fines, declarations, orders, reprimands, or undertakings being imposed or censure.
- The person has had a court ruling against them in respect of a civil case, or has reached an out of court settlement, relating to their profession.
- The person has been declined membership of any professional body, or has been declined or had suspended or cancelled any registration, licence, authorisation, or accreditation required in relation to any profession by any public body, self-regulatory organisation, or exchange, or has had any such membership, registration, licence, authorisation, or accreditation revoked or withdrawn.
- The person has been dismissed, or asked to resign, from a position of trust, fiduciary appointment, or similar position.
- The person has been placed into statutory management or has been a director of a company which has been placed into statutory management.
- The person has, in the last 10 years, been made bankrupt, or made the subject of an official assignment for the benefit of their creditors.
- The person has, in the past 10 years, been a director or senior manager of a company, or other incorporated or unincorporated entity, which has:
  - Been placed into liquidation, administration or receivership (or any overseas equivalent status);
  - Entered into any compromise agreement, moratorium or other restructuring to avoid liquidation, administration or receivership;
- The person is subject to pending proceedings which, if any adverse finding is reached, will result in one or more of the matters set out in the paragraphs above applying to the person.

For the avoidance of doubt, NZICA may, in exceptional circumstances, in its sole discretion, take into account any other matter it considers relevant in assessing fit and proper status.