

New Requirements for the registration
of auditors with CMA
29th. April, 2009

The board of directors of Capital Market Authority issued a new directive for the Auditors Registry with the CMA:

On 29/4/2009, the board directors of CMA issued a new resolution regarding the requirements for the registration of auditors with CMA.

According to resolution no. 33 of 2009 issued by the board of directors of CMA, a registry record shall be established for all auditors in order to be eligible to audit the following companies;

1. Listed companies;
2. Public offered Companies (IPO companies);
3. Capital Market Companies. This includes all Companies established, and licensed by the CMA including Securities Brokerage companies; Asset management companies; holding companies; etc.....; and
4. Mutual Funds established by banks and insurance companies. (Art. 1 of the Resolution);

Auditors who are not registered with CMA shall not be entitled to the audit any of the above mentioned entities. Further, auditors who are not listed with CMA shall not be entitled to audit affiliate companies in which any of the mentioned entities referred to above in Art 1 owns either directly or indirectly 20% or more of the affiliates' shares or voting rights. (Art.2).

Art. 3 of the Resolution specifies the requirements for registration. Art. 4 obliges the registered auditors to comply with the Egyptian Audit Standards, and regulation to be issued by the CMA in this regards.

It is worth mentioning that the CMA has established in 2008 an audit review unit. This unit is in charge of overseeing the auditors' compliance with audit standards, and Resolution 33 of 2009. This unit shall be entitled according to Art. 9 of the Resolution to take any disciplinary measures against the auditors in case of any of the following events including (but not limited to) non compliance with Egyptian Accounting Standards; Egyptian Audit standards; code of conducts issued by the CMA; conflict of interests; and non compliance with continuing education requirements.