

Content

Title :	Financial-Supervisory-Securities-Firms-11403803267	
Date :	2025.02.10	

Content : Order of the Financial Supervisory Commission

Issue date: 10 February 2025

Issue no.: Financial-Supervisory-Securities-Firms-11403803267

1. This Order is issued pursuant to Article 34, paragraph 2 of the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.
2. A futures commission merchant (FCM) that prepares and discloses information under Articles 30 to 33 of the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants (such information being hereinafter referred to as "Other Disclosures") shall engage the certified public accountants (CPAs) who audit and attest its financial statements to perform the necessary review work and issue appropriate review opinions on the Other Disclosures.
3. The purpose of the CPA review of the FCM's Other Disclosures is to provide the CPAs with a basis for expressing their review conclusions, to determine:
  - A. Whether the relevant information is adequately disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.
  - B. That the content of the financial information stated in the Other Disclosures is consistent with the financial statements, and that no material modifications need to be made.
4. When reviewing the Other Disclosures, the CPAs shall read to determine whether there is any potentially misleading or inconsistent content. If so, they shall recommend that the FCM make appropriate corrections.
5. When reviewing the Other Disclosures, the CPAs shall perform the following review procedures:
  - A. Reconcile the stated financial data with the relevant financial statements and books of accounts. If there is any inconsistency, notify the FCM to correct it.
  - B. Reconcile to relevant data to ensure the reliability of the information.
  - C. Verify ratios or percentage changes to ensure the accuracy of the information.
6. When the CPAs perform the review procedures, the items that must be reconciled with the relevant financial statements and books of accounts include each of the following:
  - A. In the category of material business matters: equity investments in affiliated enterprises and purchases or disposals of major assets.
  - B. Components of operating income and net income (loss) before tax for the most recent 2 fiscal years.
  - C. Material capital expenditures made in the most recent fiscal year.
7. When the CPAs perform the review procedures, the items that they shall assess for accuracy include the following:
  - A. Financial ratios.
  - B. Amounts of increase or decrease and percentages of change.
  - C. Other items required to be assessed.
8. After completing the review of the Other Disclosures, the CPAs shall issue a review report (see attachment). However, if the CPAs discover any content that is materially inconsistent with the financial statements or that is not fairly presented in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and the FCM refuses to correct such content, the CPAs shall specify this in the middle section, and appropriately amend the content of the opinion section.
9. This Order is effective from this day forward. The 16 February 2017 Order No. Financial-Supervisory-Securities-Firms-10600023086 of the Financial Supervisory Commission is repealed from this day forward.

Files : 11Financial-Supervisory-Securities-Firms-11403803267.txt

Attachments :	11Attachment-Example of a Review Report on the Other Disclosures of a Futures Commission Merchant's Financial Report.odt
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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System