



## CENTER FOR AUDIT QUALITY

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### CAQ Alert #2012-05 March 19, 2012

#### DEAR CENTER MEMBERS

#### **SEC Staff Reminds Auditors of Requirement on Audit Reports Related to Financial Statements Prepared According to IFRS as Issued by the IASB**

In a recent communication to the [CAQ International Practices Task Force](#), the staff of the Securities and Exchange Commission (SEC) reminded auditors of the Commission's requirements that issuers who include financial statements prepared according to IFRS as issued by the IASB in their filings with the SEC must also include an audit report that unreservedly and explicitly states an opinion on whether the financial statements comply with IFRS **as issued by the IASB** (and not just IFRS). Specifically, Item 17(c) of [Form 20-F](#) requires that "If the financial statements comply with IFRS as issued by the IASB, such compliance must be unreservedly and explicitly stated in the notes to the financial statements and the auditor's report must include an opinion on whether the financial statements comply with IFRS as issued by the IASB. If the notes and auditor's report of an issuer do not contain the information in the preceding sentence, then the U.S. GAAP reconciliation information described in paragraphs (c)(1) and (c)(2) [of Form 20-F] must be provided." Accordingly, auditors are encouraged to review the form of the audit report to be filed with the SEC and to work with clients to help them comply with their filing responsibilities with respect to the auditor's report.

Sincerely,

Center for Audit Quality

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