

Ministerial Decision No. 633/2016
On the Standards and Procedures of Conciliation in Offences Committed by Auditors

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The Minister of Economy,

Having perused Federal Law No. 1/1972 on Competencies of the Ministries and Powers of the Ministers and its amendments;

Federal Law No. 12/2014 on the Regulation of the Auditing Profession and its amendments;

Federal Law No. 2/2015 on the commercial companies;

Cabinet Decision No. 17/2014 on the organisational structure of the Ministry of Economy;

Ministerial Decision No. 403/2015 on the international standards of the auditing profession;

And based on the suggestion of the Assistant Undersecretary for Economic Affairs,

Decided:

Article 1

The Auditors Department at the Ministry shall receive the conciliation applications submitted by the auditor for the violations that may be reconciled according to the provisions of this Decision.

Article 2

The Department shall, after verification, notify the auditor of the violation occurred through the registered address at the Ministry. The auditor may submit the conciliation application to the Ministry within fifteen days from the date of his notification and in case of failure to do so within the said period, all these violations shall be referred to the competent prosecution.

Article 3

No conciliation shall be made with the auditor if the latter is not registered at the table of auditors practicing the profession.

Article 4

Without prejudice to the provisions of Article (40) of the Federal Law no. 12 of 2014, the conciliation in the violations shall be according to the value stated beside each, as per the following table:

S	Type of Violation	Value of Conciliation for the Violation
1	If the name is not associated to the register number in all publications, correspondences, certificates and reports issued by him.	20,000
2	If he does not place the registration certificate issued by the Ministry in a prominent place at his office or the company's headquarters and branches.	20,000
3	If the name of the auditor is not used as an essential element in the title of the office or the company and in case of several partners, at least the name of one of them.	20,000
4	If he does not investigate the validity and correctness of the data stated in the auditor's report.	80,000
5	If he fails to abide by the profession's rules and code of ethics or by the decisions and regulations issued by the Ministry or the Securities and Commodities Authority concerning the international accounting standards and principles.	60,000
6	If he fails to abide by the profession's rules and code of ethics or by the decisions and regulations issued by the Ministry or the Securities and Commodities Authority concerning the governance rules and the corporate discipline standards.	60,000
7	If he fails to keep records, data and files related to customers for a period not less than five years.	50,000
8	If he refrains from providing any information required by the Minister or his representative on the companies and institutions for which he audited the accounts.	60,000
9	If he does not sign the auditing works by himself.	50,000

Article 5

1- In case of several violations in clauses (1, 2 and 3) of the table stated in Article (4) of this Decision or one of them, the conciliation shall be at the value of (20,000) twenty thousand Dirhams.

2- In case of several violations in clauses (5 and 6) of the table stated in Article (4) of this Decision or one of them, the conciliation shall be at the value of (60,000) sixty thousand Dirhams.

3- In all cases, the maximum limit of conciliation for each time shall be at a value not exceeding (100,000) one hundred thousand Dirhams and also in case of several violations stated in the table set forth in Article (4) of this Decision.

Article 6

The competent Department shall consider the application of conciliation and submit it to the Minister or his representative within five working days from the date of submittal thereof.

1- In case the conciliation application is accepted, the violating auditor shall be notified and the conciliation report of the violation attributed to him shall be made including the value of the conciliation amount and the time period in which the settlement shall be made.

2- The conciliation report and all that is related thereto shall be kept in a file at the competent Department.

3- In case of rejection of the conciliation application, the Department shall refer these violations to the competent prosecution according to the followed procedures within five working days from the date of rejection.

Article 7

If the conciliation auditor does not pay the conciliation amount on the date specified in the report, the conciliation shall be considered cancelled and the violation shall be referred to the competent prosecution.

Article 8

If the Ministry finds that these violations constitute a criminal offense punishable by imprisonment, it shall refer it to the competent prosecution even after completion of the conciliation procedures.

Article 9

No conciliation shall be made for the said violations after their referral to the public prosecution or if they were pending before the Courts of the State.

Article 10

This Decision shall be implemented as of its issuance date and shall be published in the Official Gazette.

Issued on: 20/11/2016

Eng. Sultan Bin Saeed Al Mansouri

Minister of Economy

This Ministerial Decision was published in the Official Gazette no. 610, p. 989.