

**CHAPTER 12 ACCOUNTING, AUDIT AND FINANCIAL REPORTING  
REQUIREMENTS**

**PART A ACCOUNTS AND FINANCIAL REPORTING**

**12.01 Accounts**

A Participating Organisation must keep up-to-date accounting and other books and records. The accounting and other books and records must:

- (a) comply with the Exchange's requirements; and
- (b) be kept for a period of not less than 7 years from the date the records are first prepared.

*[Refer to Directive No. 12-002]*

**12.02 Financial statements**

A Participating Organisation must submit to the Exchange all financial statements the Exchange specifies within the period stipulated. The financial statements must comply with the Exchange's requirements.

*[Refer to Directive No. 12-002]*

[The rest of this page is intentionally left blank]

**PART B            STATUTORY AUDIT**

**12.03 Annual statutory audit**

- (1) A Participating Organisation must submit to the Exchange the accounts audited by a statutory auditor annually (“Annual Audited Accounts”) within 3 months after the close of the financial year.
- (2) *[Deleted]*
- (3) A Participating Organisation must, within 2 months from commencing business as a Participating Organisation, notify the Exchange of:
  - (a) the date of the Participating Organisation’s financial year end; and
  - (b) the name of the statutory auditor who will furnish the Annual Audited Accounts.
- (4) A Participating Organisation must inform the Exchange in writing prior to any change to the financial year end or the statutory auditor of the Participating Organisation.

[The rest of this page is intentionally left blank]

**PART C           SUSPENSION OF INTEREST AND  
PROVISIONS FOR BAD AND DOUBTFUL DEBTS**

**12.04 Directives**

A Participating Organisation must comply with the Exchange's Directives which sets out the minimum requirements on:

- (a) the treatment of interest charged by the Participating Organisation to a Client; and
- (b) the impairment provisions for bad and doubtful debts irrespective of whether such debts have been assigned.

*[Refer to Directive No. 12-001 and Best Practices No. 12.04-001 and 12.04-002]*

**12.05 [Deleted]**

[The rest of this page is intentionally left blank]

**PART D OFF-BALANCE SHEET TRANSACTIONS**

**12.06 Investment Banks**

All provisions in this Part D of this Chapter 12 do not apply to a Participating Organisation that is an Investment Bank.

**12.07 Records of Off-Balance Sheet transactions**

A Participating Organisation must maintain a Record that sufficiently explains the Off-Balance Sheet transactions entered by it.

*[Refer to Directive No. 12-003]*

**12.08 Reporting of Off-Balance Sheet transactions**

A Participating Organisation must lodge with the Exchange a monthly report in the form as prescribed by the Exchange.

*[Refer to Directive No. 12-003]*

[End of Chapter]