

CHAPTER 7

ACCOUNTING, AUDIT AND FINANCIAL REPORTING REQUIREMENTS

PART A ACCOUNTS AND FINANCIAL REPORTING

7.01 Accounts

A Trading Participant must keep up-to-date accounting and other books and records. The accounting and other books and records must comply with the Exchange's requirements.

[Refer to Directive No. 7-001]

7.02 Financial statements

- (1) A Trading Participant must submit to the Exchange all financial statements the Exchange specifies within the period prescribed. The financial statements must comply with the Exchange's requirements.
- (2) In relation to a Remote Trading Participant, the financial statements referred to in Rule 7.02(1) means the financial statements prepared by the Remote Trading Participant in accordance with the approved accounting standards in its home jurisdiction.

[Refer to Directive No. 7-001]

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PART B STATUTORY AUDIT

7.03 Annual statutory audit

- (1) A Trading Participant 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. The Annual Audited Accounts must comply with the Exchange’s requirements.

- (2) In relation to a Remote Trading Participant, a statutory auditor referred to in Rule 7.03(1) means an auditor acceptable to the Home Regulator or Home Derivatives Exchange.

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PART C OFF-BALANCE SHEET TRANSACTIONS

7.04 Investment Banks

All provisions in this Part C of this Chapter 7 do not apply to a Trading Participant that is an Investment Bank.

7.05 Records of Off-Balance Sheet transactions

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

[Refer to Directive No. 7-002]

7.06 Reporting of Off-Balance Sheet transactions

A Trading Participant must lodge with the Exchange a monthly report on Off-Balance Sheet transactions in the form as prescribed by the Exchange.

[Refer to Directive No. 7-002]

[End of Chapter 7]