



**NATIONAL BANK
OF THE REPUBLIC OF BELARUS**

RESOLUTION OF THE BOARD

11 December, 2019, No. 495

The city of Minsk

On Regulation of Auditing Activity in
Banks, Banking Groups and Banking
Holdings

Based on the first part of Article 39 of the Banking Code of the Republic of Belarus, and second, third, fifth and sixth paragraphs in the first part of Clause 4 of Article 5 of the Law of the Republic of Belarus, dated 12 July, 2013, No.56-Z, On Auditing Activity, the Board of the National Bank of the Republic of Belarus hereby RESOLVES:

1. To approve the Instruction on Regulation of Auditing Activity in Banks, Banking Groups and Banking Holdings (enclosed).

2. To establish that:

certificates of compliance with qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, non-bank financial organizations, banking groups and banking holdings, issued before entering of this Resolution into force, shall be valid during five years. The validity period begins from the day following the day of last testing in the National Bank;

the continuous seven-year period for mandatory audit of annual accounting and (or) financial reporting prepared by the Development Bank of the Republic of Belarus Open Joint Stock Company, or by the same bank or non-bank financial organization, or by the same parent organization of a banking group or a banking holding, shall begin from 1 January, 2020.

3. to recognize the Resolutions of the Board of the National Bank of the Republic of Belarus null and void, according to the Appendix.

4. This Resolution shall enter into force from the day of its official publication.

Chairman of the Board

P.V. Kallaur

LIST
of Void Resolutions of the Board of
the National Bank of the Republic
of Belarus

1. Resolution of the Board of the National Bank of the Republic of Belarus dated 4 January, 2008, No. 1, On Approval of the Instruction on Regulation of Auditing Activity in Banks, Non-bank financial organizations, Banking Groups and Banking Holdings.

2. Resolution of the Board of the National Bank of the Republic of Belarus dated 13 November, 2008, No. 172, On Making Amendments and Additions to Some Resolutions of the Board of the National Bank of the Republic of Belarus on Matters of Banking Supervision and Performing of Auditing Activity in the Banking System.

3. Resolution of the Board of the National Bank of the Republic of Belarus dated 30 November, 2010, No. 523, On Making Amendments and Additions to Some Resolutions of the Board of the National Bank of the Republic of Belarus.

4. Resolution of the Board of the National Bank of the Republic of Belarus dated 4 January, 2013, No. 7, On Making Amendments and Additions to the Instruction on Regulation of Auditing Activity in Banks, Non-bank financial organizations, Banking Groups and Banking Holdings.

5. Clause 1 of Resolution of the Board of the National Bank of the Republic of Belarus dated 26 December, 2013, No. 786, On Making Amendments and Additions to Some Resolutions of the Board of the National Bank of the Republic of Belarus.

6. Clause 1 of Resolution of the Board of the National Bank of the Republic of Belarus dated 5 June, 2014, No. 375, On Making Amendments and Additions to Some Resolutions of the Board of the National Bank of the Republic of Belarus.

7. Clause 4 of Resolution of the Board of the National Bank of the Republic of Belarus dated 13 August, 2015, No. 482, On Making Amendments and Additions to Some Regulatory Legal Acts of the National Bank of the Republic of Belarus.

8. Subclause 1.1 of Clause 1 of Resolution of the Board of the National Bank of the Republic of Belarus dated 10 June, 2016, No. 311, On Making

Additions and Amendments to Some Resolutions of the Board of the National Bank of the Republic of Belarus.

9. Subclause 1.1 of Clause 1 of Resolution of the Board of the National Bank of the Republic of Belarus dated 30 November, 2016, No. 596, On Making Additions and Amendments to Some Resolutions of the Board of the National Bank of the Republic of Belarus.

10. Subclause 1.2 of Clause 1 of Resolution of the Board of the National Bank of the Republic of Belarus dated 25 April, 2018, No. 192, On Making Amendments and Additions to Some Regulatory Legal Acts of the National Bank of the Republic of Belarus.

11. Subclause 1.3 of Clause 1 of Resolution of the Board of the National Bank of the Republic of Belarus dated 27 July, 2018, No. 335, On Making Amendments and Additions to Some Resolutions of the Board of the National Bank of the Republic of Belarus.

APPROVED
Resolution of the Board of the
National Bank of the Republic
of Belarus
11.12.2019, No.495

INSTRUCTION
On Regulation of Auditing Activity
in Banks, Banking Groups and Banking Holdings

CHAPTER 1
GENERAL PROVISIONS

1. This Instruction sets qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations (hereinafter referred to as banks unless otherwise specified), banking groups and banking holdings, the procedure for assessment of compliance with these requirements (hereinafter referred to as auditors' compliance assessment unless otherwise specified), requirements applicable to audit organizations and auditors performing their activities as individual entrepreneurs (hereinafter referred to as individual entrepreneur auditors), performing auditing activities in banks, banking groups and banking holdings, the procedure for assessment of compliance with these requirements (hereinafter referred to as assessment of compliance of an audit organization or an individual entrepreneur auditor), and defines some matters of performing of auditing activities in banks, banking groups and banking holdings.

2. For the purposes of this Instruction, the following terms shall be used with the following meanings:

audited bank, parent organization of a banking group and (or) a banking holding – an audited entity recognized as such in accordance with the second paragraph of Article 2 of the Law of the Republic of Belarus On Auditing Activity;

non-resident audit organization – an audit organization being or not being a legal entity in accordance with the foreign law, but established in accordance with the foreign law, and having its location beyond the territory of the Republic of Belarus;

non-resident – a natural person recognized as such in accordance with the second paragraph of Clause 8 in Article 1 of the Law of the Republic of Belarus dated 22 July, 2003, No.226-3, On Currency Regulation and Currency Control, except for persons having a residence permit in the Republic of Belarus.

The term “foreign credit organization” shall be used with the meaning as defined in the fifth paragraph of the first part of Clause 2 of the Instruction on the Procedure for the National Bank to Perform the Qualification and Assessment of Compliance with Qualification Requirements and Business Reputation Requirements, approved by the Resolution of the Board of the National Bank of the Republic of Belarus dated 19 December, 2012, No. 669.

International financial organizations shall mean the World Bank, Bank for International Settlements, International Monetary Fund, European Central Bank, European Union, International Finance Corporation (IFC), European Investment Bank (EIB), Nordic Investment Bank (NIB), European Investment Fund (EIF).

CHAPTER 2 AUDITORS’ COMPLIANCE ASSESSMENT

3. The following qualification requirements are applicable to an auditor (hereinafter referred to as an applicant) applying to the National Bank to pass the auditors’ compliance assessment procedure:

an auditor qualification certificate issued by the Ministry of Finance (hereinafter referred to as the auditor qualification certificate);

as confirmed by documents, at least three years of experience of work with the specialty corresponding to education in economics and (or) law in a bank, in the National Bank, in a foreign credit organization or an international financial organization, or at least three years of provision of services as an employee of an audit organization (or an employee of an individual entrepreneur auditor) or as an individual entrepreneur auditor performing his/her auditing activity in banks, banking groups and banking holdings;

proficiency in one of official languages of the Republic of Belarus adequate to pass the auditors’ compliance assessment;

adequate theoretical and practical knowledge. Adequacy of applicant’s theoretical and practical knowledge shall be confirmed by positive results of testing (at least seventy percent of correct answers) and interviewing.

The following business reputation requirements are applicable to an applicant:

no unexpunged or unspent conviction for crimes against interests of service, property and economic activity procedure or for other crimes involving official misconduct, as confirmed by documents (or copies of documents) obtained in accordance with the applicable procedure, dated not earlier than three months before the date of application to the National Bank;

no record in public health organizations due to mental disorder (illness), syndrome of addiction to alcohol (alcoholism), narcotic or psychotropic substances (substance dependence), intoxicating substances (toxicomania), as confirmed by documents (or copies of documents) obtained in accordance with

the applicable procedure, dated not earlier than three months before the date of application to the National Bank.

4. To pass the auditors' compliance assessment, an applicant shall submit the auditor compliance assessment notice, prepared in accordance with the form given in Appendix 1 (hereinafter referred to as the applicant's notice unless otherwise specified), to the National Bank.

The applicant's notice and related enclosures shall be submitted to the National Bank on paper, with their electronic versions as .pdf-files, personally by an applicant, subject to presentation of an identification document, or by mail, or as an electronic document.

If the applicant's notice is resubmitted to the National Bank, data that were already submitted to the National Bank in accordance with this Instruction must not be submitted again if they remain relevant.

5. Auditors' compliance assessment shall be carried out not later than ninety calendar days after the date of registration of an applicant's notice in the National Bank.

6. According to the results of consideration of an applicant's notice and enclosures submitted with it, the National Bank shall make a decision to admit an applicant to the testing procedure, inform an applicant about the admittance and the testing procedure date.

7. An applicant shall not be admitted to the testing procedure if:
invalid data are detected;

an applicant's notice and enclosures submitted with it do not meet the requirements listed in Clauses 3 and 4 of this Instruction;

an applicant's notice is sent to the National Bank before the expiry of the period stipulated by the third part of Clause 11, by Clause 16 and (or) by the fourth part of Clause 19 of this Instruction;

an applicant does not meet the requirements stipulated by the second – fourth paragraphs in the first part and the second and third paragraph in the second part of Clause 3 of this Instruction.

The National Bank shall inform an applicant in writing in case of refusal to admit him/her to the testing procedure and shall return him/her the submitted documents not later than forty five calendar days after the date of registration of an applicant's notice in the National Bank.

8. The testing procedure shall be carried out for an applicant not later than forty five calendar days after the date of registration of an applicant's notice in the National Bank.

Before testing, an applicant's identity must be confirmed by the identification document.

9. If an applicant fails to appear for the testing procedure due to reasons recognized as excusing by the National Bank's authorized official (such as sickness, long-term business trip, natural disaster or other circumstances beyond

the applicant's control), an applicant shall be notified about the new date to pass the testing procedure.

If an applicant fails to appear again, documents shall be returned to an applicant within five working days.

10. Testing shall be carried out in Russian with the use of software program.

The test shall contain at most 100 questions on banking and auditing activity legislation.

The list of questions included into the test shall be made available at the National Bank's official web site and shall be updated when the legislation is amended or, if necessary, in other cases.

The time for the testing procedure shall be limited by four hours.

The results of testing shall be recorded in a report. The report shall be prepared in two copies, and each copy shall be signed by the National Bank's authorized official and the applicant. Immediately after the testing procedure, one copy of the test report shall be submitted to the National Bank's special qualification commission (hereinafter referred to as the special qualification commission unless otherwise specified), and another copy shall be submitted to the applicant.

11. An applicant shall be admitted to the interviewing if he/she gave at least seventy per cent of correct answers while tested.

If the percentage of correct answers is less than seventy, documents shall be returned to the applicant within five working days after testing, with the notice informing that the applicant is refused further auditors' compliance assessment.

An applicant that gave less than seventy per cent of correct answers during the testing procedure may be admitted to the auditors' compliance assessment again only after at least three months following the testing procedure.

12. The interviewing shall be carried out personally at the special qualification commission meeting.

13. The special qualification commission shall be staffed with the National Bank's employees. Its members, their number and rules of procedure shall be approved by the Chairman of the Board of the National Bank.

Meetings of the special qualification commission shall be held when necessary.

The auditor compliance assessment decision shall be made at the special qualification commission meeting by secret ballot, by majority of votes of special qualification commission members attending the meeting, subject to the quorum.

Decisions on other matters within the special qualification commission's competence shall be made at its meeting by open ballot or by polling, by majority of votes of special qualification commission members attending the meeting (or taking part in the polling), subject to the quorum.

If the votes are equally divided, all decisions shall be made in favour of an applicant.

14. During the interviewing procedure, the special qualification commission shall assess:

understanding, by an applicant, of tasks facing an auditor and auditor's rights and duties;

proficiency in forms and methods for auditing the accounting and (or) financial reporting of banks, banking groups and banking holdings;

knowledge in other matters related to the conduct of auditing activities in banks, banking groups and banking holdings.

If an applicant fails to appear for the interviewing procedure and the cause of failure to appear, stated in the applicant's note, is recognized by the special qualification commission as excusing, an applicant shall be notified about the new date to pass the interviewing procedure.

If an applicant fails to appear for the interviewing procedure and fails to submit a note describing the causes of failure to appear, or if the cause of failure to appear, stated in the applicant's note, is recognized by the special qualification commission as non-excusing, documents shall be returned to the applicant, with the notice informing that the applicant is refused further auditors' compliance assessment.

The results of interviewing shall be recorded in a report. The results of interviewing shall be declared to an applicant immediately after summarizing the results of voting by the special qualification commission.

Subject to an applicant's written consent, audio recording facilities may be used during the interviewing procedure.

15. Based on the results of consideration of an applicant's notice and enclosures submitted with it, results of testing and interviewing, and other information available for the National Bank regarding an applicant, the special qualification commission shall make one of the decisions as follows:

an applicant meets the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, banking groups and banking holdings; or

an applicant does not meet the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, banking groups and banking holdings.

An applicant shall be informed in writing about the decision made by the special qualification commission regarding the auditors' compliance assessment within ten working days after the day of making the decision.

16. An applicant may again apply to the National Bank for the purpose of passing the auditors' compliance assessment not earlier than three months after making the decision by the special qualification commission stating that the applicant does not meet the qualification requirements and business reputation

requirements applicable to auditors providing audit services in banks, banking groups and banking holdings.

17. Within ten working days after making the decision confirming the compliance with the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, banking groups and banking holdings, the certificate of compliance with the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings (hereinafter referred to as the certificate unless otherwise specified), prepared in accordance with the form given in Appendix 2, shall be given to the auditor.

Before issuing the certificate, the auditor's identity must be confirmed by the identification document.

The copy of the certificate shall be kept in the National Bank.

The second and further auditors' compliance assessments shall be carried out once in five years upon the submission of an applicant's notice with enclosures to the National Bank. The five-year period shall begin from the date of making the decision by the special qualification commission confirming the applicant's compliance with the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, banking groups and banking holdings.

18. If the certificate is damaged or lost, an auditor may apply to the National Bank to obtain its copy.

19. The decision to cancel the certificate shall be made by the special qualification commission in cases as follows:

filing a request by an auditor asking to cancel the certificate;

finding a fact demonstrating that falsified, forged or invalid documents were used to obtain the certificate;

finding the facts or systematic (twice or more) violations of requirements of the legislation on banks, banking groups and banking holdings by an auditor;

death of a natural person having the certificate or declaring this person to be deceased.

The certificate is considered to be cancelled without making the decision by the special qualification commission:

upon expiry of the five-year period after making the decision by the special qualification commission confirming the applicant's compliance with the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, banking groups and banking holdings;

from the date of making the decision by the Ministry of Finance cancelling the qualification certificate.

In cases listed in the second – fourth paragraphs of the first part of this Clause, an auditor shall be informed in writing about the certificate cancellation within ten working days after making the appropriate decision; reasons for cancellation must be listed.

A natural person, whose certificate was cancelled in a case stipulated by the third paragraph of the first part of this Clause, may apply to the National Bank for the purpose of passing the auditors' compliance assessment not earlier than three years after the date of making the decision to cancel the certificate.

20. The National Bank shall keep records of certificates in writing.

Information about auditors having the certificate (surname, given name, patronymic (if any), contact telephone number and (or) e-mail, number and date of making the decision by the special qualification commission) shall be published at the official Internet site of the National Bank, taking into consideration the requirements of legislation in the areas of information, informatization and information protection.

21. An applicant may appeal to the Board of the National Bank against the decision of the special qualification commission within thirty calendar days after making the decision.

An appeal shall be considered by the Board of the National Bank within sixty calendar days after filing it. An applicant must be informed about the date of meeting of the Board of the National Bank not later than ten working days before holding the meeting by handing the notice over to the applicant, as confirmed by the applicant's signature, or by sending the notice to the applicant by registered mail, with the acknowledgement of receipt.

An applicant may attend the meeting of the Board of the National Bank when his/her appeal is considered. An applicant must inform the National Bank about his/her attendance at the meeting of the Board of the National Bank not later than one working day before the meeting.

The Board of the National Bank, as a result of consideration of documents submitted by an applicant, applicant's testing results, other information available for the National Bank regarding an applicant, and, if necessary, hearing the applicant's reasoning, shall make one of the decisions as follows:

uphold the decision of the special qualification commission; or

cancel the decision of the special qualification commission and send an applicant for passing the auditors' compliance assessment again.

The Resolution of the Board of the National Bank may be challenged by an applicant in a court.

CHAPTER 3
ASSESSMENT OF COMPLIANCE OF AUDIT ORGANIZATIONS AND
INDIVIDUAL ENTREPRENEUR AUDITORS

22. The following requirements are applicable to an audit organization carrying out its auditing activity in banks, banking groups and banking holdings: the organization staff shall include at least five auditors that must take part in auditing activity of the audit organization, including the head and (or) deputy head, for whom the audit organization must be the primary place of employment (confirmed by the copy of the staff list including surnames, given names, patronymics (if any) of organization's employees, and staffing positions) and who must have certificates;

compliance with the requirements of Law of the Republic of Belarus On Auditing Activity.

Additional requirements for an auditing organization performing the mandatory audit of annual accounting and (or) financial reporting of a bank and (or) annual consolidated accounting and (or) financial reporting of a banking group and (or) a banking holding, prepared in accordance with the requirements of the legislation of the Republic of Belarus, are as follows:

an auditor managing the audit procedure must have a certificate;

the mandatory audit of annual accounting and (or) financial reporting prepared by the same bank or by the same parent organization of a banking group and (or) a banking holding must be carried out at most seven years consecutively.

Additional requirements for an auditing organization performing the mandatory audit of annual accounting and (or) financial reporting of a bank and (or) annual consolidated financial reporting on activities of a banking group and (or) a banking holding, prepared in accordance with the International Financial Reporting Standards and related Explanations (hereinafter referred to as the IFRS), are as follows:

the organization staff must include at least three auditors, for whom the audit organization is the primary place of employment, including the head and (or) deputy head (confirmed by the copy of the staff list including surnames, given names, patronymics (if any) of organization's employees, and staffing positions), specially trained in IFRS, and their training must meet the training recognition conditions set forth by the Chamber of Auditors and approved by the Ministry of Finance and the Ministry of Education;

an auditor managing the audit procedure must be specially trained in IFRS, and his/her training must meet the training recognition conditions set forth by the Chamber of Auditors and approved by the Ministry of Finance and the Ministry of Education, and this auditor must also have a certificate;

the mandatory audit of annual accounting and (or) financial reporting prepared in accordance with the IFRS by the same bank or by the same parent

organization of a banking group and (or) a banking holding must be carried out at most seven years consecutively.

23. The following requirements are applicable to an individual entrepreneur auditor when he/she carries out his/her auditing activity in banks, banking groups and banking holdings:

real participation of an auditor in auditing activity in banks, banking groups and (or) banking holdings during at least two years after entering information about this auditor into the register of auditors, individual entrepreneur auditors and audit organizations;

compliance with the requirements of the Law of the Republic of Belarus On Auditing Activity;

an auditor must have a certificate.

The additional requirement for an individual entrepreneur auditor performing the mandatory audit of annual accounting and (or) financial reporting of a bank and (or) annual consolidated accounting and (or) financial reporting on activities of a banking group and (or) a banking holding, prepared in accordance with the requirements of the legislation of the Republic of Belarus, shall be as follows: the mandatory audit of annual accounting and (or) financial reporting prepared by the same bank or by the same parent organization of a banking group and (or) a banking holding must be carried out at most seven years consecutively.

24. Assessment of compliance of an audit organization or an individual entrepreneur auditor shall be carried out by the National Bank for audit organizations and individual entrepreneur auditors intending to carry out the mandatory audit of annual accounting and (or) financial reporting of a bank and (or) consolidated accounting and (or) financial reporting on activities of a banking group and (or) a banking holding.

25. To pass the assessment of compliance of an audit organization, the audit organization compliance assessment notice prepared in accordance with the form given in Appendix 3 shall be submitted to the National Bank.

A non-resident audit organization must submit a document confirming the legal status of an audit organization in accordance with the legislation of the country where it is established; this document must be dated not earlier than one year before the date of submission of the notice to the National Bank.

To pass the assessment of compliance of an audit organization intending to carry out the mandatory audit of annual financial reporting of a bank and (or) annual consolidated financial reporting on activities of a banking group and (or) a banking holding, prepared in accordance with the IFRS, documents must also be submitted confirming that the auditors intending to take part in such an audit are specially trained in IFRS, and their training meets the training recognition conditions set forth by the Chamber of Auditors and approved by the Ministry of Finance and the Ministry of Education.

26. To pass the assessment of compliance by an individual entrepreneur auditor, the individual entrepreneur auditor compliance assessment notice prepared in accordance with the form given in Appendix 4 shall be submitted to the National Bank.

27. The documents listed in Clauses 25 and 26 of this Instruction and related enclosures shall be submitted to the National Bank on paper with their electronic versions as .rtf-files, or sent by registered mail, with the list of enclosures and acknowledgement of receipt, or in electronic form through the system of interdepartmental electronic document flow of governmental agencies.

In case of the second and each subsequent application to the National Bank within a calendar year for the purpose of passing the assessment of compliance of an audit organization or an individual entrepreneur auditor, documents submitted previously may not be submitted again if data in these documents are valid and unchanged, except for the notices prepared in accordance with the forms given in Appendices 3 and 4 respectively, where the validity of data given in documents submitted previously shall be confirmed.

28. Based on the results of consideration of notices referred to in the first part of Clause 25 and Clause 26 of this Instruction, submitted by an audit organization or an individual entrepreneur auditor, enclosures submitted with these notices, and other information available for the National Bank, one of the decisions as follows shall be made:

an audit organization or an individual entrepreneur auditor meet the requirements applicable to audit organizations and individual entrepreneur auditors carrying out their auditing activity in banks, banking groups and banking holdings (hereinafter referred to as the compliance decision);

an audit organization or an individual entrepreneur auditor do not meet the requirements applicable to audit organizations and individual entrepreneur auditors carrying out their auditing activity in banks, banking groups and banking holdings (hereinafter referred to as the incompliance decision).

29. The compliance decision shall be made by the Deputy Chairman of the Board of the National Bank within fifteen working days following the day of filing the notices, referred to in the first part of Clause 25 and Clause 26 of this Instruction, in the National Bank.

The incompliance decision shall be made by the Deputy Chairman of the Board of the National Bank within fifteen working days following the day of filing the notices, referred to in the first part of Clause 25 and Clause 26 of this Instruction, in the National Bank, in cases as follows:

failure to submit the documents confirming that an audit organization or an individual entrepreneur auditor comply with the specified requirements;

incompliance of submitted documents with the specified requirements;

incompliance of an audit organization or an individual entrepreneur auditor with the requirements stipulated by Clauses 22 and 23 of this Instruction respectively;

finding a fact demonstrating that falsified, forged or invalid documents were used;

finding the facts or systematic (twice or more) violations of requirements of the legislation on auditing activity in banks, banking groups and banking holdings.

The incompliance decision shall be made by the Board of the National Bank within fifteen working days following the day of filing the notices, referred to in the first part of Clause 25 and Clause 26 of this Instruction, in the National Bank, if data stipulated by Clause 34 of this Instruction are not available in the report on the results of the mandatory audit of annual individual accounting and (or) financial reporting of a bank for the previous reporting period and (or) annual consolidated accounting and (or) financial reporting of a banking group and (or) a banking holding, where the bank is the parent organization, for the previous reporting period.

30. If there are any changes in data submitted to the National Bank previously, and these data were used as the basis for making the compliance decision, an audit organization or an individual entrepreneur auditor shall, within ten days, submit information describing these changes and documents confirming this information to the National Bank.

The compliance decision made previously shall be cancelled by the Deputy Chairman of the Board of the National Bank within fifteen working days following the day of filing the notice in the National Bank in cases as follows:

finding a fact demonstrating that falsified, forged or invalid documents were used to gain the compliance decision;

finding the facts or systematic (twice or more) violations of requirements of the legislation on auditing activity in banks, banking groups and banking holdings;

finding a fact of incompliance of an audit organization or an individual entrepreneur auditor with the requirements stipulated by Clauses 22 and 23 of this Instruction respectively.

The compliance decision made previously shall be considered cancelled since the date of making the decision to cancel it.

31. The incompliance decision or the decision to cancel the previously-made compliance decision may be challenged in a court.

32. An audit organization or an individual entrepreneur auditor shall be informed about the compliance decision, the incompliance decision including the reasons for such a decision or the decision to cancel the previously-made compliance decision including the reasons for cancellation, within five working days after making the decision.

CHAPTER 4

SPECIAL PROVISIONS FOR PERFORMING THE AUDITING ACTIVITY IN BANKS, BANKING GROUPS AND BANKING HOLDINGS

33. The plan of mandatory audit of annual accounting and (or) financial reporting prepared in accordance with the legislation of the Republic of Belarus shall include matters that must be analyzed during the audit of annual accounting and (or) financial reporting of banks and annual consolidated accounting and (or) financial reporting of banking groups and (or) banking holdings, complementary to the matters stipulated by national rules of auditing activity within the scope necessary to prepare the report in accordance with the requirements of Clause 34 of this Instruction and other acts of legislation on auditing activity.

34. As for the report on the results of the mandatory audit of annual accounting and (or) financial reporting of a bank and annual consolidated accounting and (or) financial reporting of a banking group and (or) a banking holding where this bank is the parent organization, with this reporting prepared in accordance with the legislation of the Republic of Belarus, this report must be prepared in accordance with the requirements of the legislation on auditing activity and also must contain:

- findings regarding the level of risks inherent to the bank (credit risk, market risk, operating risk and liquidity risk) that can result in misrepresentation of bank's accounting and (or) financial reporting and (or) affect the bank operation continuity;

- assessment of effectiveness of bank's activity and financial results from its activity including data on the most significant sources and factors for formation of bank's incomes and expenses;

- assessment of the system for prevention of money laundering, financing of terrorism and proliferation of weapons of mass destruction arranged by a bank, a banking group and (or) a banking holding;

- assessment of the corporate management system including identified areas and conditions for onset of a conflict of interests;

- assessment of the internal control system and the risk management system of a bank, a banking group and (or) a banking holding where this bank is the parent organization;

- assessment of arrangement of the system for valuation of property (including the procedure for revaluation of assets by a bank and related recording in the bank's accounting, formation of reserves for impairment of inventories) including property obtained by a bank towards performance of obligations.

35. A bank or a parent organization of a banking group and (or) a banking holding shall submit the auditor's opinion and other documents prepared as a result of mandatory audit of accounting and (or) financial reporting (the audit

result report), with the accounting and (or) financial reporting subject to the mandatory audit, to the National Bank, within the time periods prescribed by the legislation.

36. An audit organization or an individual entrepreneur auditor shall inform the National Bank in writing about any detected circumstances demonstrating that immediate measures must be taken by the National Bank to prevent onset of conditions contributing to the commission of such violation (drawback) and (or) action (or failure to act) by a bank or a legal entity not being a bank but recognized as a member of a banking holding that this may result in onset of a situation threatening safe operation of a bank and (or) interests of its depositors and other creditors and (or) stability of the banking system.

37. Before performing the audit of accounting and (or) financial reporting, to discuss the matters relevant to the activities of an audited bank, banking group or banking holding, the National Bank may hold a meeting with authorized officials of an audit organization or an individual entrepreneur auditor covered by the compliance decision.

38. To discuss the results of completed audit of accounting and (or) financial reporting and causes of identified violations (deficiencies), and to draft the proposals of methods for elimination (or future prevention) of these violations (deficiencies), and to discuss other matters related to the auditing activity in banks, banking groups and banking holdings, the National Bank may hold a meeting with the head of an audit organization, with the person who managed the audit of accounting and (or) financial reporting, or with an individual entrepreneur auditor, and, if necessary, invite the head of an audited bank, the parent organization of a banking group and (or) a banking holding, or other authorized officials.

Appendix 1

to the Instruction On Regulation of
Auditing Activity in Banks, Banking
Groups and Banking Holdings

Form

To the special qualification commission of
the National Bank

(auditor's surname, given name,
patronymic (if any))

AUDITOR COMPLIANCE ASSESSMENT NOTICE

I, _____,
(surname, given name, patronymic (if any))

hereby confirm that I meet the qualification requirements and business reputation requirements set forth by the legislation, applicable to auditors providing audit services in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings.

I ask to carry out, for me, the assessment of compliance with the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings.

I hereby give my consent to collection, processing and storage of my personal data and to making use of these data including making these data available for third parties.

I hereby give my personal data:

(day, month, year and place of birth, citizenship)

(identification document data)

(passport series, issuance date and place, ID number)

(place of residence (registration), postal address)

(contact telephone)

(e-mail)

I confirm that the data listed in this notice and submitted documents are valid.

If the decision will be made by the special qualification commission recognizing my compliance with the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings, I hereby give my consent to publishing the data as follows at the National Bank's official web site (specify if consent is given):

contact telephone: _____;

e-mail: _____.

Enclosure* :

1. The copy of the employment record book or other document confirming the experience of work.

2. The document (or copy of this document), obtained in accordance with the applicable procedure, confirming that there is no unexpunged or unspent conviction for crimes against interests of service, property and economic activity procedure or for other crimes involving official misconduct, or, for non-residents, the similar document issued by the competent authority of the foreign state (if the foreign state's legislation provides for issuance of such documents).

3. The document (or copy of this document), obtained in accordance with the applicable procedure, confirming that there is no record in public health organizations due to mental disorder (illness), syndrome of addiction to alcohol (alcoholism), narcotic or psychotropic substances (substance dependence), intoxicating substances (toxicomania).

4. The copy of the identification document.

(date)

(signature)

(initials, surname)

* Documents issued in foreign states and submitted by applicants must be legalized unless otherwise stipulated by treaties of the Republic of Belarus and must be submitted in one of official languages of the Republic of Belarus or in the original language with the translation into one of official languages of the Republic of Belarus (accuracy of translation of documents from one language into another and authenticity of translator's signature shall be notarized).

Appendix 2

to the Instruction On Regulation of
Auditing Activity in Banks, Banking
Groups and Banking Holdings

Form

CERTIFICATE No.

on compliance with qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings

In accordance with the decision of the special qualification commission of the National Bank dated _____ 20____, No. _____

(auditor's surname, given name, patronymic (if any))

meets the qualification requirements and business reputation requirements applicable to auditors providing audit services in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings.

Chairperson (Deputy Chairperson) of
the special qualification commission of
the National Bank

(signature)

Seal

(initials, surname)

Appendix 3

to the Instruction On Regulation of
Auditing Activity in Banks, Banking
Groups and Banking Holdings

Form

To the National Bank

 (audit organization's name)

AUDIT ORGANIZATION COMPLIANCE ASSESSMENT NOTICE

We hereby confirm that _____
(audit organization's name)

meets the requirements set forth by the legislation, applicable to audit organizations carrying out their auditing activity in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings.

We ask to carry out the assessment of compliance with the requirements applicable to audit organizations carrying out their auditing activity in banks, the Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings, for

_____,
(audit organization's name)
intending to carry out the audit of _____
(audited reporting type)

Please send the notice informing about the decision made, recognizing the organization's compliance or incompliance, to the address:

Enclosure*:

1. Information on the audit organization according to the appendix to this form.

2. The copy of the staff list including surnames, given names, patronymics (if any) of organization's employees, and staffing positions.

3. The document confirming the legal status of an audit organization in accordance with the legislation of the country where it is established (for non-resident audit organizations).

4. Documents confirming special training in IFRS, meeting the training recognition conditions set forth by the Chamber of Auditors and approved by the Ministry of Finance and the Ministry of Education, for auditors intending to take part in the audit procedure.

(date)	(signature) Seal**	(initials and surname of the audit organization's head (or other person authorized to sign))
(date)	(signature) Seal**	(initials and surname of the head (or other person authorized to sign) of a bank (parent organization of a banking group and (or) a banking holding))

* Non-resident's documents must be legalized unless otherwise stipulated by treaties of the Republic of Belarus and must be submitted in one of official languages of the Republic of Belarus or in the original language with the translation into one of official languages of the Republic of Belarus (accuracy of translation of documents from one language into another and authenticity of translator's signature shall be notarized).

** A legal entity or an individual entrepreneur may put a seal.

						of issue, issuing authority)		
1	2	3	4	5	6	7	8	9
1. Audit organization:				x	x	x		
2. Head of audit organization:	x	x	x				x	
3. Deputy Head of audit organization:	x	x	x				x	
4. Auditors in the audit organization staff for whom the audit organization is the primary place of employment (at least five must be listed):	x	x	x				x	
5. Person managing the audit procedure (or carrying out the audit if it is carried out by one person only):	x	x	x				x	
6. Employees in the staff	x	x	x				x	

intending to take part in the audit:								
7. Persons not in the staff, invited as experts:	x	x	x				x	

We hereby confirm that:

the requirements are met, applicable to an audit organization and auditors when they carry out their auditing activity in banks, Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings;

data in documents submitted for assessment of compliance of the auditing organization intending to carry out the audit of _____ for the year 20____

(reporting type)

_____, are valid;

(audited entity's name)

the electronic version of documents submitted for assessment of compliance of the audit organization intending to carry out the audit of _____ for the year 20____

(reporting type)

_____, is equivalent to the original version on paper.

(audited entity's name)

Contact telephone: _____

(date)

(signature)

Seal*

(initials and surname of the audit organization's head (or other person authorized to sign))

* An audit organization may put a seal.

Appendix 4

to the Instruction On Regulation of
Auditing Activity in Banks,
Banking Groups and Banking
Holdings

Form

To the National Bank

(surname, given name, patronymic (if any) of an
individual entrepreneur auditor)

INDIVIDUAL ENTREPRENEUR AUDITOR
COMPLIANCE ASSESSMENT NOTICE

I hereby confirm that I, _____

_____,
(surname, given name, patronymic (if any) of an individual entrepreneur auditor)
meet the requirements set forth by the legislation, applicable to individual
entrepreneur auditors carrying out their auditing activity in banks, the
Development Bank of the Republic of Belarus Open Joint Stock Company, non-
bank financial organizations, banking groups and banking holdings.

I ask to carry out the assessment of compliance with the requirements
applicable to individual entrepreneur auditors carrying out their auditing activity
in banks, the Development Bank of the Republic of Belarus Open Joint Stock
Company, non-bank financial organizations, banking groups and banking
holdings, for me, _____

_____,
(surname, given name, patronymic (if any) of an individual entrepreneur auditor)

intending to carry out the audit of _____

(audited reporting type)

Please send the notice informing about the decision made, recognizing the
compliance or incompliance, to the address: _____

Enclosure:

1. Information on the individual entrepreneur auditor according to the
appendix to this form.

2. _____

_____ (date)	_____ (signature) Seal*	_____ (initials and surname of the individual entrepreneur auditor)
_____ (date)	_____ (signature) Seal*	_____ (initials and surname of the head (or other person authorized to sign) of a bank (parent organization of a banking group and (or) a banking holding)

* A legal entity or an individual entrepreneur may put a seal.

1	2	3	4	5	6	7	8	9

I hereby confirm that:

the requirements are met, applicable to an individual entrepreneur auditor when he/she carries out his/her auditing activity in banks, Development Bank of the Republic of Belarus Open Joint Stock Company, non-bank financial organizations, banking groups and banking holdings;

data in documents submitted for assessment of compliance of the individual entrepreneur auditor intending to carry out the audit of _____ for the year 20____
(reporting type)

_____, are valid;
(audited entity's name)

the electronic version of documents submitted for assessment of compliance of the individual entrepreneur auditor intending to carry out the audit of _____ for the year 20____
(reporting type)

_____, is equivalent to the original version on paper.
(audited entity's name)

Contact telephone: _____

(date)

(signature)
Seal*

(surname, given name, patronymic (if any) of an individual entrepreneur auditor)

* An individual entrepreneur auditor may put a seal.