



Cabinet Resolution No. (48) of 2022 On the Implementing Regulation of Federal Law No. (12) of 2014 on the Regulation of the Auditing Profession

The Cabinet.

After perusal of:

- The Constitution;
- Federal Law No. 1 of 1972 on Competencies of the Ministries and Powers of the Ministers and its amendments;
- Federal Law No. 12 of 2014 on the Regulation of the Auditing Profession and its amendments;
- Cabinet Resolution No. 21 of 2016 on the Implementing Regulation of Federal Law No. 12 of 2014 on the Regulation of the Auditing Profession; and
- Based on the proposal of the Minister of Economy and the approval of the Cabinet,

Has resolved:

Article (1)

Definitions

The definitions set out in the aforementioned Federal Law No. 12 of 2014 shall apply to this Resolution. However, the following terms and expressions shall have the meanings assigned against each of them, unless the context requires otherwise.

- Fellowship Certificate Register** : The fellowship certificate approved by the Ministry.
- Register** : Any of the auditors' registers stipulated in Article (2) of this Resolution, and which are established at the Ministry to

- record auditors in accordance with the provisions of the Law and this Resolution.
- Auditors' E-Program** : An information system in the information network developed by the Ministry to process, manage, and store electronic information related to the services of auditors
- Law** : Federal Law No. 12 of 2014 on the Regulation of the Auditing Profession and its amendments.

Article (2)

Auditors' Registers

Electronic registers shall be established at the Ministry for the registration of auditors, as follows:

1. Register of natural auditors practicing the profession.
2. Register of natural auditors not practicing the profession.
3. Register of trainee auditors.
4. Register of juristic auditors practicing the profession, which shall contain all of the following:
 - a) Local auditing offices and companies.
 - b) Branches of foreign auditing companies.
 - c) Natural persons working for the auditor.
5. Register of natural and juristic persons practicing the auditing profession-related activities such as preparing regular financial reports, financial and administrative accounting, tax accounting, internal audit and judicial audit (the accounting expert).
6. Any other registers that the work may require.

Article (3)

Data in the Auditors' Register

The registers referred to in Article (2) of this Resolution shall contain the following data and information:

1. The register of practicing and non-practicing natural auditors and trainees. This register shall contain the following data and information:
 - a) The auditor's personal information, provided that it states the name, date of birth, date of obtaining the educational qualification, practical experience, address, telephone numbers, e-mail address and the physical mail.
 - b) The auditor's registration number in the register and the date of obtaining it.
 - c) The official certified specimen signature of the auditor.
2. The register of juristic auditors. The data and information that are entered therein shall be kept and classified in two separate files, one of which to be allocated to companies and offices that are established within the State, and another file to the branches of foreign auditing companies licensed to operate within the State, in accordance with the provisions of the Law and relevant legislation. Both files shall contain the following information:
 - a) The company's data, including its name, type, address within the State, the number of its branches, telephone numbers, e-mail address and physical mail.
 - b) The registration number in the register and the date of obtaining it.
 - c) The names of partners and percentage of ownership of each of them.
 - d) The name of its representatives and authorized signatory.
 - e) The nationality of the company, for the branches of foreign companies.

Article (4)

Conditions for Registration in the Register of Natural Auditors Practicing the Profession

1. To be registered in the register of natural auditors practicing the profession, a person shall meet the following conditions:
 - a) He must have the full legal capacity.
 - b) He must have a valid identity card.
 - c) He must be of good conduct and behavior and has not been convicted by a final court ruling of a felony or misdemeanor involving turpitude or dishonesty, unless he has been rehabilitated, and he shall not be sentenced to disciplinary action for reasons affecting the integrity and honor of the profession ethics or the position he was occupying unless a period of no less than (3) three years has lapsed since the issuance of such final ruling.
 - d) He must have a minimum of a bachelor's degree in accounting or any other specialization recognized in the State, provided that he has the equivalent of at least (15) fifteen credit hours in accounting courses approved by the Ministry.
 - e) He must have a valid Fellowship Certificate.
 - f) He must have practical experience in the field of auditing for a period of no less than five (5) years after obtaining the academic qualification.
2. In addition to the conditions set out in Clause (1) of this Article, a natural person who is not a national of the State to be registered in the register of practitioners, shall meet the following conditions:
 - a) He shall have practical experience in the field of auditing in the State as follows:
 - i. One year if his experience outside the State exceeds ten (10) years.
 - ii. Two years if his experience outside the State is from five (5) to (10) ten years.
 - iii. Three years if his experience outside the State is from two to five (5) years.



3. Subject to the preceding clause of this Article, the Minister shall approve the Fellowship Certificate Program, the Continuing Professional Education Program, and the requirements and approved entities in this regard.
4. Subject to the provisions of Article (19) of this Resolution, the natural persons registered in the auditors' register before the date of issuing this Resolution, and not having a foreign professional fellowship certificate recognized by the Ministry, shall adjust their status by obtaining the Fellowship Certificate within two (2) years from the date of issuance of this Resolution. Those who have a foreign professional Fellowship Certificate shall complete the continuing professional education hours that will enable them to equalize their certificate and obtain the Fellowship Certificate within the aforementioned period.

Article (5)

Documents for Registration in the Register of Natural Auditors Practicing the Profession

The application for registration in the register of natural auditors practicing the profession shall be filed electronically and as per the form prepared by the Ministry, accompanied by the following documents:

1. A valid Fellowship Certificate.
2. A valid ID card.
3. Certificate of good conduct and behavior.
4. A copy of the academic qualification certificate certified or equalized by the competent authority.
5. A copy of the experience certificate.
6. A recent color photograph.
7. The certified specimen signature of the auditor.
8. Any other documents necessary to complete the registration requirements by the applicant under the conditions stipulated in Clause (2) of Article (4) of this Resolution, if the applicant is a non-national of the State.

Article (6)

Documents for Transferring the Registration in the Register of Natural Auditors not Practicing the Profession

The auditor shall submit an application to transfer his registration to the register of natural auditors not practicing the profession, within a period not exceeding thirty (30) days from the date of any reason preventing him from practicing the profession, by the means determined by the Ministry, and as per the form prepared therefor, accompanied by the following documents:

1. A letter from the applicant stating the reasons for the application of transfer to the register of natural auditors not practicing the profession.
2. A certificate of registration or renewal of registration in the register of natural auditors practicing the profession as per the form approved by the Ministry.

Article (7)

Re-Registration in the Register of Natural Auditors Practicing the Profession

The registration shall be transferred from the register of natural auditors not practicing the profession to the register of natural auditors practicing the profession, subject to the following conditions:

1. Submission of an application for re-registration in the register of natural auditors practicing the profession.
2. Fulfilment of the conditions for registration in the register of natural auditors practicing the profession stipulated in the Law and this Resolution.
3. Update of the documents required by the Ministry and fulfilment of the requirements referred to in Articles (4) and (5) of this Resolution.

Article (8)

Documents for Registration in the Register of Juristic

Auditors Practicing the Profession

The application for registration in the register of juristic auditors practicing the profession shall be filed by the means determined by the Ministry as per the form prepared therefor, accompanied by the following documents:

1. A copy of the certificates of registration of all natural partners in the company, in the register of natural auditors practicing the profession. If one of the partners is a juristic person established outside the State, a certificate shall be submitted from the competent authority in the State of its nationality, stating that it has obtained a license to practice the profession valid for a period of no less than five (5) years.
2. A copy of the identity card of the partners.
3. A copy of the company's memorandum of association in Arabic, duly authenticated and certified.
4. A valid copy of the license issued to the company by the competent authority.
5. A valid copy of the documents of a professional liability insurance contract concluded with one of the insurance companies operating in the State.
6. Certified specimen signatures of the auditors.
7. Any other requirements mentioned in this Resolution.

Subject to the foregoing, the individual institution of auditors shall be treated as a juristic person with respect to the aforementioned requirements, to the extent necessary in accordance with its nature.

Article (9)

Application for Registration of Branches of Foreign Companies

An application for registration of branches of foreign companies in the register of juristic auditors practicing the profession, shall be filed by the means determined by the Ministry as per the form prepared therefor, accompanied by the following documents:

1. A letter stating that the concerned Commercial Registration Department has no objection to proceeding with the registration procedures.
2. A copy of the memorandum of association of the parent foreign auditing company and its statute translated into Arabic and duly certified.
3. A certificate of the parent company practicing the profession of auditing in its original domicile, in accordance with the period stipulated in the Law.
4. A copy of the registration certificates for the branches of the foreign auditing company, provided that they are valid and issued by the register of foreign companies.
5. A letter from the parent company specifying the names of the representatives of the branches to be registered, who are authorized to sign on its behalf, and their workplaces in the State.
6. A copy of valid certificates for the registration of representatives of the company's branches in the auditors' register of natural practitioners.
7. A copy of the valid license issued by the competent authorities for all branches of the company.
8. A valid copy of the documents of a professional liability insurance contract concluded with one of the insurance companies operating in the State.
9. Certified specimen signatures of the auditors representing the branches of the foreign auditing company.

Article (10)

Approval of the Application for the Auditor's Registration



1. If the auditor's application to be registered in the register is approved, the following shall be done:
 - a) Notifying the applicant of registration of approval of his registration.
 - b) Notifying the registration applicant to pay the registration fees.
 - c) Ensuring that the applicant signs the undertaking stipulated in Article (12) of the Law.
 - d) Issuance of an electronic certificate from the Ministry stating that the name of the auditor has been registered in the register, containing the data stipulated in Article (13) of the Law and any other data in detail.
2. Registration in the registers stipulated in this Resolution shall be valid for a period of three (3) as of the date of written approval of the application for registration, unless the registered auditor loses any of the conditions stipulated in the Law and this Resolution.
3. The applicant for registration may file a grievance with the Ministry within fifteen (15) days from the date of his knowledge of the rejection of the application for registration.
4. Subject to the preceding clause of this Article, the applicant for registration may resort to the competent courts to lodge an appeal against the Ministry's decision on the grievance, within thirty (30) days of the Ministry's decision.

Article (11)

Renewal of Registration in the Registers of Auditors

1. An application shall be filed with the Ministry to renew the registration in the registers of auditors practicing the profession as per the form prepared therefor, within sixty (60) days preceding the expiry of the valid registration, accompanied by the following:
 - a) A copy of a valid identity card for the natural auditor.
 - b) A valid copy of the documents of a professional liability insurance contract concluded by one of the insurance companies operating in the State.
 - c) A valid Fellowship Certificate.



- d) A copy of the licenses issued by the competent authorities for juristic persons.
 - e) Completion of training programs regarding auditing companies and offices.
 - f) Any other requirements mentioned in this Resolution.
2. Registration for practicing the profession in the register of auditors shall be renewed for a period not less than one year and not more than three (3) years, at the request of the concerned auditor.
 3. The auditor's registration shall be cancelled whenever the auditor fails to renew the registration for ten (10) months from the date of its expiry, provided that for re-registration, a new application be submitted in accordance with the provisions of this Resolution.
 4. Subject to the provisions of the preceding paragraph, the auditor may file a grievance regarding the cancellation of the registration referred to in Clause (3) of this Article, whenever the reason for the delay in renewing the registration is justified. In the event that the grievance is accepted, the Minister may cancel the decision subject of grievance in terms of continuity of auditor's registration.
 5. Cancellation of the decision subject of grievance shall not preclude the imposition of a fine for delay of registration renewal, and the auditor must pay such fine.
 6. Subject to the provisions of the preceding paragraph of this Article, the auditors shall adhere to the continuing professional education program as a condition and prerequisite for the renewal of registration.

Article (12)

Notification of Modification or Change

The auditor, upon any modification or change to his registration data or the documents attached thereto, shall enter his personal account in the Auditors' E-Program through the Ministry's website, to submit a notification of the change, provided that the following conditions are observed:



1. The date of submission of the notification shall be during the validity period of its registration in the Ministry's registers.
2. The notification shall be by annotation of the data of the electronic program referred to in this Article within a period not exceeding thirty (30) days from the date of the modification or change.
3. Documents duly certified and proving the occurrence of the change or modification shall be attached.

Article (13)

Registration of a Natural Person in the Register of Trainees

A natural person shall be registered in the register of trainee auditors in accordance with the conditions stipulated in Article (4) of this Resolution, with the exception of the requirement of work experience.

Article (14)

Method and Conditions of Training

Auditing companies and offices, when implementing training programs set or approved by the Ministry for those wishing to be registered in the register of trainees, shall abide by the conditions and standards set by the Ministry for training programs with regard to diversifying training sources and methods, to include the following areas:

1. Financial and management accounting.
2. Tax accounting.
3. External audit (audit of accounts).
4. Internal audit.
5. Judicial audit.

They shall also aim at providing knowledge and familiarity with the following:

1. The economic and commercial legislations in force in the State.



2. Financial accounting, cost accounting, and government accounting.
3. Accounting and auditing standards.
4. Professional rules, ethics, and code of conduct.
5. Preparing financial statements and reports.
6. Standards of quality control for accounting and auditing offices.
7. Any other programs required by the need for training and work in the profession.

Article (15)

Register of Natural and Juristic Persons

Practicing the Profession-Related Activities

The provisions stipulated in Article (3) and Article (4) of this Resolution shall apply to the register of natural and juristic persons practicing the profession-related activities to the extent necessary in accordance with the nature of this register, provided that the provisions relating to this register shall apply as determined by the Ministry in this regard.

Article (16)

Conditions for Insurance Against Professional Errors

The insurance policy against the professional errors of the auditor shall be issued by an insurance company licensed in the State. The insurance policy shall meet the following conditions:

1. It shall be issued in the name of the office or company practicing the profession.
2. It shall cover civil liability and professional errors for damages arising from the practice of the profession, unintentional errors, and unintended omissions, including liability arising from the employees of audit offices, companies, and branches of foreign companies.



3. It shall remain valid for the duration of the registration of the office or company in the register.
4. The amount of insurance coverage shall not be less than a percentage of the total annual fees for the office or company practicing the profession according to the segments determined by the Ministry.

Article (17)

Necessary Conditions for Register, File, and Data Keeping

The auditor shall take the necessary measures to be able to keep registers, files, and data related to his clients, and for this purpose he shall abide by the following:

1. Informing the persons and entities whose accounts he audits that the period for record keeping referred to in the Law and this Resolution is no less than five (5) years, as of the end of the last fiscal year during which he audits their accounts.
2. Maintaining the confidentiality of the information contained in the records.
3. Continuing to adhere to the duty of keeping records and files in accordance with the provisions of the Law and this Resolution in the event of auditor's cessation of business, suspension, or retirement.
4. Informing the Ministry of any data, information, or records that are lost or destroyed as a result of any reason and submitting an official statement proving the reason for such loss or damage.
5. Maintaining an electronic copy of the records, files, and data that he audits.
6. Filing an application with the Ministry to transfer the clients' records to another auditor, in the event that his name has been removed from the register, provided that he informs the Ministry of the same within a period not exceeding fifteen (15) days.
7. Handing over the records to his clients, each within his own capacity, or handing them over to another auditor, in the event that his name has been removed from the Ministry's registers, provided that the clients' records



be transferred in accordance with the provisions of Clause (6) of this Article.

8. Handing over documents to his clients, each within his own capacity, or destroying the same, by following the method of punching or shredding, using devices that prevent information leakage or disclosure in any way whatsoever, after the lapse of five (5) years designated for record and data keeping.

Article (18)

Disciplinary Board and its Work System

1. The Auditors Disciplinary Board formed in accordance with the provisions of Article (28) of the Law shall be convened whenever necessary upon an invitation from the Board's Chairman or at least three of its members.
2. The quorum of the Board's shall be deemed valid in the presence of the Chairman and at least two of its members, and its resolutions shall be issued by a majority vote of the members present, and in the event of a tie, the Chairman shall have the casting vote.
3. The Board's rapporteur shall prepare a record for keeping the minutes, works, recommendations, and decisions of the Board.
4. The Board shall issue its resolution within a period not exceeding fifteen (15) days from the date of its convening, and the decision shall be written and justified.
5. The Board's rapporteur shall notify the auditor with a copy of the Board's decision by registered letter within a period not exceeding ten (10) working days from the date of its issuance, or by one of the means stipulated in Article (31) of the law.

Article (19)

Repeals

Cabinet Resolution No. 21 of 2016 on the Implementing Regulation of Federal Law No. 12 of 2014 on the Regulation of the Auditing Profession shall be



repealed. Any resolution or provision that in contrary to, or conflict with this Resolution shall be repealed.

Article (20)

Publication and Entry Into Force

This Resolution shall be published in the Official Gazette and shall come into force four (4) months after the date of its publication.

The original Resolution is signed by

His Highness Mohammed bin Rashid Al Maktoum

Prime Minister

Promulgated by us:

Date: 10 Shawwal 1443 A.H.

Corresponding to: 11 May 2022.