

May 31, 2019  
Circular N° SBP-DJ-0062-2019

General Manager

Subject: Rule 4-2010

Dear General Manager:

We would like to remind you hereby of the contents of Rule 4-2010 dated 10 August 2010 “by means of which the provisions on external audits of banks are updated,” specifically Article 6 of the cited Rule 4-2010 related to the Quality of the External Audit, which stipulates:

*“ARTICLE 6. QUALITY OF THE EXTERNAL AUDIT. The reporting entities shall contract external audits that conform to the highest auditing and ethical standards under the financial information reference framework provided by the International Financial Reporting Standards (IFRS) or the United States Generally Accepted Auditing Standards (US-GAAS), as appropriate.*

*For this purpose, reporting entities shall state clearly in the notes to the financial statements the accounting policies followed or used in areas of specific interest to the supervisor, such as assets and liabilities valuation, provisions, revenue recognition and consolidation, among others. Similarly, the reporting entities are required to provide their external auditors with all of the information and documentation they require to fulfill their function efficiently.*

*Also, external auditors are responsible for certifying in their audits that the reporting entity complies with the accounting policies referred to above”.*

In this regard, it is important to note that the Independent Auditors’ Report on the Audited Financial Statements must comply with the provisions of paragraph 3 of Article 10 of the aforementioned Rule 4-2010, which includes among the minimum conditions that the reporting entities must require of their External Auditors, the “Observance of the Professional Code of Ethics of Professional Accountants issued by the International Federation of Accountants (IFAC) or the ethical standards issued by the American Institute of Certified Public Accountants (AICPA), as appropriate”.

*“Velando por la solidez del Centro Bancario Internacional”*

Considering the above, we would greatly appreciate your informing your staff of the provisions of this Circular in order to comply with this provision and to ensure it is documented in the relevant reports.

Best regards,

Gustavo A. Villa  
Acting Superintendent

/mp