

## **GUIDANCE NOTE**

### **REGISTRATION AMENDMENT– APPOINTMENT OR CHANGE OF AUDITOR OF A DMCC COMPANY**

In this Guidance Note, unless the context otherwise requires, words or expressions not defined have the same meaning and interpretation as in the Company Regulations 2020 of the Dubai Multi Commodities Centre Authority (“**CR 2020**”).

#### **I. GENERAL**

##### **A. Concept**

- A Company must appoint a firm of auditors who must examine and report on the accounts prepared pursuant to Regulation 71 of the DMCC Company Regulations 2020.
- The appointment of a firm as an auditor of a Company is taken to be an appointment of all persons who are partners or owners of the firm.
- A Company must appoint its auditor at a General Meeting.
- The Company must not appoint an auditor unless:
  - (a) The auditor has been registered by DMCCA as an approved auditor pursuant to approved auditor rules published by DMCCA from time to time;
  - (b) The auditor has, prior to the appointment, consented in writing to the appointment; and
  - (c) The Company is not, on reasonable inquiry, aware of any matter which should preclude the auditor from giving its consent.
- Where the Auditor of the Company has not completed its term of appointment, the Directors of that Company may fill such vacancy on such terms as they see fit, and the appointee will hold office to the conclusion of the next annual General Meeting.
- A Company may by Ordinary Resolution at any time remove an auditor notwithstanding anything in any agreement between it and the auditor.
- DMCCA may order the termination of the appointment of a Company’s Auditor and, if it does so, shall provide its grounds for such order in writing to the Company.
- Auditor’s duties and powers are governed by Regulation 78 of the DMCC Company Regulations 2020.

##### **B. Amendment Covered by this Guidance Note**

- Change of Auditor (SR Number 108)

### C. Applicable Business Rules

- This process is applicable to Companies only and shall exclude Branches.
- The Company's Licence must be valid at the time of submission of the application and until process is completed. The application will be put on hold if the Licence expires during the process.
- Companies with dormant licence cannot apply for this service.
- There should not be any account sanction. Please see Schedule 1 for list of sanctions. In case sanction is related to non-submission of Financial Statement, this should be referred to DMCC Registrar for approval.
- Company is permitted to appoint only one auditor at a time.
- Appointed auditor must be selected from the DMCCA approved auditor's list.
- If the Company has a current registered auditor, it must select 'change' option in the SR. 'appoint' option will apply only to first appointments.
- Application (SR) cannot be submitted without providing the required documents.
- Cancellation of the application shall be subject to the existing cancellation policy and procedure for SR cancellation.

### II. PROCESS FLOW

- To appoint or change an auditor, please follow the below process through [member portal](#).

Process Owner	Action	Comments
Company	<p>Company to do the following in the online portal:</p> <ol style="list-style-type: none"> <li>1. Log in to <a href="#">member portal</a></li> <li>2. Go to 'Company Services' – 'Company Amendment Services' – 'Appointments' – 'Appoint or Change an Auditor'</li> <li>3. Select the auditor from the DMCCA approved list of auditors</li> <li>4. Provide auditor appointment date (to be current or past date)</li> </ol>	<ul style="list-style-type: none"> <li>• Submit the SR.</li> <li>• A notification submission will be received by the client.</li> </ul>

Process Owner	Action	Comments
	5. Upload the required documents	
DMCC	<p>Relevant DMCC Officers will verify the application by doing the following:</p> <ol style="list-style-type: none"> <li>1. Check information provided by the client and verify all the uploaded documents.</li> <li>2. Approves or Declines the application.</li> </ol>	<ul style="list-style-type: none"> <li>• SR may be returned to the client to submit additional information or re-upload a document. In such cases, the client has to comply with the requirements to continue with the process.</li> <li>• When additional requirements or information is provided, the client has to update the step in the SR.</li> </ul> <p><b>If Approved</b></p> <ul style="list-style-type: none"> <li>• Client will receive approval notification.</li> <li>• The account shall be updated and auditor to be registered in system.</li> </ul>

### III. REQUIREMENTS

Documents	Remarks
Auditor's appointment letter	• Signed by authorized signatory and stamped.
Confirmation from the appointed auditor	• Signed by authorized signatory and stamped.

*Note: Signed documents to be uploaded in the SR but no requirement for submission of original documents.*

### IV. OUTPUT

Notification of appointment registration.

### V. APPLICABLE FEES

No applicable fee.

### VI. CANCELLATION OF AN APPLICATION

Cancellation of an application will be subject to the existing policy and procedure of SR cancellation.

## Schedule 1

### Company Sanctions could be one or all of the following:

- Restriction or suspension of services;
- A fine or penalty, as specified by DMCCA from time to time in accordance with CR 164 (Administrative imposition of fines or penalties);
- Suspension of a Licence in accordance with the process set out in CR 165 (Power of DMCCA to suspend a Licence);
- Termination of a Licence in accordance with the process set out in CR 166 (Power of DMCCA to terminate a Licence);
- A DMCC Entity being Struck-off, in accordance with the process set out in Regulation 167 (Power of DMCCA to Strike-Off);
- Such other sanction as DMCCA may deem appropriate from time to time; and/or
- Sanction imposed by an order of the Dubai Court.