

TECHNICAL CIRCULAR:	1/2018 [TC 1_2018]
To:	All the Members of the Institute
From:	Auditing Standards Committee
Date:	11 January 2018
Subject:	Letter Certifying the bank balances and transactions from the Bank to the Auditor

This Circular replaces Technical Circular No. 56 dated 23 December 2013, in relation to the **Letter Certifying the bank balances and transactions from the Bank to the Auditor** (“certificate”) which will be sent by the banks to the auditors, as the matter has been re agreed with the Association of Cyprus Banks (ACB).

The following guidelines have been agreed with the Association of Cyprus Banks (ACB) and must be followed:

- Auditor’s Request letter and **annual / standing authorisation** must be sent directly to the Client’s bank branch by the auditor and not from the customer.
- Auditor’s Request letter should be signed by the auditor.
- In case of a **standing authorization**, where the original was already sent to the Bank in the previous year(s), a signed copy should be attached to the Auditor’s request letter.
- When completing the annual / standing authorizations, these should include the name and identification number of individuals and the legal name and registration number of legal entities.
- Annual / standing authorizations should be prepared on one page and in case of two pages or more, all pages should be signed.
- In case of a legal entity, the name and position of the signatory must be indicated on the authorization letter.
- Bank acknowledgment must be duly completed with all contact details of the audit firm/sole practitioner.
- Third party names will not be provided due to the data protection act.

The following documents are attached:

Appendix 1: ***Standard Auditor Request for Bank Report***
[signed by the audit firm/sole practitioner]

Appendix 2: ***Bank Acknowledgement of Auditor Request***
[the first part is completed by the audit firm/sole practitioner, and the second part by the bank which returns it back to the audit firm]

Appendix 3A: *Annual Authorisation by Bank's Customer for Disclosure of Information*

[signed by the client (physical or legal person) that maintains the bank account every time the audit firm/sole practitioner requests the bank to complete and send the certificate]

Appendix 3B: *Permanent Authorisation by Bank's Customer for Disclosure of Information*

[signed by the client (physical or legal person) that maintains the bank account the first time the audit firm/sole practitioner requests the bank to complete and send the certificate, and is valid until revoked]

Appendix 4: *Standard Request for Information*

[completed by the bank]

It is noted that, following agreement with ACB, the standing authority included in Appendix 3B is now accepted by all banks in Cyprus which are members and associate members of ACB. As at the date of this circular, the members and associate members of ACB were as follows:

Members

1. Bank of Cyprus Public Company Ltd
2. Hellenic Bank Public Company Ltd
3. Alpha Bank Cyprus Ltd
4. National Bank of Greece (Cyprus)
5. USB BANK PLC
6. CDBBANK
7. Societe Generale Cyprus
8. ASTROBANK
9. RCB Bank Ltd
10. Eurobank Cyprus Ltd
11. Cyprus Cooperative Bank
12. Ancoria Bank

Associate members

13. Housing Finance Corporation

The annual authority included in Appendix 3B can be used for requests sent to banks which are not members or associate members of ACB. It will also be accepted by members and associate members of ACB for cases where the client does not wish to provide a standing authority.

Appendix 1: Standard Auditor Request for Bank Report

To: The branch Manager

Date

Reference:

Dear Sir/Madam

Subject: **[Name of individual:.....**
Identity card number:.....
or
Company's name:.....
Company's registration number]:.....

Standard request for bank report for audit purposes for the year ended _____

In accordance with your above-named customer's instructions given in the attached authority/standing authority [delete as appropriate] please send to us, as auditor(s) of your customer, for the purpose of our business, without entering into any contractual relationship with us, the attached information relating to their affairs at your bank as at the close of business on _____ and, in the case of items 2 and 7, during the period since _____.

For each item, please state any factors which may limit the completeness of your reply and if there is nothing to report, please state 'NONE'.

It is understood that any replies given are in strict confidence.

Bank acknowledgement of Auditor Request

Please also find attached the 'Bank acknowledgement of Auditor Request', of which you are kindly requested to complete part B and return it to us as soon as possible.

Yours truly

Signature:.....

Name:.....

Position:.....

Appendix 2: Bank Acknowledgement of Auditor Request

Bank Acknowledgement of Auditor Request

PART A – This Part To Be Completed By The Auditor

This acknowledgement should be returned to:

Name:

Position:

Audit Firm:

Address:

.....

Telephone no.: Fax no.:

E-mail address:

PART B – This Part To Be Completed By The Bank

Thank you for your request for a bank report for audit purposes in respect of

(customer's name).

The request was received on:

(day/month/year)

Your request is being processed and the letter will be completed once we have gathered the information sought. In the event of your needing to contact us, please address any enquiries to:

Position:

Audit Firm:

Address:

.....

Telephone no.: Fax no.:

E-mail address:

Appendix 3A: Annual Authorisation by Bank's Customer for Disclosure of Information

To: The branch Manager

Date

Reference:

Dear Sir/Madam

Subject: **[Name of individual:
Identity card number:
or
Company's name:
Company's registration number]:**

Customer Annual Authorisation for the disclosure of information

I/We authorise you to disclose such information as may be requested from you by our auditor(s), Messrs/Mr./Mrs. [delete as appropriate] [Name of Audit Firm/Name of Sole practitioner], in their standard request for bank report for audit purposes and in any requests for supplementary information relating to our affairs at your bank as at the close of business on _____ and during the period since _____.

I/We confirm that we are aware as to the nature and content of the information which will be requested from you.

I/We understand that the preparation and submission of this information to our auditors will result to bank charges and I/we hereby authorise you to debit any of my/our accounts held with you, according to your bank's price list.

Yours faithfully

Signature:.....

Name:.....

Position:.....

(Signed in accordance with the mandate for the conduct of the customer's bank account)

Appendix 3B: Permanent Authorisation by Bank's Customer for Disclosure of Information

To: The branch Manager

Date

Reference:

Dear Sir/Madam

Subject: **[Name of individual:.....
Identity card number:.....
or
Company's name:.....
Company's registration number]:.....**

Customer permanent authorisation for the disclosure of information

I/We authorise you to disclose such information as may be requested from you by our auditor/(s), Messrs/Mr./Mrs. [delete as appropriate] [Name of Audit Firm/Name of Sole practitioner], in their standard request for bank report for audit purposes and in any requests for supplementary information relating to our affairs at your bank from the date of this authorization onwards and until superseded.

I/We confirm that I/we are aware as to the nature and content of the information which will be requested from you.

I/We understand that the preparation and submission of this information to our auditors will result in bank charges and I/we hereby authorise you to debit any of our accounts held with you, according to your bank's price list.

Please consider this authorization as valid until specifically revoked in writing, and/or if there are changes in the Directors, Authorized Bank Signatories and/or Auditors. I/ We will inform you when such changes take place.

I/We confirm that I/we have the authority to make such a request from you.

Yours faithfully

Signature:

Name:

Position:

(Signed in accordance with the mandate for the conduct of the customer's bank account)

Appendix 4: Standard Request for Information

Date:

Recipient:

Customer's name:

Subject: Standard Request for Information

Reply

Bank Accounts

1. Open Accounts

List all open own and joint accounts of the following types with the attributes as shown below. For the non-applicable attributes the field label should not be shown.

Account Types

- Loans
- Current accounts
- Credit card accounts
- Revolving loan limits
- Savings accounts
- Notice accounts
- Fixed deposit accounts
- Any other accounts retained with your bank if not indicated above

Account Attributes

- (a) Account number
- (b) Own/joint indication
- (c) Account type
- (d) Currency
- (e) Balance (including Nil balances)
- (f) Loan original amount
- (g) Facility limit
- (h) Interest rate base
- (i) Interest rate margin
- (j) Total interest rate
- (k) Accrued interest (but not charged or credited)
- (l) Interest charged
- (m) Interest received
- (n) Defence contribution
- (o) Next review date (e.g. for overdraft accounts and loans) ¹
- (p) Maturity date (e.g. for loans)
- (q) Blocked amount
- (r) Recourse/non-recourse (e.g. for factoring)¹

¹ Banks will provide only when information is readily available.

- (s) Arrears/excesses

2. Closed Accounts

Reply

List all own and joint accounts of the account types listed above that were closed during the reporting period (calendar year) with the attributes listed below.

Account Attributes

- (a) Account number
- (b) Own/joint indication
- (c) Account type
- (d) Currency
- (e) Interest charged during the reporting period
- (f) Interest received during the reporting period
- (g) Defence contribution during the reporting period
- (h) Date of closure

3. Trade Finance

3.1 Guarantees/bonds/indemnities issued by the bank to a beneficiary on behalf of the customer.

- (a) Type of guarantee
- (b) Issue date
- (c) Expiration date
- (d) Amount
- (e) Currency

3.2 Total of acceptances under bills for collection

3.3 Total outstanding liabilities under letters of credit

4. Derivatives and Commodity Trading

Give the currencies, amounts and maturity dates on a contract by contract basis of all derivative contracts including the following:

- (a) forward exchange contracts;
- (b) forward rate agreements;
- (c) financial futures;
- (d) interest rate swaps;
- (e) option contracts;
- (f) bullion contracts;
- (g) commodity contracts;
- (h) swap arrangements (near and far dates);
- (i) others (indicate their nature).

Note:

Indicate the nature and extent of any facility limits, detail period of availability of agreed facilities.

5. Collateral

Reply

List of all collateral that is securing the facilities reported in bank account section 1 and all collateral that is securing the facilities of a third party.

5.1 Collateral Attributes

- (a) Collateral reference number (collateral key)
- (b) Collateral type (e.g. personal/corporate guarantee)
- (c) Collateral date
- (d) Collateral amount
- (e) Collateral owner name²
- (f) Mortgage number³
- (g) Property registration number (title may be one to many with the security)³
- (h) Property type (title may be one to many with the security)³
- (i) Property location (title may be one to many with the security)³
- (j) List of accounts secured by the security³

5.2 Any available information regarding:

Guarantees/bonds/indemnities given by the customer to the bank for the benefit of a third party.

For each of the above, list the following attributes:

- (a) Date
- (b) Amount

6. Customer's other assets held

Please give full details of the customer's other assets held, including share certificates, documents of title deeds, safe boxes and any other items listed in your registers maintained for the purpose of recording assets held.

7. Other Information

Any other information considered relevant

² Banks will only provide this information if the actual account holder is the owner of the collateral. If the collateral amount relates to a third party, the banks will disclose "collateral relates to third party".

³ Banks will provide only when information is readily available.