## Illustrative Management Representation Letter under CASs for [consolidated] financial statements prepared in accordance with IFRS

Management Representation Letter—IFRS

Oct-2023

Template Owner: Audit Services

Maintained by: Desktop Publishing

## INSTRUCTIONS FOR THE AUDITOR

## Note: This introductory section provides instructions for the preparation of the Management Representation Letter in connection with audits of financial statements. The following instructions, which precede the Management Representation Letter template, should not be transmitted to the audit entity.

#### CAS Requirements

The following Management Representation Letter template has been prepared to comply with the requirements of CAS 580 Written Representations and other CASs that require subject‑matter specific written representations.

CAS 580.3—Audit evidence is the information used by the auditor in arriving at the conclusions on which the auditor’s opinion is based. Written representations are necessary information that the auditor requires in connection with the audit of the entity’s financial statements. Accordingly, similar to responses to inquiries, written representations are audit evidence.

CAS 580.9—The auditor shall request written representations from management with appropriate responsibilities for the financial statements and knowledge of the matters concerned.

List of CASs containing requirements for written representations (CAS 580, Appendix 1)

* CAS 240 The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements—paragraph 40
* CAS 250 Consideration of Laws and Regulations in an Audit of Financial Statements—paragraph 17
* CAS 450 Evaluation of Misstatements Identified during the Audit—paragraph 14
* CAS 501 Audit Evidence—Specific Considerations for Selected Items—paragraph 12
* CAS 540 Auditing Accounting Estimates, and Related Disclosures—paragraph 37
* CAS 550 Related Parties—paragraph 26
* CAS 560 Subsequent Events—paragraph 9
* CAS 570 Going Concern—paragraph 16(e)
* CAS 710 Comparative Information—Corresponding Figures and Comparative Financial Statements—paragraph 9
* CAS 720 *The Auditor's Responsibilities Relating to Other Information*—paragraph 13(c)

Auditors should refer to CAS 580 and other relevant CASs when additional guidance is required regarding written representations.

#### Qs and As

### To whom should the Management Representation Letter be addressed, and when should it be dated?

The Management Representation Letter should be addressed to the auditor, usually the engagement leader, and should be dated as near as practicable to, **but never after,** the date of the auditor’s report on the financial statements. See CAS 580.14 for additional guidance and requirements regarding the date of the representation letter.

### Who should sign the Management Representation Letter on behalf of the entity to affirm representations?

Written representations should be obtained from those who are responsible for the preparation of the financial statements and who may make “informed representations.” These people are typically the chief executive officer and the chief financial officer, or the equivalent persons in entities that do not use such titles. In some cases, those charged with governance may also be responsible for the preparation of financial statements. See CAS 580.A2–A6 for additional guidance on this topic.

In addition, under certain circumstances, the auditor may wish to obtain representations from other members of management. For example, the auditor may wish to obtain a written representation from the internal counsel about the provision related to a significant legal claim, or from the individual responsible for keeping minutes about the completeness of all minutes of the board of directors and important committees. (CAS 580.13)

If there is a change of management (those responsible for the preparation of the financial statements) during the period, this does not diminish management’s responsibilities for the financial statements as a whole. Accordingly, obtaining written representations from management that cover the whole of the relevant period(s) still applies.

### What should the audit team do in the following situations?

1. **The audit team considers it necessary to obtain other written representations about the financial statements.**

The representation letter should be tailored to include any additional appropriate representations from management. This may include obtaining representations on matters specific to the entity’s business or industry, on specific assertions in the financial statements, or to support other audit evidence related to the financial statements.

Appendix 1 to the Management Representations Letter template contains examples of additional representations that may be appropriate for financial statements prepared in accordance with IFRS.

The audit team should critically evaluate and modify other representations as appropriate, considering specific entity circumstances, significant risks, significant judgments and estimates, unusual or troublesome circumstances, and materiality.

1. **Management modifies a written representation from that requested by the auditor.**

Refer to CAS 580.A26 and A27 for additional guidance and requirements.

1. **The audit team has concerns about the competence, integrity, ethical values, or diligence of management or about its commitment to or enforcement of these.**

Refer to CAS 580.16 and .20(a) and A24-A25 for additional guidance and requirements.

1. **The audit team has identified inconsistencies between one or more representations and audit evidence obtained from another source.**

Refer to CAS 580.17 and A23 for additional guidance and requirements.

1. **Management does not provide one or more of the required written representations.**

Refer to CAS 580.19 and 20(b) for additional guidance and requirements.

### What can management do if it disagrees with uncorrected misstatements in the financial statements that are included in the Management Representation Letter?

If management believes certain identified items are not misstatements, its belief may be acknowledged by adding to the representation, for example, “We do not agree that items XX and XX constitute misstatements because [describe reasons].” See CAS 450.14 and A29 for additional guidance.

### Should the Management Representation Letter be prepared in both official languages?

Since this communication is coming from the entity, entity management should communicate in accordance with the entity’s own internal policies on official languages.

### What about management representation letters for group audits and component audits?

For guidance regarding management representation letters for group or component audits, consult OAG Audit 2343.

*Note: Auditors of components of the Public Accounts of Canada should also refer to audit instructions received from the public accounts team.*

### How should audit teams handle the transition to a new financial reporting framework?

When doing the audit of the first full year of adoption of the new financial reporting framework, ensure that the periods referred to in the first paragraph of the Management Representation Letter include all periods referred to in the auditor’s report (that is, the date of the opening statement of the financial position during the first year of transition and the comparative period for which you are providing an audit opinion—CAS 710.9 and A1).

Also, when stating amounts for specific items (such as inventory), be sure to include the comparative amount and the comparative period.

Audit teams should also refer to guidance or instructions sent by Audit Services in relation to the transition to a new financial reporting framework.

#### Preparing the draft Management Representation Letter

* The Management Representation Letter must be printed on the Entity’s letterhead.
* Text in blue font should be tailored or removed, as appropriate, and text in black font modified only as indicated in instructions (which appear in *blue italics*).
* Search and replace (Ctrl+H) [Entity] with the short-form name of the entity mentioned in the first paragraph of the letter.
* The engagement team should discuss with the engagement leader whether any “**Other Written Representations**” are necessary to support other audit evidence obtained (CAS 580.13). If the engagement leader determines that “**Other Written Representations**” are necessary, auditors may refer to Appendix 1 for proposed wording to assist with the preparation of the Management Representation Letter. **Note:**Appendix 1 is not to be used as a checklist for inclusion of any and all possible relevant representations.
* The engagement team must tailor the addressee/signature section of the engagement letter according to the characteristics of the engagement.
* Complete the Summary of Unadjusted Misstatements (SUM) in Appendix A to this letter. The audit team may also consider completing the Summary of Adjusted Misstatements (SAM) in Appendix B to this letter.
* There are no hard page breaks in this document—please insert page breaks as appropriate once you have tailored the letter.
* Paragraphs are not numbered in the template. Audit teams may decide to add numbers.
* Ensure that the following are deleted before submitting the final draft to the Entity:
* Instructions preceding page 1 of the letter, including Q and A
* All text in [brackets]
* All blue text
* Bottom-of-page footnotes
* Appendix 1

#### Other instructions

CAS 260.16(c)(ii) requires the auditor to communicate with those charged with governance the written representations that the auditor has requested from management. A copy (draft or final version) of this letter should be attached to the Report to the Audit Committee—Annual Audit Results*.*

## [Entity letterhead]

Management Representation Letter—IFRS

Oct-2023

Template Owner: Audit Services

Maintained by: Desktop Publishing

[Date][[1]](#footnote-2)

[Name of the Engagement Leader]
Office of the Auditor General of Canada
240 Sparks Street
Ottawa, Ontario  K1A 0G6
[or the regional Office address]

We are providing this letter in connection with your audit of the [consolidated] financial statements of [Insert the full entity name here, followed by the short form in brackets. This short form will be used to replace “[Entity]” everywhere it appears in the following template] [and its subsidiaries together [Entity]] as at [date of the statement of financial position] and for the year then ended for the purpose of expressing an opinion as to whether such [consolidated] financial statements present fairly, in all material respects, the [consolidated] financial position of [Entity] and its [consolidated] financial performance and its [consolidated] cash flows in accordance with International Financial Reporting Standards (IFRS) (the [consolidated] financial statements).

We have fulfilled our responsibilities,[[2]](#footnote-3) as set out in the terms of the audit engagement letter dated [date].

We confirm the following representations:

* We prepared the [consolidated] financial statements in accordance with IFRS, in particular the [consolidated] financial statements including disclosures and other information referred to below are fairly presented in accordance therewith.
* We designed, implemented, and maintained an effective system of internal control over financial reporting to enable the preparation and fair presentation of [consolidated] financial statements that are free from material misstatement, whether due to fraud or error.
* We designed, implemented, and maintained an effective system of internal control to prevent and detect fraud.
* We complied with legislative and other authorities that govern [Entity], including [list significant legislative authorities mentioned in the engagement letter and/or the auditor’s report].
* We provided you with all relevant information and access, as agreed in the terms of the audit engagement.
* We ensured all transactions have been recorded in the accounting records and are reflected in the [consolidated] financial statements.

### Preparation of [consolidated] financial statements

The [consolidated] financial statements are fairly presented in accordance with IFRS and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which [Entity] is subject. We have prepared [Entity]’s [consolidated] financial statements on the basis that [Entity] is able to continue as a going concern. In addition, the [consolidated] financial statements have been prepared on a basis consistent with that of the preceding year[, except for the change in method of accounting for [item affected] as explained in the **Accounting policies**section below].

We have appropriately reconciled our books and records (for example, general ledger accounts) underlying the [consolidated] financial statements to their related supporting information (for example, subledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the [consolidated] financial statements. There were no material unreconciled differences or material items in the general ledger suspense accounts that should have been adjusted or reclassified to another account balance. There were no material items in the general ledger suspense accounts written off to a statement of financial position account that should have been written off to a profit and loss account, nor were there such items written off to a profit and loss account that should have been written off to a statement of financial position account. [All consolidating entries have been properly recorded.]All intra-entity [and inter-entity]accounts have been eliminated or appropriately measured and considered for disclosure in the [consolidated]financial statements.

### Other information

We have informed you of all of the documents, listed below, that we expect to issue or that are otherwise required to be issued in accordance with law, regulation, or custom that will contain or accompany the [consolidated] financial statements and the auditor's report thereon, and which will include information on [Entity]’s operations and [Entity]’s financial results and financial position as set out in the [consolidated] financial statements.

|  |  |
| --- | --- |
| **Name of document(s) provided before the auditor’s report date that will contain or accompany the [consolidated] financial statements** | **Name of document(s) that will not be provided before the auditor’s report date that will contain or accompany the [consolidated] financial statements** |
| [Identify which of the other information has been provided prior to the auditor’s report date* Management's Discussion and Analysis
* Annual Report
* Financial Statement Discussion and Analysis
* other]
 | [Identify which of the other information has not been provided prior to the auditor’s report date* Management's Discussion and Analysis
* Annual Report
* Financial Statement Discussion and Analysis
* other]
 |

We have provided you with the document[s] listed above. The [consolidated] financial statements and this other information included in such document(s) are consistent with one another, and the other information does not contain any material misstatements.

[Add the following paragraph if the entity has not provided other information that will contain or accompany the [consolidated] financial statements.] With respect to the document[s] that you have not yet received, we intend to prepare and provide to you before issuing such document[s], so you may complete your procedures in accordance with your responsibilities.

### Accounting policies

We confirm that we have reviewed [Entity]’s accounting policies and, with regard to the possible alternative policies, our selection and application of accounting policies and estimation techniques used for the preparation and presentation of the [consolidated] financial statements are appropriate in [Entity]’s particular circumstances.

[Add the following paragraph if the entity made any changes to its accounting policies. If not, delete the entire paragraph.] Any changes to accounting policies voluntarily adopted by [Entity] for the year ended [date of the statement of financial position] provide reliable and more relevant information about the effects of transactions, other events, or conditions on [Entity]’s financial position, financial performance, or cash flows.Choose one of the following sentences: [The revised comparative information resulting from the retrospective application of the change in accounting policy is complete and accurate.] OR[Management has determined that it is impractical to provide retrospective application for the change in accounting policy, as (provide reason here; for example, no information is available, it would require assumptions about management’s intent, or it would require significant estimates).] This fact and the circumstances that led to the existence of that condition, and a description of how and from when the change in accounting policy has been applied, have been disclosed in the notes to the [consolidated] financial statements. All of the disclosures that are related to the change in accounting policy required by International Financial Reporting Standards have been provided by [Entity] and are complete and accurate.

### Internal control over financial reporting

We have designed disclosure controls and procedures to ensure that material information related to [Entity] [, including its consolidated subsidiaries,] is made known to us by others within [Entity] [and its consolidated subsidiaries].

We have designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the [consolidated] financial statements for external purposes in accordance with IFRS.

We have established and maintained effective internal control over financial reporting.

We have communicated to you all changes of which we are aware in the design and implementation or maintenance of internal control over financial reporting during the period from [date of prior financial statement year-end] to the date of this letter. We believe that our internal controls continued to operate effectively in that period.

Choose one of the following sentences:

[We have disclosed to you all deficiencies that we are aware of in the design or operation of [Entity]’s disclosure controls and procedures and internal control over financial reporting.]

OR

[We have not identified any deficiency in the design and operation of [Entity]’s disclosure controls and procedures and internal control over financial reporting.]

### Minutes

All matters requiring disclosure to or approval of the [board of directors or equivalent] have been brought before the [board or equivalent] at appropriate meetings and are reflected in the minutes.

### Disclosure of information

We have provided you with

* access to all information of which we are aware that is relevant to the preparation of the [consolidated] financial statements, such as records, documentation and other matters, including
* all financial records and related data;
* information regarding significant transactions and arrangements that are outside the normal course of business;
* minutes of the meetings of the board of directors, committees of directors, and management [change the name of committees, as appropriate]. The most recent meetings were held [*state by group and date*];
* additional information that you have requested from us for the purpose of the audit; and
* unrestricted access to persons within [Entity] from whom you determined it necessary to obtain audit evidence.

### Completeness of transactions

All contractual arrangements entered into by [Entity] with third parties have been properly reflected in the accounting records and/or have been disclosed to you where material (or potentially material) to the [consolidated] financial statements. [Entity] has complied with all aspects of contractual agreements that could have a material effect on the [consolidated] financial statements in the event of non-compliance. There are no side agreements or other arrangements (either written or oral) undisclosed to you.

### Fraud

We have disclosed to you

* the results of our assessment of the risk that the [consolidated] financial statements may be materially misstated as a result of fraud;
* all information of which we are aware that is related to fraud, or suspected fraud, affecting [Entity] and involving senior management, management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the [consolidated] financial statements; and
* all information related to any allegations of fraud, or suspected fraud, that could affect [Entity]’s [consolidated] financial statements, and that was communicated by employees, former employees, analysts, regulators, investors, or others.

### Compliance with laws and regulations

We have disclosed to you all aspects of laws, regulations, and contractual agreements that may affect the [consolidated] financial statements, including any known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the [consolidated] financial statements.

We are not aware of any illegal or possibly illegal acts committed by [Entity]’s directors, officers, or employees acting on [Entity]’s behalf. [If there are any illegal or possibly illegal acts, replace previous sentence with the following: We have disclosed to you all facts related to illegal or possibly illegal acts committed by [Entity], including . . .]

There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices. [If there are communications from regulatory agencies concerning non-compliance, replace the previous sentence with the following: We have provided you with all communications from regulatory agencies concerning non‑compliance with or deficiencies in financial reporting practices.]

All transactions of [Entity] have been within its statutory powers and enabling legislation. [Entity] has complied with [Indicate legislative authorities the entity must comply with. If the auditor’s report includes an opinion on compliance with authorities, indicate authorities mentioned in the report. If not, indicate significant legislative authorities that govern the entity. The following example is for Crown corporations.]Part X of the Financial Administration Act and regulations, the [Entity’s full name] Act [and regulations] and the bylaws, [if appropriate, add the following: and any directive given to [Entity] under section 89 of the *Financial Administration Act*].

We are not aware of any conflicts of interest involving [Entity] where it has, directly or indirectly, entered into any purchase, sale, or other transaction with a member of Parliament, a member of the board of directors, a member of senior management, or a manager; or with an organization in which any of these persons had a direct or indirect interest.

[*Depending on the entity’s facts and circumstances, it may be appropriate for management to represent compliance with applicable sanctions related to the military conflict between Russia and Ukraine. Engagement teams should consider whether the following should be included in the management representation letter:*

**Military conflict between Russia and Ukraine**

We have evaluated the effects or possible effects on our business arising from the military conflict between Russia and Ukraine (“the conflict”) that commenced in February 2022. Our assessment considered [Entity] and our related parties and our relationships and interactions with counterparties and employees. Matters considered in this assessment included, but were not limited to, the implications of the conflict and related global sanctions on accounting, disclosure, and internal control over financial reporting.

[*Add one of the following options, based on the circumstances*]

[*Option 1—No impact*]

On the basis of the results of our evaluation, we confirm that we did not identify any significant impact that affects or may affect [Entity]'s operations. Therefore, we have not made any adjustments or additional disclosures pertaining to the effects or possible effects arising from the conflict in the [consolidated] financial statements.

[*Option 2—With impact*]

On the basis of the results of our evaluation, we identified effects or possible effects arising from the conflict on [Entity]’s operations. We confirm that we have appropriately accounted for and/or disclosed the effects or possible effects arising from the conflict in the [consolidated] financial statements.]

### Accounting estimates and judgments

We are responsible for all significant estimates and judgments affecting the [consolidated]financial statements. These include fair value measurements and disclosures. [The significant judgments we made have taken into account all relevant information of which we are aware.] The methods, underlying data, and significant assumptions used in developing accounting estimates and the related disclosures are reasonable and appropriate to achieve recognition, measurement, or disclosure in the [consolidated]financial statements in accordance with IFRS. The methods used in developing accounting estimates have been consistently applied in the periods presented and the data used in developing accounting estimates is accurate and complete. Accounting estimates and judgments appropriately reflect management’s intent and ability to carry out specific courses of action, where relevant. Disclosures related to accounting estimates are complete and reasonable under IFRS. [Appropriate specialized skills or expertise have been applied in making the accounting estimates.] There have been no subsequent events that would require the adjustment of any significant estimates and related disclosures.

We have applied the requirements of International Accounting Standard (IAS) 1, Presentation of financial statements, in our disclosures of estimates and judgments that are significant and/or material to the [consolidated]financial statements.

[In the case of an accounting estimate not recognized or disclosed in the financial statements, the auditor agrees with management’s accounting treatment of the item: For those estimates not recognized or disclosed in the financial statements because management is of the view that the recognition or disclosure criteria of the applicable fair presentation financial reporting framework have not been met, written representations may include the following:

We used an appropriate basis for determining that the recognition or disclosure criteria of [specify applicable fair presentation financial reporting framework] have not been met for [identify accounting estimate], an accounting estimate that was not recognized or disclosed in the [consolidated] financial statements.]

### Fair value measurements

We have no plans or intentions that have not been disclosed to you, which may impact the determination of whether a fair value measurement is required in the [consolidated]financial statements.

In instances where fair value measurements are required in the [consolidated]financial statements, we believe the fair value measurement[s] used is [are] consistent with the principle of establishing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, consistent with the requirements of IFRS 13, Fair value measurement—in particular:

* The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability; or in the absence of a principal market, in the most advantageous market for the asset or liability.
* The measurement methods make maximum use of relevant and publicly available and observable market inputs; and
* The significant assumptions used in determining fair value measurements represent our best estimates and are reasonable.

We have appropriately disclosed information on fair value measurements used in the [consolidated] financial statements in accordance with the requirements of IFRS 13 and IFRS 7, Financial instruments: disclosures. We have distinguished between recurring and non‑recurring fair value measurements and have appropriately classified fair value measurements in Level 1, Level 2, or Level 3 of the fair value hierarchy [and have appropriately disclosed the categorization of such financial instruments and any changes in the level for which they are carried in the fair value hierarchy].

[Consider including the following representation, if principal market was not used.] We used the principal market to value financial and non-financial assets and liabilities, with the exception of [list financial and non-financial assets and liabilities where principal market was not used], where we used the most advantageous or hypothetical method.

[Consider including the following representation, if valuation adjustments were determined at a portfolio level.] We adopted [state policy adopted] that has been applied consistently to allocate valuation adjustments determined at a portfolio level to the individual units of account in accordance with IFRS 13.

### Related parties

We confirm that we have disclosed to you the identity of [Entity]’s related parties as defined by IAS 24, Related party disclosures, and all the related party relationships and transactions.

The identity and relationship of, and balances and transactions with, related parties have been properly recorded and adequately disclosed in the [consolidated] financial statements as required by IAS 24. [We provided support for any assertion that a transaction with a related party was conducted on terms equivalent to those prevailing in an arm’s length transaction.]

We confirm that we have identified to you all members of key management, as defined by IAS 24, and included their remuneration in the disclosures of key management compensation in the [consolidated] financial statements.

[In addition to the representations obtained from management in this letter, circumstances may exist in which it is appropriate to obtain written representations from those charged with governance. For example, such circumstances may include when those charged with governance

* have approved specific related party transactions that (a) materially affect the [consolidated] financial statements, or (b) involve management;
* have made specific oral representations to the auditor on details of certain related party transactions; or
* have financial or other interests in the related parties or the related party transactions.

If such circumstances exist, engagement teams should consider obtaining a separate representation letter from those charged with governance to address any specific representations required.]

### Going concern

There are no events or conditions that, individually or collectively, may cast significant doubt on [Entity]'s ability to continue as a going concern.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the [consolidated] financial statements (for example, to dispose of the business or to cease operations).

[Remove the first paragraph of this section and add the following paragraph if events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern have been identified. (Note that in these circumstances, the auditor’s report would usually be modified to reflect such uncertainty.)

The [consolidated] financial statements disclose all matters of which we are aware that are relevant to [Entity]’s ability to continue as a going concern, including all significant conditions and events, mitigating factors, and [Entity]’s plans. [Entity] also has the intent and ability to take actions necessary to continue as a going concern. We have made available to you all relevant information on [Entity]’s ability to continue as a going concern that could affect the [consolidated] financial statements, including the recoverability or classification of recorded assets or the amounts and classification of liabilities.]

Accordingly, [Entity]’s [consolidated] financial statements are appropriately prepared on a going concern basis.

[If events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern have been identified, the engagement team may want to include written representations from management and, where appropriate, those charged with governance regarding their plans for future action and the feasibility of these plans.]

[Where the Entity’s cash flow projections are a significant factor in concluding that the going concern assumption is appropriate with or without an uncertainty disclosure, the engagement team may want to include specific representations about the cash flow projections. For example:

You have been made aware of and given access to inside and outside sources of information on which [Entity] relied in preparation of the forecast.

The assumptions underlying the forecast reflect management’s judgment as to the most probable set of economic conditions and [Entity]’s planned courses of action for [period]. These assumptions are supportable and consistent with the plans of [Entity], and they are reflected in the forecast. All such assumptions have been disclosed to you.

The forecast has been compared to [Entity]’s budgets and operating plans and any inconsistencies between the two have been disclosed to you. All information necessary for a reasoned evaluation of the forecast has been disclosed to you and, except as disclosed to you, no events are expected to occur or are pending and no facts have been discovered to date which would have a material effect on this forecast, including items of such significance to the entity as would require changes in the assumptions or disclosure in the forecast.

The financial forecast, together with supporting documentation for the principal assumptions, has been reviewed by management and the board of directors. At a directors’ meeting on [date], the directors and management acknowledged their sole responsibility for the preparation of the forecast and for the determination and appropriateness of the assumptions used. To the best of our knowledge and belief, this forecast represents [Entity]’s current best estimate of the most probable forecast for the period.]

### Assets and liabilities

We have satisfactory title or control over all assets. All liens or encumbrances on [Entity]’s assets and assets pledged as collateral, to the extent material, have been disclosed in note [X] to the [consolidated] financial statements. All contingent assets, in accordance with IAS 37, Provisions, contingent liabilities and contingent assets, have been disclosed to you and are appropriately reflected in the [consolidated] financial statements.

We have recorded or disclosed, as appropriate, all liabilities, in accordance with IFRS. All liabilities and contingencies, including those associated with guarantees, whether written or oral, under which [Entity] is contingently liable in accordance with IAS 37, have been disclosed to you and are appropriately reflected in the [consolidated] financial statements.

[For annual periods beginning on or after 1 January 2023:

The following representation should be included in management representation letters where no insurance contracts in the scope of IFRS 17 were identified. Where insurance contracts in the scope of IFRS 17 were identified and relevant IFRS 17–specific representations have been included in the management representation letter, then the following representation does not need to be included in the management representation letter.]

We have assessed the scope provisions of IFRS 17 and confirm that no arrangements exist that meet the definition of an insurance contract. For the purposes of this assessment, all substantive enforceable rights and obligations, explicit or implied, that arise from contracts, law or regulations, and our customary business practices have been considered. We have disregarded terms that have no commercial substance. We have assessed, among other things, the following:

• [...] [consider scoping paragraphs in IFRS 17.7.-.8A]]

### Specific representations

[Other written representations may be needed to ensure sufficient appropriate audit evidence by supporting other audit evidence obtained and relevant to the financial statements or one or more specific assertions in the financial statements. See the template instructions, where the engagement leader decides to include “Other written representations”; for potential wording, refer to Appendix 1—Additional illustrative representations that may be appropriate for [consolidated] financial statements prepared in accordance with IFRS.]

### Litigation and claims

All known actual or possible litigation and claims, which existed at the [consolidated] statement of financial position date or exist now, have been disclosed to you and have been accounted for and disclosed in accordance with IFRS, whether or not they have been discussed with legal counsel.

### Misstatements

Certain representations in this letter are described as being limited to those matters that are material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

We confirm that the [consolidated] financial statements are free of material misstatements, including omissions.

[Add one of the following paragraphs:

We confirm there are no uncorrected misstatements in the [consolidated] financial statements.

OR

The effects of the uncorrected misstatements in the [consolidated] financial statements, as summarized in Appendix A [Attach the Summary of Unadjusted Misstatements (SUM) to the letter], are immaterial, both individually and in the aggregate, to the [consolidated] financial statements taken as a whole. We confirm that we are not aware of any uncorrected misstatements other than those included in Appendix A.]

[And if applicable]

The adjusted misstatements summarized in Appendix B[[3]](#footnote-4) [Attach the Summary of Adjusted Misstatements (SAM) to the letter] have been approved by [Entity] and adjusted in the [consolidated] financial statements. [If there is no adjusted misstatement, replace with the following: No adjusted misstatement was identified during your audit.]

### [Restatement of previous year’s balance(s)

The restatement made to correct a material misstatement in the previous year’s [consolidated] financial statements that affect the comparative information has been appropriately accounted for and disclosed in accordance with the requirements of IFRS.]

*[If CAS 701, Communicating key audit matters in the independent auditor’s report is applicable, consider including the following section:*

### Key audit matter—Non-disclosure of key audit matters in the auditor’s report due to adverse public consequences

[Inclusion of this section in a representation letter is expected to be rare. If you are contemplating including this section, consult with Audit Services. We may conclude that it is necessary to obtain a written representation from management as to why management believes that public disclosure about the key audit matter is not appropriate, including management’s view about the significance of the adverse consequences that may arise as a result of such communication (CAS 701.A54), such as the following:]

### In our view, disclosure of [describe the matter], which you have determined to be a key audit matter, is not appropriate because such disclosure would have, in our view, the following adverse public consequences if communicated in the auditor’s report: [Describe management’s views about the adverse consequences that would arise if the matter was disclosed in the auditor’s report and the significance of the adverse consequences].

### Events after the [consolidated] statement of financial position date

We have identified all events that occurred between the date of the [consolidated] statement of financial position and the date of this letter that may require adjustment of, or disclosure in, the [consolidated]financial statements, and we have made such adjustment or disclosure.

### Other Items [insert as appropriate]

In retaining sales and procurement agents, [Entity] has appropriately selected, contracted, approved, and disclosed matters related to sales and procurement agents. [If the entity does not retain sales or procurement agents, state this fact.]

No “letters of comfort” to financial institutions from [Entity] have been issued, nor to the best of our knowledge and belief have such letters been issued by the minister responsible for [Entity]. Nor have any such letters been in force at any time during the year or subsequently [OR list the following information for each “letter of comfort”: date of issue, borrower, lender, date and number of order‑in‑council, amount and term of borrowing, and interest rate].

[Entity] has not issued any offering documents during the year, nor does it intend to issue offering documents in the near term [except for, (state exceptions, if any)].

Yours truly,

[Name of Entity]

|  |
| --- |
|  |
| [Name and title of chief executive officer] |
|  |
| [Name and title of chief financial officer] |
|  |
| [Name and title of other appropriate member(s) of management][[4]](#footnote-5) |

# Appendix A—Summary of Unadjusted Misstatements (SUM)

*[Certain columns may be deleted where appropriate. For example, cash flow columns may be eliminated where none of the items impact the statement of cash flows. Also, the distinction between current year and previous year is not necessary when the iron curtain method (rather than the rollover method) is used to evaluate the impact of misstatements on the statement of profit or loss; thus the previous year column may be removed. In certain cases, it may be appropriate to add column(s) or
line(s)—for example, where there are misstatements that have impacts on other comprehensive income or where there are financial statement disclosure deficiencies.]*

| Impact of Adjustments on Financial Statement Captions (in thousands of dollars)—Increase (Decrease) |
| --- |
|  | Net profit (loss) | Statement of financial position | Statement of cash flows |
|  | Unadjusted differences arising in |
| Description | Currentyear | Previousyear | Total | Equity | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Operating activities | Investing activities | Financing activities |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Total adjustments |  |  |  |  |  |  |  |  |  |  |  |
| Financial statement amounts |  |  |  |  |  |  |  |  |  |  |  |
| Impact as a percentage of financial statement amounts |  |  |  |  |  |  |  |  |  |  |  |

# Appendix B—Summary of Adjusted Misstatements (SAM) [optional]

*[Certain columns may be deleted where appropriate. For example, cash flow columns may be eliminated if none of the items impact the statement of cash flows. In certain cases, it may be appropriate to add column(s) or line(s)—for example, if there are adjusted misstatements that have impacts on other comprehensive income or if there are financial statement disclosure deficiencies.]*

| Impact of Adjustments on Financial Statement Captions (in thousands of dollars)—Increase (Decrease) |
| --- |
|  | Net profit (loss) | Statement of financial position | Statement of cash flows |
|  | Adjusted differences arising in |
| Description | Currentyear | Equity | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Operating activities | Investing activities | Financing activities |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Total adjusted misstatements |  |  |  |  |  |  |  |  |  |

## Appendix 1—Additional illustrative representations that may be appropriate for [consolidated] financial statements prepared in accordance with IFRS

## INSTRUCTIONS FOR AUDITORS

The representation letter should be tailored to include any additional appropriate representations from management. This may include obtaining representations on matters specific to the entity’s business or industry, on specific assertions in the financial statements, or to support other audit evidence related to the financial statements.

These illustrative representations should be reviewed to determine which items are applicable to the engagement and should be added to the management representation letter. The audit team should critically evaluate and modify other representations as appropriate, considering specific entity circumstances, significant risks, significant judgments and estimates, unusual or troublesome circumstances and materiality.

These examples are not exhaustive, and other items related to the Entity’s business should be added as necessary.

Search for “[Entity]”and replace all instances with the short form of the entity’s name.

All text in blue should be tailored or removed as appropriate.

## ADDITIONAL REPRESENTATIONS

### New IFRS pronouncements

### Add one of the following paragraphs:

We have not completed the process of evaluating the impact that will result from adopting [insert applicable pronouncement] as discussed in note [X] to the [consolidated] financial statements. We are therefore unable to disclose in the [consolidated] financial statements the impact that adopting [insert applicable pronouncement] will have on [Entity]’s [consolidated] financial statements when such pronouncement is adopted.

OR

We have not completed the process of evaluating the impact that will result from the adoption of [insert applicable pronouncement]. We have, however, assessed certain areas of potential impact to date as disclosed in note [X] to the [consolidated] financial statements.

OR

We completed the process of evaluating the impact that will result from the adoption of [insert applicable pronouncement]. Such impact is disclosed in note [X] to the [consolidated] financial statements.

[In the event that there are judgmental issues or questions about the rigour of the process applied to assessing the impact of new pronouncements for purposes of IAS 8, paragraph 30 disclosures, additional representations may be required from management. Consultation with Audit Services is encouraged in such circumstances.]

### Cash and banks

The books and records properly reflect and record all transactions affecting cash funds, bank accounts, and bank indebtedness of [Entity].

All cash balances are under the control of [Entity], free from assignment or other charges and unrestricted as to use[, except as disclosed to you].

The amount shown for cash on hand or in bank accounts excludes trust or other amounts, which are not the property of [Entity].

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balance[s] or line[s] of credit or similar arrangements have been properly disclosed.

All cash and bank accounts of [Entity] are included in the [consolidated] financial statements of [Entity].

### Accounts receivable

All amounts receivable by [Entity] were recorded in the books and records.

Receivables recorded in the [consolidated]financial statements represent bona fide claims against debtors for sales or other charges arising on or before the [consolidated] statement of financial position date and are not subject to discount except for normal cash discounts. Receivables classified as current do not include any material amounts that are collectible after one year [or beyond the normal operating cycle, if it exceeds one year].

[The following 3 paragraphs are applicable only to entities accounting for their financial instruments using IFRS 9.]

Accounts receivable are accounted for as financial assets under IFRS 9, Financial instruments.

All receivables are free from hypothecation or assignment as security for advances to [Entity](, except as hereunder stated).

[Entity] has accounted for and disclosed transfers of receivables (including securitizations) in accordance with the provisions of IFRS 9 and IFRS 7, *Financial instruments: disclosures*.

**Inventories**

Inventories recorded in the [consolidated] financial statements are stated at the lower of cost or net realizable value, cost being determined on the basis of [FIFO, weighted average cost, etc.], with due provision recorded to reduce all damaged, wholly or partially obsolete, or unusable inventories to their net realizable value (estimated selling price less estimated cost to sell).

Inventory quantities as at the [consolidated] statement of financial position date were determined from physical counts or from [Entity]’s perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at [dates of physical inventory or various times during the year]. Liabilities for amounts unpaid are recorded for all items included in inventories at the [consolidated] statement of financial position date, and all quantities sold to customers on this date are excluded from the inventory balances.

In the case of onerous contracts, the inventory provision has been recorded to reduce inventories to their estimated net realizable value in accordance with IAS 37, *Provisions, contingent liabilities and contingent assets*.

As at year end, there are no inventories held on behalf of customers and no customer-owned inventories in warehouses owned by [Entity] or third-party warehouses contracted by [Entity], [except as we have disclosed to you. [Provide specific details, if relevant]].

### Financial assets accounted for under IFRS 9

*Initial measurement of financial assets*

[[Entity] has measured trade receivables that do not have a significant financing component (determined in accordance with IFRS 15) at their transaction price (as defined in IFRS 15).]

[Except for trade receivables that do not have a significant financing component,] at initial recognition, [Entity] has measured its financial assets at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Derecognition

We have derecognized a financial asset when, and only when

* the contractual cash flows from the financial asset have expired, or
* we have transferred the financial asset and the transfer qualified for derecognition.

### Debt financial assets accounted for under IFRS 9

[Entity] has appropriately classified and measured all debt financial assets in accordance with IFRS 9, either at amortized cost (“AC”), fair value through other comprehensive income (“FVOCI”), or fair value through profit and loss (“FVTPL”).

* We have determined our business model(s) as either “hold to collect,” “hold to collect and sell,” or “other business model” by taking into consideration various factors including, but not limited to, performance indicators, risks and management, management compensation, and frequency of sales of the assets.
* For all debt instruments measured at AC or FVOCI, we have assessed whether the contractual cash flows of the instrument represent solely payments of principal and interest (SPPI). Any interest charged reflects only the time value of money, credit risk, lending costs, and profit margin, and are consistent with features of a basic lending arrangement.

[All debt financial instruments irrevocably designated at FVTPL using the fair value option at initial recognition have been designated only if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases].

Income earned on financial assets has been recorded in the accounts, and any interest income has been accrued using the effective interest rate method. [For financial assets that are considered to be purchased or originated credit-impaired at initial recognition, we have calculated the initial lifetime expected credit losses by discounting the estimated cash flows at the credit-adjusted effective interest rate.]

*Reclassification of debt instrument*

[Entity] has continually monitored our business model(s) associated with debt financial assets and has [not reclassified any financial assets.] *or* [reclassified all affected financial assets when, and only when, changes that are determined by senior management as a result of external or internal changes are significant to [Entity]’s operations and demonstrable to external parties.]

*Modification*

For financial assets where the contractual cash flows have been renegotiated or otherwise modified and the renegotiation or modification did not result in the derecognition of that financial asset, we have recalculated the gross carrying amount of the financial asset and have recognized a modification gain or loss in profit or loss. We confirm that any costs or fees incurred have adjusted the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

### Equity financial assets accounted for under IFRS 9

Equity instruments within the scope of IFRS 9 that we have not irrevocably elected to measure at fair value through other comprehensive income (FVOCI) are properly measured at fair value with all changes recognized in profit or loss.

We confirm that there is no recycling of amounts from OCI to profit or loss, nor is any impairment consideration for all equity financial instruments irrevocably measured at FVOCI. We also confirm that on such instruments, only dividends that do not represent a recovery of the cost of the investment have been recorded in profit or loss.

### Presentation—Offsetting of financial assets and financial liabilities

Regarding [specify relevant financial assets] that have been offset against [specify financial liabilities] and the net amount reported, we confirm that we are satisfied as to the legal right of offset under [insert jurisdiction] and confirm that we have the intention of either settling on a net basis or of realizing the asset and settling the liability simultaneously. Disclosures in respect of offsetting have been provided as appropriate.

**IFRS 9, Impairment—recognition of expected credit losses**

We have recognized a loss allowance for expected credit losses on debt financial assets that are measured at amortized cost or fair value through other comprehensive income (FVOCI), lease receivables (including operating and finance lease receivables), contract assets, or loan commitments and financial guarantee contracts to which the impairment requirements apply.

We have recognized movements in the expected credit loss allowance in the [[consolidated] statement of comprehensive income], including movements in the allowance of debt financial assets classified in the FVOCI category. However, for financial assets measured at FVOCI, we have recognized the loss allowance in OCI, instead of reducing the carrying amount of the financial asset in the [[consolidated] statement of financial position].

We confirm that the expected credit loss calculated is an unbiased, discounted, and probability‑weighted amount determined by evaluating a range of possible outcomes reflecting reasonable and supportable information that is available without undue cost or effort as at the date of the [consolidated] statement of financial position about past events, current conditions, and forecasts of future economic conditions.

[Add one of the following approaches:

*Simplified approach:*

[We confirm that we have measured the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach for [*Keep points that apply*]*:*

* [trade receivables and/or contract assets] that result from transactions that are within the scope of IFRS 15, Revenue from contracts with customers, and that
* do not contain a significant financing component (or when we have applied the practical expedient for contracts that are one year or less) in accordance with IFRS 15; or
* contain a significant financing component in accordance with IFRS 15, if we have chosen as its accounting policy to measure the loss allowance at an amount equal to lifetime expected credit losses. That accounting policy shall be applied to all such trade receivables or contract assets but may be applied separately to trade receivables and contract assets.]
* [lease receivables that result from transactions that are within the scope of IFRS 16, Leases, if we have chosen as its accounting policy to measure the loss allowance at an amount equal to lifetime expected credit losses. That accounting policy shall be applied to all lease receivables but may be applied separately to finance and operating lease receivables.]

*OR general approach:*

[As at year end, we have measured the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

As at year end, we have measured the loss allowance for a financial instrument at an amount equal to 12‑month expected credit losses if the credit risk on that financial instrument has not increased significantly since initial recognition.

A lifetime expected credit loss has been recognized for financial assets that have objective evidence of impairment as at the date of the [consolidated] statement of financial position.]]

[*If low credit risk applies:*

We have assumed that the financial instruments that are determined to have a low credit risk as at the date of the [consolidated] statement of financial position did not have any significant increase in credit risk since initial recognition.

We confirm that lifetime expected credit losses are not recognized on a financial instrument simply because it was considered to have low credit risk in the previous reporting period and is not considered to have low credit risk as at the date of the [consolidated] statement of financial position. In such cases, we have determined whether there has been a significant increase in credit risk since initial recognition and thus whether lifetime expected credit losses are required to be recognized.]

[*If loan commitments applies:*

For financial instruments without an undrawn component, we confirm that the maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which we are exposed to credit risk and not a longer period, even if that longer period is consistent with business practice.

For financial instruments that include both a loan and an undrawn commitment component, and our contractual ability to demand repayment and cancel the undrawn commitment does not limit our exposure to credit losses to the contractual notice period, we have measured the expected credit losses over the period that we are exposed to credit risk. The expected credit losses would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.]

### Leases (IFRS 16)

We evaluated, recorded, and disclosed in the [consolidated] financial statements all contractual arrangements within the scope of IFRS 16, Leases, including consideration of, but not limited to, whether [Include language below based on specific facts and circumstances of the client.

* arrangements contain a lease in accordance with IFRS 16, paragraphs 9–11 and
B9–B31, Identifying a lease;
* arrangements contain multiple components, their separation and allocation of consideration in the contract to the components in accordance with IFRS 16, paragraphs 12–17 and B32–B33, Separating components of a contract;
* any renewal, early termination, or purchase options are reasonably certain of exercise by the lessee or in the control of the lessor are considered in determining the lease term in accordance with IFRS 16, paragraphs 18–21 and B34–41, Lease term;
* lease payments have been initially measured in accordance with IFRS 16, paragraphs 26–28 (lessee) and 70 (lessor);
* initial direct costs have been considered in accordance with the guidance in IFRS 16, paragraph 24 (lessee) and paragraphs 69 and 74 (lessor);
* discount rates have been determined based on the definitions of interest rate implicit in the lease or lessee’s incremental borrowing rate in IFRS 16, Appendix A;
* for purposes of applying lessor requirements, fair value has been estimated based on the definition of Fair Value in IFRS 16, Appendix A;
* any reassessment triggers have occurred requiring lease payments to be remeasured in accordance with IFRS 16, paragraphs 39–43 (lessee);
* any modifications to a contract have occurred and the accounting for such modifications carried out in accordance with IFRS 16, paragraphs 44–46 (lessee) and paragraphs 79–80 and 87 (lessor), Lease modifications;
* practical expedient for lessees applicable to COVID‑19–related rent concessions applied in accordance with IFRS 16, paragraphs 46A–46B (May 2020 issuance *COVID‑19–Related Rent Concessions*, applicable for periods beginning on or after 1 June 2020, and March 2021 issuance *COVID-19–Related Rent Concessions beyond 30 June 2021*, applicable for periods beginning on or after 1 April 2021);
* two or more contracts should be combined in accordance with IFRS 16, paragraph B2, Combination of contracts;
* any impairment of a right-of-use asset in accordance with IFRS 16, paragraphs 30 and 33, has occurred in cases where we are the lessee;
* any impairment of a net investment in the lease in accordance with IFRS 16, paragraph 77, has occurred in cases where we are the lessor; and
* the original lessee in any sublease arrangement has followed the accounting in accordance with IFRS 16, paragraphs 3, 68, and B58, in accounting for the subleased right‑of‑use asset.

We evaluated, recorded, and disclosed in the [consolidated] financial statements sale and leaseback transactions, including consideration of whether the transfer of the asset is a sale in accordance with IFRS 16, paragraphs 98–103, Sale and leaseback transactions.

We evaluated, recorded, and disclosed in the [consolidated] financial statements the application of [*include the following based on specific facts and circumstances of the client*

* IFRS 16 at a portfolio level in accordance with paragraph B1,
* IFRS 16 to low-value assets in accordance with paragraphs 5–8 and B3–B8, and
* IFRS 16 to short-term leases in accordance with paragraphs 5–8.]

### Interest rate benchmark reform (IBOR reform)

We have accounted for interest rate benchmark reform (IBOR reform) in accordance with the requirements of Phase 2 amendments, to[*select/retain only those financial reporting standards relevant to the audit engagement*:] IFRS 9, *Financial instruments*, IFRS 7, *Financial instruments: disclosures*, and IFRS 16, *Leases*, including disclosure requirements thereof.

We have identified and provided you with complete listings of all[*select/retain only those elements of IBOR reform relevant to the audit engagement after considering the materiality and/or relevance of the impact of IBOR reform on the audit engagement*:] contracts, valuation models, and hedge accounting relationships associated with financial instruments directly or indirectly linked to IBOR rates and thereby subject to IBOR reform.

We have provided you with complete listings of new and modified control activities related to the relevant impacts of IBOR reform, including[*select/retain only those elements of IBOR reform relevant to the audit engagement after considering the materiality and/or relevance of the impact of IBOR reform on the audit engagement*:] contract modifications, valuation models, hedge accounting relationships, and financial statement disclosures.

[*Include this representation depending on the significance of contractual modifications, as a function of IBOR reform, to the audit engagement:*]

With respect to changes, if any, in the basis for determining contractual cash flows of financial assets/liabilities as a result of IBOR reform:

[*In the event that no such changes or contractual amendments were processed, include*:]

We confirm that there were no such changes or contractual amendments processed as a result of IBOR reform, and accordingly, we continued to account for the associated financial instrument[s] as per usual.

OR

[*In the event that changes or contractual amendments were processed, include*:]

We assessed whether all such changes qualified for the practical expedient in its entirety by considering

* whether all such changes were necessary as a direct consequence of IBOR reform; and
* whether all such changes result in the new basis for determining cash flows from the amended contract being economically equivalent to the previous basis.

[*In the event the criteria for the practical expedient is satisfied in its entirety for all processed changes or contractual amendments,* *include*:]

We appropriately applied the practical expedient and updated the effective interest rate of the associated financial instrument[s] based on the alternative benchmark rate.

OR

[*To the extent only certain of the processed changes or contractual amendments qualified for the application of the practical expedient, include*:]

We appropriately applied the practical expedient to such qualifying contractual amendments first, and we updated the effective interest rate of the associated financial instrument[s] based on the alternative benchmark rate.

For the contractual amendments which did not qualify for the application of the practical expedient, we assessed whether these contractual amendments

* resulted in IFRS 9 derecognition criteria being met and triggered, and if so, performed derecognition accounting in accordance with these requirements; or
* did not result in IFRS 9 derecognition criteria being met and triggered, in which case we recalculated the carrying amounts of the impacted financial instrument[s] and recognized a gain or loss in the income statement, while continuing to recognize interest income or expense using the original effective interest rate.

[*LESSOR—Include this representation, depending on the significance and/or relevance of finance leases to the audit engagement*:]

With respect to finance lease modifications, we have appropriately applied relief provided by the practical expedient for changes in the basis for determining contractual cash flows of financial assets and financial liabilities in accordance with the requirements of IFRS 9.[*Include this representation, depending on the significance and/or relevance of operating leases to the audit engagement:]* With respect to operating lease modifications, we have continued to apply modification guidance in IFRS 16.

[*LESSEE—Include this representation, depending on the significance and/or relevance of leases to the audit engagement*:]

With respect to lease modifications as a result of IBOR reform:

We assessed whether all such lease modifications qualified for the practical expedient in its entirety by considering

* whether all such lease modifications were necessary as a direct consequence of IBOR reform; and
* whether all such lease modifications result in the new basis for determining the lease payments from the amended lease being economically equivalent to the previous basis.

[*In the event the criteria for the practical expedient is satisfied in its entirety for all processed changes or contractual amendments, include*:] We appropriately applied the practical expedient and remeasured the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate.

OR

[*In the event the criteria for the practical expedient is NOT satisfied in its entirety for all processed changes or contractual amendments, include*:]

We appropriately applied the applicable IFRS 16 requirements to account for all lease modifications made at the same time, including those required by IBOR reform.

[*Include this representation depending on the significance and/or relevance of hedge accounting, as a function of IBOR reform, to the audit engagement*:]

With respect to changes made to hedging relationships as a result of IBOR reform:

[*Include this representation depending on whether formal designation of hedge relationships have been changed*:]

We only amended the formal designation of our hedge relationship[s] to reflect the following changes required by IBOR Reform. Amending the formal designation of our hedge relationship[s] did not constitute the discontinuance of the hedge relationship[s] nor the designation of new hedge relationship[s].

**[***Select/retain only those amendments relevant to the audit engagement*:**]**

* Designating an alternative benchmark rate as a hedged risk;
* Amending the description of the hedged item (including the description of the designated portion of the cash flows or fair value being hedged);
* Amending the description of the hedging instrument; or
* Amending the description of how we will assess hedge effectiveness.

[*Include this representation, depending on whether the description of the hedging instruments have changed:*]

We amended the description of the hedging instrument[s] as the following three conditions were met:

* change[s] required by IBOR reform were effected using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
* the original hedging instrument was not derecognized; and
* the approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument.

[*Include this representation, depending on the relevance and significance to the audit engagement of any alternative benchmark rate(s) designated as a non-contractually specified risk component that is not separately identifiable at the date when it is designated in a hedge relationship:*]

With respect to *[insert alternative benchmark rate(s) designated as a non-contractually specified risk component that is not separately identifiable at the date of designation, for example, BBSW, EURIBOR, CDOR]*, we expect this risk component to be separately identifiable within 24 months of the designation date, and we confirm this risk component is reliably measurable.

[*Include this representation, depending on the relevance and significance to the audit engagement of hedge accounting implemented on a portfolio or group basis:*]

With respect to amendments of the formal designation of hedge relationships, hedged items are allocated to sub-groups of the overall hedge portfolio based on the benchmark rate being hedged, and the benchmark rate for each sub-group is designated as the hedged risk. Additionally, we acknowledge that

* certain hedge sub-groups could be changed at different times to others;
* each sub-group will be assessed separately to determine whether it meets the requirements for an eligible hedged item;
* hedge accounting will be discontinued prospectively, for the hedge relationship in its entirety, if any sub-group fails to meet the eligible hedged item requirements; and
* any ineffectiveness related to the hedge relationship will be accounted for in its entirety.

We have prepared and presented qualitative and quantitative IBOR reform disclosures in our financial statements in accordance with the requirements of IFRS 7.

### Investments

*[Add sections as applicable:]*

All security lending arrangements are appropriately disclosed in the [consolidated] financial statements. During the year, [Entity] has not entered into other security lending arrangements.

*OR*

During the year, [Entity] has not entered into security lending agreements.

[Entity] has not purchased any restricted securities during the year and does not hold any securities as at year end which are restricted or encumbered in any way as to their resale, except as disclosed in the [consolidated] financial statements. [Entity] has not entered into any agreements, nor is it in the process of entering into any agreements, to acquire restricted securities.

Commitments to purchase or sell securities have been adequately disclosed in the [consolidated] financial statements, where appropriate.

Sales with recourse have been properly recorded, classified, and disclosed in the [consolidated] financial statements.

### Property, plant and equipment

Each significant individual component of acquired property, plant, and equipment has been accounted for separately in accordance with IAS 16, Property, plant and equipment.

We estimate that the current carrying values of property, plant, and equipment, measured using the fair value model [list type of assets or most significant assets], are not materially different from the amounts that would be determined by a fair value exercise as at the date of the [consolidated] statement of financial position.

No significant additions of property, plant, and equipment have been charged to repairs and maintenance or other expense accounts.

Carrying values of property, plant, and equipment sold, destroyed, abandoned, or otherwise disposed of have been eliminated from the books and records.

Property, plant, and equipment owned by [Entity] have been depreciated on a systematic basis over their estimated useful lives. The depreciation charge was calculated on a basis consistent with that of the prior year.

During the year, we have reviewed the appropriateness of the depreciation policy, residual values, and estimates of useful lives for property, plant, and equipment, taking into account all pertinent factors. Any significant change in our assessment from the previous year has been adequately disclosed and reflected in the [consolidated] financial statements.

[Choose one of the three following paragraphs:

In accordance with the requirements of IAS 36, Impairment of assets, we considered whether there are any indicators of impairment at the date of the [consolidated] statement of financial position. Our conclusions were that there were no events or changes in circumstances that indicate that the carrying values of property, plant, and equipment are not recoverable. Accordingly, we were not required to perform an impairment test in accordance with IAS 36 during the year.

OR

During the year, we have identified one or more indicators of impairment and tested our property, plant, and equipment for impairment in accordance with IAS 36, Impairment of assets. As a result of this test, [a write-down of $[amount] to property, plant, and equipment was recorded and the impairment loss has been adequately disclosed in the [consolidated] financial statements **or** we have determined that no write-down of property, plant and equipment was required].

OR

During the year, we have assessed that there was an indication that an impairment loss recognized in prior periods for [mention asset or group of assets other than goodwill] no longer exists [or has decreased]. Accordingly, and as stated by IAS 36, Impairment of assets, the related impairment loss has been reversed and the carrying value of the asset [or group of assets] has been increased to its recoverable amount not exceeding its carrying value that would have been determined (net of amortization or depreciation) had no impairment loss been previously recognized.]

### Borrowing costs

During the year, we capitalized borrowing costs that were directly attributable to the acquisition, construction, or production of a qualifying asset [tailor as appropriate and list the qualifying asset[s]] in accordance with the requirements of IAS 23, Borrowing costs.

We have recorded other borrowing costs as an expense in the year in which we have incurred them.

### Government grants

During the year, we have received assistance from the government [*tailor if not received from government*] for a total amount of $[amount].

We have accounted for this transaction in accordance with the requirements of IAS 20, Accounting for government grants and disclosure of government assistance. We have disclosed to you all government assistance we have received as well as all related documentation.

### Finite-lived intangible assets

The costs of all finite-lived intangible assets (including patents, trademarks, franchises, and other rights) have been included in the books and records.

Carrying values of finite-lived intangible assets sold, destroyed, abandoned, or otherwise disposed of have been eliminated from the accounts.

Finite-lived intangible assets owned by [Entity] have been amortized on a systematic basis over their estimated useful lives. The amortization charge was calculated on a basis consistent with that of the prior year.

During the year, we have reviewed the appropriateness of the amortization policy and estimates of useful lives for finite-lived intangible assets, taking into account all pertinent factors. Any significant changes in our assessment from the previous year have been adequately disclosed and reflected in the [consolidated] financial statements.

[Choose one of the three following paragraphs:

In accordance with the requirements of IAS 36, Impairment of assets, we considered whether there are any indicators of impairment related to our finite-lived intangible assets as at the date of the [consolidated] statement of financial position. Our conclusions were that there were no events or changes in circumstances that indicate that the carrying values of finite‑lived intangible assets are not recoverable. Accordingly, we were not required to perform an impairment test in accordance with IAS 36 during the year.

OR

During the year, we have identified one or more indicators of impairment and tested our finite-lived intangible assets for impairment in accordance with IAS 36, Impairment of assets. As a result of this test, [we have determined that a write-down of $[amount] to finite-lived intangible assets and the impairment loss has been adequately disclosed in the [consolidated] financial statements **OR** we have determined that no write-down of finite-lived intangible assets was required].

OR

During the year, we assessed that there was indication that an impairment loss recognized in previous periods for finite-lived intangible assets no longer existed [or had decreased]. Accordingly, and as stated by IAS 36, Impairment of assets, the related impairment loss has been reversed and the carrying value of the finite-lived intangible assets has been increased to its recoverable amount not exceeding their carrying value that would have been determined (net of amortization or depreciation) had no impairment loss been previously recognized.]

### Goodwill

The cost of all goodwill of material value has been included in the books and records.

For the purpose of impairment testing and to comply with the requirements of IAS 36, Impairment of assets, we have allocated goodwill to cash generating units (CGU) [or a group of CGU] that represents the lowest level within our organization at which the goodwill is monitored for internal management purposes and this CGU is not larger than an operating segment as defined by IFRS 8, Operating segments, before aggregation.

During the year, we have performed the impairment test[s] for goodwill detailed in IAS 36. As a result of this [these] test[s], we have found that [goodwill was not impaired; accordingly, no write-down to goodwill was required **OR** a write-down of $[amount] to goodwill was required and this write-down has been adequately disclosed in the [consolidated] financial statements].

There have been no events or changes in circumstances since the [last] test was performed that would indicate that the carrying value of goodwill recorded in the [consolidated] financial statements is impaired. Therefore, we believe that the carrying value of goodwill recorded in the [consolidated] financial statements is fully recoverable.

### Indefinite-lived intangible assets

We have determined that assets recorded as indefinite-lived intangible assets in the [consolidated] financial statements do not have estimable useful lives or have indefinite useful lives and are, therefore, not subject to amortization, but rather to impairment testing.

During the year, we reviewed the useful lives of assets treated as indefinite-lived intangible assets and determined that classification as indefinite-lived intangible assets continues to be appropriate, or, where continued classification as indefinite-lived intangible assets was inappropriate, we have appropriately accounted for and disclosed the revised amortization policy in the [consolidated] financial statements.

During the year, we have tested indefinite-lived intangible assets for impairment in accordance with IAS 36, Impairment of assets. As a result of this [these] test[s], we have concluded that [indefinite-lived intangible assets were not impaired; accordingly, no write-down to indefinite-lived intangible assets was required ***OR*** indefinite-lived intangible assets were impaired and accordingly, a write-down of $[amount] to indefinite-lived intangible assets was required and this impairment loss has been adequately disclosed in the [consolidated] financial statements].

There have been no events or changes in circumstances since the test was performed that would indicate that the carrying value of indefinite-lived intangible assets recorded in the [consolidated] financial statements is impaired. Therefore, we believe that the carrying value of indefinite-lived intangible assets in the [consolidated] financial statements is fully recoverable.

### Research and development costs

All expenditures related to research activities (including those related to internally generated intangible assets) have been expensed as incurred.

All development costs have been capitalized in the [consolidated] statement of financial position when they have met the capitalization criteria of IAS 38, Intangible assets.

Website development costs have been accounted for in accordance with the guidance of Standing Interpretations Committee (SIC) 32, Intangible assets—web site costs.

### Accounts payable

Accounts payable that are non-interest bearing and are due to be paid more than one year after the initial recognition date have been classified as long term in the [consolidated] financial statements, initially recognized at fair value, using an appropriate discount rate, and subsequently measured at amortized cost.

### Borrowings and covenants

All borrowings and financial obligations of [Entity] of which we are aware are included in the [consolidated] financial statements, as appropriate. We have fully disclosed to you all borrowing arrangements of which we are aware.

We have appropriately classified as current and non-current the [provide specific description of debt] in [Entity]’s [consolidated] financial statements in accordance with the guidance in IAS 1, Presentation of financial statements. In evaluating the appropriate classification of [Entity]’s borrowings, we have considered all relevant facts and circumstances, [the audit team should consider tailoring the following: for example, contractual terms, the existence of call options, subjective acceleration clauses, material adverse changes clauses, lock-box arrangements, covenant violations, renewal features, conversion features, redemption features, and ability and intent to refinance].

We have fully disclosed to you all covenants to which we are subject and have made available to you all supporting schedules and other information related to how we determined compliance with the terms of such covenants.

[Choose one of the two following paragraphs:

We have not violated any covenants on [provide specific description of debt, preferred shares, warrants, or other] during the [year/period] and up to the date of this letter.

OR

We have violated certain [provide specific description of debt, preferred shares, warrants, or other] covenants related to the [provide specific description of debt, or other] as at [year end/period end date]. We have properly considered the impact of the debt covenant violation[s] on the classification of debt pursuant to the appropriate authoritative literature. All disclosures required by IFRS 7, Financial instruments: disclosures, related to defaults and breaches, have been included in the [consolidated] financial statements.]

[Add if applicable:

[Entity] has not violated any covenants in connection with derivatives and their International Swaps and Derivatives Association Inc. (ISDA) agreements during the year and through the date of this letter.

OR

[Entity] has violated certain covenants in connection with derivatives and their International Swaps and Derivatives Association Inc. (ISDA) agreements as at year end. We have properly considered the impact of the covenant violation[s] on the classification, presentation, and disclosure of derivatives, pursuant to the appropriate authoritative literature.]

We have fully disclosed to you all conversion features (embedded derivatives) associated with the issued [debt, preferred shares, warrants, or other].

In accordance with the requirements of IFRS 7, Financial instruments: disclosures, we have properly accounted for and disclosed in the [consolidated] financial statements the impact of conversion features associated with [provide specific description of convertible debt, preferred shares, warrants, or other].

We have excluded short-term obligations totalling $[amount] from current liabilities as at the date of the [consolidated] statement of financial position because [Entity] intends, and has the discretion, to refinance the obligations on a long-term basis.

[Complete with appropriate wording detailing how amounts will be refinanced as follows:

We have the ability to consummate the refinancing, by using the financing agreement referred to in note [XX] to the [consolidated] financial statements.]

### [Consolidated] statements of income and comprehensive income

All transactions entered into by [Entity] have been recorded in the books and records presented to you.

All amounts have been appropriately classified within the [consolidated] statements of income, comprehensive income, and changes in equity.

There are no adjustments to income reported in prior year in material amounts.

When items of income and expense are material, their nature and amount have been disclosed separately. Except as disclosed to you, there are no non-recurring items in material amounts.

The accounting principles and policies followed throughout the year were consistent with the prior year’s practices (except as disclosed in the consolidated financial statements).

### Employee benefits

All arrangements, whether formal or informal, explicit or implied, to provide retirement benefits and other post-retirement benefits to employees after they cease employment, have been identified to you and have been included in the actuarial valuation.

[For defined benefit pension plan(s)] The details of all pension plan[s] amendments since [date], the date of the last actuarial valuation, have been identified to you.

[Where latest actuarial valuation for accounting purposes is not at year-end, include the following paragraph:

[All changes to the plan[s] and the employee group and the fund’s performance since the last actuarial valuation have been reviewed and considered in determining the defined benefit cost and the estimated actuarial present value of defined benefit obligations and value of pension fund assets [for the defined benefit pension plan(s)].

[Entity]’s actuaries have been provided with all information required to complete their valuation as at [date of last valuation] [if extrapolation is used from last valuation, add the following: and their extrapolation to [date of the [consolidated] statement of financial position]].

[Where extrapolations have been used, include the following additional representation: We confirm that the extrapolations are accurate and include the proper reflection of the effects of changes and events occurring subsequent to the most recent valuation that had a material effect on the extrapolation.]

The employee benefit costs, assets, and obligations have been determined, accounted for, and disclosed in accordance with IAS 19, Employee benefits—in particular:

* The significant accounting policies we adopted in applying IAS 19 have been accurately and completely disclosed in the notes to the [consolidated] financial statements.
* Each of the best estimate assumptions used reflects management’s judgment of the most likely outcomes of future events.
* The best estimate assumptions used are, as a whole, internally consistent, and consistent with the asset valuation method adopted.
* The discount rate used to discount the post-employment benefit obligation has been determined by reference to market yields at the end of the reporting period on high‑quality corporate bonds or government bonds, as appropriate, with cash flows that match the timing and amount of expected benefit payments.
* The assumptions included in the actuarial valuation are those that we instructed [name actuary] to use in computing amounts to be used by us in determining pension costs and obligations and in making required disclosures in the [consolidated] financial statements, in accordance with IAS 19.
* In arriving at these assumptions, we have obtained the advice of [consulting actuaries who assisted in reaching best estimates] but have retained the final responsibility for them.
* The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.
* The disclosures provided to describe the characteristics of the defined benefit plan[s] and associated risks, explanations of amounts in the [consolidated] financial statements, amount, timing, and uncertainty of future cash flows, [multi-employer plans] and [plans that share risks between entities under common control] are complete.
* Taxes related to benefit plans are appropriately included in [the return on assets] or [the calculation of the post-employment benefit obligation] based on their nature.
* All changes to plan provisions or events occurring subsequent to the date of the actuarial valuation and up to the date of this letter have been considered in the determination of pension costs and obligations and as such have been communicated to you as well as to the actuary.

### Deferred taxes

The deferred income tax asset as at the date of the [consolidated] statement of financial position has been recognized pursuant to the provisions of IAS 12, Income taxes, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized*.* [Complete with appropriate wording detailing how the entity determined that the deferred income tax asset is probable of being realized.]

OR

A deferred income tax asset as at the [consolidated] statement of financial position date has not been recognized because it is not probable of being realized.

We are capable of undertaking the tax planning opportunities identified to support realization of the deferred income tax asset. In addition, management has the ability and expectation that they will implement them, if necessary. We have considered the effect of expenses and losses attributable to the implementation of such tax planning opportunities in its evaluation of the realizability of the deferred income tax asset.

Deferred income tax liabilities have not been recognized for taxable temporary differences relating to investments in subsidiaries, branches and associates, and interests in joint arrangements [listed separately or otherwise identified] because such amounts are not probable of reversing in the foreseeable future and the parent, investor, joint venture, or joint operator is able to control the timing of the reversal of the temporary difference. Appropriate disclosure has been made, including the aggregate amount of temporary differences that have not been recognized.

The method used to determine our liabilities for potential assessments from taxation authorities has been applied in accordance with International Financial Reporting Interpretations Committee (IFRIC) 23, Uncertainty over Income Tax Treatments, and the resulting liabilities are supported by specifically identified income tax exposures. Appropriate disclosures have been provided.

Changes to the liabilities for specific income tax exposures were recognized in the [consolidated] financial statements and all individually significant changes to such liabilities have been properly disclosed in the [consolidated] financial statements, even if the net amount of all such changes was insignificant.

We have provided you with all information related to all significant income tax uncertainties of which we are aware. We have also provided you with access to all opinions and analyses that relate to positions we have taken in regard to significant income tax matters.

### Equity

The existence and interest of all partners or participants in the business, together with any obligations relating thereto, have been disclosed to you. [Applicable only to unincorporated enterprises.]

The records reflect all transfers of capital stock during the year. [Applicable only where entity maintains its own share records.]

Capital stock, trust units, partnership units, repurchase options or agreements, or capital stock reserved for options, warrants, conversions, or other requirements have been properly disclosed and appropriately classified between debt and equity in accordance with IAS 32, Financial instruments: presentation.

All the rights and privileges of our outstanding equity securities have been properly disclosed.

Transactions that occurred after the date of the [consolidated] statement of financial position but before [date of the letter] that would have materially changed the number of common shares or potential common shares outstanding as at the end of the year if the transaction had occurred prior to the end of the year have been properly disclosed.

All contributions in the nature of capital have been reflected in appropriate equity accounts.

We have disclosed to you any share purchase loans (or other loans receivable from shareholders) and appropriately considered whether such loans receivable qualify as an asset of [Entity] or should be recorded as an equity transaction.

There are no restrictions, other than those disclosed in the [consolidated] financial statements, on the declaration and payment of dividends or other withdrawals of equity.

**Non-current assets held for sale and discontinued operations**

We have recognized the gain [loss] on the measurement to fair value less costs to sell on [*describe asset (or disposal group) that has been disposed of or is held for sale*], including the gain [loss] from operations during the phase-out period and the gain [loss] on ultimate disposal of the [asset or disposal group].

We have recognized the gain [loss] on the measurement to fair value less costs to sell on [*describe asset (or disposal group) that has been disposed of or is held for sale*] and the post‑tax profit [loss] of the discontinued operation[s].

[If disposed asset/asset group is determined to be a discontinued operation:

We have concluded that the[*describe long-lived asset (disposal group) that has been disposed of (or is held for sale)*] is a component of [Entity], which either represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale as required by IFRS 5, Non-current assets held for sale and discontinued operations.]

Assets [or disposal group] classified as held for sale meet the measurement requirements as well as classification criteria as stated in IFRS 5, Non-current assets held for sale and discontinued operations. [Consider further representation if assets are not expected to be disposed of within one year and the criteria in IFRS 5 paragraph 9 is met.]

### Restructuring provision

The [consolidated]financial statements include a $[amount] restructuring provision, which was recorded on[date]. The provision represents costs recognized pursuant to the requirements of IAS 37, Provisions, contingent liabilities and contingent assets. [Entity] has a detailed formal plan for the restructuring, identifying at least the business or part of the business concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken, and when the plan will be implemented. [Entity] has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. The provision has been properly classified and disclosed in the [consolidated] financial statements.

[Entity] has recognized a liability and an expense for termination benefits [*whichever is earlier: at* [date] *when [Entity] was no longer able to withdraw from the offer of the benefits* **OR** *at the date when [Entity] recognized costs for restructuring within the scope of IAS 37, which included the payment of termination benefits.*]. In addition, [Entity] has appropriately considered the termination benefits recorded meet the definition in IAS 19, Employee benefits.

[Include the following paragraph when the employer offers benefits in exchange for termination and the employee accepts:]

[Entity] has recorded termination benefits as a result of an employee’s decision to accept an offer of benefits in exchange for the termination of employment [*whichever is earlier: when the offer was accepted* OR *when a restriction on* [*Entity’s*] *ability to withdraw the offer took effect*], which was when [Entity] was no longer able to withdraw the offer of benefits. [Entity] has appropriately considered the termination benefits recorded meet the definition in IAS 19, Employee Benefits*.*

[Include the following paragraph when it’s the employer’s decision to terminate:]

[Entity] has recorded termination benefits as a result of [Entity]’s decision to terminate an employee’s employment when it met the following criteria: actions required to complete the plan indicated that it was unlikely that significant changes to the plan will be made; the plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations and the expected completion date; and the plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits to be received upon termination.

We continue to execute the restructuring plan. The [consolidated] financial statements include a restructuring provision for exit costs and involuntary termination benefits as at year-end. We have evaluated this provision and determined that it is not excessive. The restructuring accrual provision and all significant changes, if any, from the original restructuring plan have been properly recognized, classified, and disclosed in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets*.*

### Business combinations

We have disclosed to you all business combinations, that fall in scope of IFRS 3, Business Combinations, [Entity] entered into during the year.

We are not aware of any contingent liabilities or contingent consideration related to the acquisition of [acquired company] that has not already been disclosed to you.

We have properly recorded the fair value of contingent consideration at the date of acquisition of [provide name of acquired company] as part of the cost of the business acquired and have appropriately remeasured the fair value of contingent consideration, other than [Entity]’s own equity instruments, in accordance with IFRS 3, Business Combinations.

In conjunction with its acquisition of [acquired company], [Entity] has properly

* concluded that the acquisition is a business combination as defined in IFRS 3, Business Combinations;
* identified, valued, and recorded at fair value all the acquired assets and liabilities, including all intangible assets meeting the criteria for separate recognition outlined in IFRS 3, Business Combinations;
* allocated the acquired assets and liabilities, including goodwill, to the appropriate reporting units in accordance with IAS 36, Impairment of Assets;
* assessed the useful lives of the acquired intangible assets subject to amortization and those with indefinite useful lives; and
* transferred considerations, including assets transferred, liabilities incurred by the acquirer to the former owners of the acquiree, and equity interests issued by the acquirer to the former owners of the acquiree, is measured at fair value.

### Asset retirement obligations

There are no legal and/or constructive asset retirement obligations (AROs) that have not already been disclosed to you.

Liabilities related to legal and/or constructive obligations on environmental matters have been recognized, measured, and disclosed, as appropriate, in the [consolidated] financial statements.

We have reviewed tangible long-lived assets, operating lease agreements and other agreements for associated AROs, and have recognized related liabilities where required, in accordance with

* IAS 37, Provisions, contingent liabilities and contingent assets;
* IFRIC 1, Changes in existing decommissioning, restoration and similar liabilities;
* IFRIC 5, Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds; and
* IFRIC 6, Liabilities arising from participating in a specific market—waste electrical and electronic equipment [tailor if some IFRICs are not applicable].

[Choose one of the following paragraphs:

A provision has been made for an estimate for any material loss that is probable to occur from environmental remediation liabilities associated with [name of site]. We have performed a complete review of our legal and constructive obligations and we believe that such estimate is reasonable, based on available information. The liabilities and contingent liabilities and the expected outcome of uncertainties have been adequately described in the [consolidated] financial statements.

OR

We have performed a complete review of our legal and constructive obligations and concluded that no provision is required for losses in connection with environmental remediation liabilities associated with [name of site], as we believe that the recognition criteria, as set out in IAS 37 are not met on the date of the [consolidated] financial statements. However, since [audit teams to tailor for reason why it represents a contingent liability requiring disclosure—there is only a possible obligation that a loss may have been incurred **OR** a present obligation exists but it is not probable that an outflow of resources will be required to settle the obligation], we have adequately disclosed the contingent liability in the [consolidated] financial statements.

OR

No provision has been made for losses in connection with environmental remediation liabilities associated with [name of site], as we believe that, although there is a present obligation at the date of the [consolidated] financial statements, the amount of loss cannot be reasonably estimated. We have adequately disclosed the contingency in the [consolidated] financial statements.]

### Levies

We have disclosed to you all payments meeting the definition of levies in IFRIC 21, Levies, imposed by governments in accordance with legislation. Provisions for levy liabilities have been recorded in the [consolidated] financial statements when the obligating event that gives rise to the liability occurs. Management believes that the obligating event for [description of the levy for example, property taxes] occurs [ratably over time/ (note the point in time)].

*OR*

We confirm we have no payments meeting the definition of levies in IFRIC 21, Levies, imposed by governments in accordance with legislation and as such have not recorded any related amounts in the [consolidated] financial statements.

### Functional currency

We have determined [OR *if there has been a significant change in economic circumstances,* reconsidered] the functional currency of each [subsidiary, branch, joint venture, or associate] (operations) recorded in the [consolidated] financial statements using the indicators described in IAS 21,The effects of changes in foreign exchange rates. We have appropriately translated such foreign operations accounts in accordance with IAS 21 into the presentation currency of [the group parent for purposes of consolidation] where the presentation currency differs from the operations functional currency.

All transactions not denominated in a functional currency are considered to be foreign currency transactions and have been translated into [the functional currency of operations] in accordance with IAS 21.

We have disclosed to you all disposals or partial disposals of foreign operations and have appropriately accounted for such reductions in accordance with IAS 21.

We have appropriately allocated goodwill arising on the purchase of a foreign operation as an asset of such foreign operations for purposes of translating such foreign operations to the functional/presentation currency of the group’s parent company.

### Use of specialists

[Note that this representation is only to be included in the representation letter when management has utilized specialists to determine the amounts and disclosures used in the financial statements and the underlying records. If specialists are not utilized by management for these purposes, this paragraph is not to be included in the representation letter.]

We assume responsibility for the findings of specialist[s] in evaluating the [describe area of assistance from the specialist(s)] and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the [consolidated] financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

### Financial instruments (IFRS 7 disclosures)

In respect of the risks associated with [Entity]’s financial instruments and the disclosures required by IFRS 7, Financial instruments: disclosures, we confirm the following:

* All material risks to which [Entity] is exposed as a result of its financial instruments, including risk exposures arising from transferred financial assets, have been disclosed.
* The sensitivity analysis has been disclosed in respect of all material market risks, and includes
* changes in relevant risk variables that represent our best estimate of reasonably possible changes at that date; and
* amounts that represent our best estimates of how net income and other comprehensive income would have been affected by such changes in the relevant risk variables.
* The liquidity risk analysis disclosed includes the contractual cash flows of all of [Entity]’s non-derivative and derivative financial liabilities and the gross amount of financial guarantees written by [Entity]. Cash flows for which uncertainty exists over future timing, as a result of the counterparty’s choice of when the amount is paid, are included in the maturity analysis on the basis of the earliest date on which [Entity] can be required to pay.
* Collateral and other credit enhancements held by [Entity] have all been disclosed in the [consolidated] financial statements, including our best estimates of the fair values thereof. Where [Entity] has recognized financial or non-financial assets by taking possession of collateral or other credit enhancements, disclosure has been made of
* the nature and carrying values of the assets obtained; and
* when the assets are not readily convertible into cash, [Entity]’s policies for disposing of such assets or for using them in its operations.

We have adequately disclosed our exposure to credit risk and included the credit risk disclosures required by IFRS 7.

### Financial liabilities accounted for under IFRS 9

[Entity] has properly accounted for financial liabilities using the two measurement categories: “fair value through profit and loss (“FVTPL”)” or “amortized cost.” We have measured all financial liabilities held for trading at FVTPL, and all other financial liabilities at amortized cost unless the fair value option is applied.

[We have decided at initial recognition to irrevocably designate a financial liability as measured at FVTPL where doing so results in more relevant information, because either

* it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or
* a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to [Entity]’s key management personnel.]

*Own credit risk*

Except for loan commitments and financial guarantees, for financial liabilities designated at FVTPL using the fair value option, we confirm that changes in fair value related to changes in own credit risk are presented separately in OCI, while all other fair value changes are presented in the [[consolidated] statement of income]. We confirm that if presenting the changes in own credit risk of a financial liability in OCI would create an accounting mismatch in profit or loss, these fair value movements are recognized in profit or loss. We confirm that amounts in OCI relating to changes in own credit risk are not recycled to the [[consolidated] statement of income], even when the liability is derecognized and the amounts are realized.

*Derecognition of financial liabilities*

We have removed a financial liability [or part of a financial liability] from our [consolidated] financial statements when, and only when, it is extinguished: for example, when the obligation specified in the contract is discharged or cancelled or expires.

We confirm that the difference between the carrying amount of a financial liability [or part of a financial liability] extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, was recognized in profit or loss.

*Modification of financial liabilities*

For financial liabilities accounted for at amortized cost, we have disclosed all modifications of liabilities between the same borrower and lender and evaluated whether they are significant enough to constitute an extinguishment. Where a debt modification does not constitute an extinguishment, we have appropriately recomputed the amortized cost of the debt and recognized the resulting gain or loss in [net income].

### Derivative financial instruments

[Although management representation letters usually are signed by personnel with primary responsibility for the entity and its financial aspects (usually the senior executive officer and the senior financial officer), the auditor may wish to obtain representations about activities involving derivative financial instruments from those responsible for activities involving derivative financial instruments within the entity. Depending on the volume and complexity of activities involving derivative financial instruments, management representations about derivative financial instruments may include the following:

We confirm that our objectives with respect to derivative financial instruments are [Describe objectives, for example, whether derivative financial instruments are used for hedging or speculative purposes].

[Entity] has properly identified all financial and non-financial contracts that meet the definition of a derivative in IFRS 9 for the year ended [insert applicable year end]. [Entity] has properly recorded derivatives at fair value with all changes recognized in profit or loss. [Entity] has also properly identified all embedded derivatives included in other non-derivative contracts and determined whether these embedded derivatives need to be separately accounted for as described in IFRS 9.

[Entity] has recognized, and recorded at fair value, all embedded derivative instruments that are required to be separated from their host contracts, in accordance with IFRS 9, Financial Instruments, Chapter 4: Classification, 4.3 Embedded derivatives for the year ended [insert applicable year end].

[Entity] recognized and recorded at fair value all non-financial derivatives that are included within the scope of IFRS 9.

We confirm that the records reflect all transactions involving derivative financial instruments, including transactions involving embedded derivative financial instruments and non-financial derivatives.

All transactions involving derivative financial instruments have been conducted at arm’s length and at their fair values.

We have disclosed to you the terms of transactions involving derivative financial instruments [*consider describing terms for individual transactions*]. The [consolidated] financial statements disclose all material conditions in accordance with IFRS 7, Financial Instruments: Disclosures, of all open derivative contracts as at year end.

There are no side agreements associated with any derivative financial instruments, except for [describe individual circumstances].

[Entity] has entered into the following written options: [Describe]. [If not applicable, may delete this representation].

### Hedging

We have maintained contemporaneous hedge documentation that we believe fully satisfies the documentation requirements of IFRS 9, Financial instruments, Chapter 6: Hedge Accounting.

At the outset of the hedged transaction(s), for all transactions that qualify for and to which hedge accounting has been applied, we have identified, linked, and documented the relationship between the derivative instrument and the hedged item(s) [or transaction(s)].

Both at the hedge’s inception and on an ongoing basis, we have formally assessed and documented whether the derivative instrument is effective in offsetting the changes in fair value or cash flows in accordance with the three hedge effectiveness requirements in IFRS 9, Financial instruments, Chapter 6: Hedge Accounting. We believe that all transactions currently accounted for as a hedge are and will be effective throughout the designated hedge period.

We have evaluated the expected timing of hedged forecasted transactions and believe that those forecasted transactions are probable to occur in the period[s] specified in our hedge documentation.

We have followed the discontinuation guidance in IFRS 9, Financial instruments, Chapter 6: Hedge Accounting, for any hedges that no longer meet the criteria for hedge accounting or where the risk management objectives have changed during the reporting period or in prior reporting periods.

*[The following three paragraphs are applicable only for the year accounted for under IFRS 9*

We have documented a risk management strategy and objective for our hedging relationships and, where appropriate, have rebalanced hedging relationships in accordance with IFRS 9 requirements.

We have appropriately accounted for costs of hedging, including time value of options, forward points, and currency basis differences in accordance with IFRS 9 requirements.

Where we have designated risk components of hedged items, we have determined that these satisfy the requirements for such components to be separately identifiable and reliably measurable.]

### Consolidations/Interests in other entities/joint arrangements/equity method

We have disclosed to you the acquisition of or the formation of all subsidiaries or associates, joint arrangements, or other participations/interests in other entities during the year.

We have fully disclosed to you all the contractual terms of the joint arrangements, including any side letters entered into with the joint arrangements or other parties to the joint arrangements.

We have fully disclosed to you all other facts and circumstances that are relevant to the understanding of [Entity]’s rights to the individual assets and obligations for the individual liabilities of the joint arrangements.

We have disclosed in the consolidated financial statements information in accordance with IFRS 12, Interests in other entities, information that enables the user to understand the nature, risks and financial effects of [Entity]’s interests in subsidiaries, joint arrangements and associates, as well as the nature of, and changes in, the associated risks.

We have adequately disclosed the significant judgments and assumptions made in determining whether [Entity] controls, jointly controls, significantly influences, or has other interests in other entities.

There has been no activity in any of [Entity]’s dormant or inactive subsidiaries or associates, joint arrangements, or other interests in other entities [, except as disclosed to you].

All transactions with associates and subsidiary companies have been recorded in the accounts presented to you, with all intragroup balances and transactions eliminated in full in accordance with IFRS 10, Consolidated Financial Statements. All investments in associates and advances to subsidiary companies are appropriately recorded and there is no evidence of impairment in value below the resulting balances shown in the [consolidated] financial statements.

The equity method is used to account for [Entity]’s investment in the common stock of [name of investee] because [Entity] has the power to participate in the financial and operating policy decisions of [name of investee].

The investment in common stock of [name of investee] was recognized at cost and adjusted thereafter for post-acquisition change in our share of the investee(s)’ net assets. We have presented our investment in [name of investee]’s common stock in a single line in the balance sheet and included in our profit or loss our share of the investee’s profit or loss and in our other comprehensive income our share of the investee’s other comprehensive income.

We have assessed that [Entity] meets the definition of an investment entity as set out in IFRS 10, Consolidated financial statements. *[Consider obtaining specific representations on key areas of judgment that management has applied in making this decision, including any instances where any of the typical characteristics of an investment entity are absent].* Accordingly, subsidiaries have been accounted for at fair value through profit or loss in accordance with IFRS 9, Financial instruments, with the exception of subsidiaries providing services that relate to [Entity]’s investment activities, which are consolidated.

*OR*

We have assessed that [Entity] does not meet the definition of an investment entity as set out in IFRS 10, Consolidated financial statements. *[Consider obtaining specific representations on key areas of judgment that management has applied in making this decision, including any instances where any of the typical characteristics of an investment entity are present].* Accordingly, all subsidiaries of [Entity] have been consolidated in the consolidated financial statements.

### Segment disclosures

Reportable segments are appropriately identified in accordance with IFRS 8, Operating segments. We have discussed with you our methods of identifying operating segments and consider that such methods are reasonable and consistent with the management organization of [Entity]. We have disclosed to you the identity of the Chief Operating Decision Maker (CODM), [state who the CODM is (for example: the CEO, board of directors, or executive committee)]. The [consolidated] financial statements disclose all information about [Entity]’s operating segments, its products and services, the geographic areas in which it operates, and its major customers in accordance with the requirements of IFRS 8.

Pursuant to IFRS 8, including the operating results regularly reviewed by the CODM [state who the CODM is (for example, the CEO, board of directors, or executive committee)], management has identified the following operating segments: [describe segments].

Management has evaluated the economic characteristics and aggregation criteria of each segment and determined that the following operating segments: [describe segments] exhibit similarities in all areas noted pursuant to paragraph 12 of IFRS 8 and are appropriately aggregated pursuant to that paragraph.

The [consolidated] financial statements disclose all the relevant factors used to identify [Entity]’s reportable segments, including whether operating segments have been aggregated.

[*If applicable:*

Management has evaluated the requirements of IFRS 8 and has determined that [Entity] has only a single reportable segment. The [consolidated] financial statements disclose the basis of organization and the entity-wide disclosures set out in paragraphs 31–34 of IFRS 8.]

[*If applicable:*

[Entity] changed its internal organizational structure which caused its reportable segment[s] to change as at [date]. The segment information for the previous periods, including [state periods restated] has been restated, pursuant to paragraph 29 of IFRS 8 and has been disclosed as such.]

### Revenue recognition (IFRS 15)—Contracts with customers

[*The application of revenue recognition criteria is very specific to facts and circumstances. Included below are a number of major representations pertaining to revenue recognition. However, additional representations should be considered based on entity-specific circumstances. If a legal opinion has been obtained by the entity, a representation should also be included to that effect.*]

We have reviewed the criteria for revenue recognition included in IFRS 15, Revenue from contracts with customers, and have concluded that our revenue recognition policy is consistent with IFRS requirements. We have disclosed to you all related information. We have made the results of this review available to you—in particular:

* We have identified all revenue arrangements (including those with multiple performance obligations) and have applied IFRS 15 accordingly to each performance obligation that is distinct.
* In determining the transaction price, we have identified all terms and conditions that result in variable consideration. We have included variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur once the uncertainty related to the variable consideration is resolved.
* In allocating the transaction price, where stand-alone selling price is not directly observable, we have estimated stand-alone selling price based on all information that is reasonably available to [Entity], maximizing the use of observable inputs, and applying estimation methods consistently in similar circumstances.
* For performance obligations satisfied over time, we have recognized revenue using an appropriate method of measuring progress that depicts the transfer of control of the good or service to the customer.
* We have complied with the disclosure requirements of IFRS 15, including disclosure related to remaining performance obligations.
* We have identified and accounted for contract modifications in accordance with IFRS 15.

### We have fully disclosed to you separate arrangements with the same entity or parties related to that entity that are entered into at or near the same time.

### Onerous contracts

A provision has been recorded for all anticipated losses on onerous contracts in accordance with IAS 37, Provisions, contingent liabilities and contingent assets. In performing the IAS 37 requirements regarding onerous contracts, [Entity] has included both the incremental costs of fulfilling the contract and an allocation of other costs that relate directly to fulfilling the contract, when determining the estimated total cost of fulfilling a contract.

### Banks and credit unions

All contingent assets and liabilities (including loans charged off, unfunded loans, and outstanding letters of credit) have been adequately disclosed in the [consolidated] financial statements, where appropriate.

We have made available all regulatory or examination reports, supervisory correspondence, and similar correspondence from applicable regulatory agencies.

### IFRS 17 Insurance contracts (IFRS 17)—Insurance contracts in scope of IFRS 17 identified

[All references to insurance contracts in the paragraphs that follow also apply to reinsurance contracts held and investment contracts with discretionary participation features in scope of IFRS 17.]

*Initial adoption*

The full retrospective approach was applied to groups of in-force insurance contracts on transition unless, after making every reasonable effort, we considered that such approach would be impracticable. In making this assessment for each component within the measurement model, we considered what historical data per group of insurance contracts was available or could have been recreated, and weassessed the extent to which the full retrospective approach calculation could be performed without the use of hindsight.

### Due to the availability of data, it is impracticable to apply the full retrospective approach prior to [20XX]. We therefore have adopted the [modified retrospective / fair value] approach prior to this date. [Specify, where multiple approaches are used.]

### Financial and non-financial data supporting i) the [consolidated] opening [balance sheet / statement of financial position] adjustments upon initial application of IFRS 17 and ii) the comparative information in the year of adoption, that did not previously form part of the accounting records under the IFRS 4 standard, was subject to an adequate level of control over processes used to arrive at these numbers and disclosures.

### We have appropriately applied the requirements of IFRS 17 and IFRS 13 (with the exception of the IFRS 13.47 requirement relating to demand features which should not be applied for the purposes of the [consolidated] opening [balance sheet / statement of financial position]) to determine the fair value of groups of insurance contracts for the [consolidated] opening [balance sheet / statement of financial position] purposes and for contracts acquired in a business combination. We have appropriately disclosed information on fair value measurements used in the [consolidated] financial statements in accordance with the requirements of IFRS 17 and IFRS 13.

*Scope and recognition*

### Contracts that do not transfer significant insurance risk (other than investment contracts with discretionary participation features) have been classified, measured, and presented in the [consolidated] financial statements outside of insurance contract assets and liabilities.

### All substantive enforceable rights and obligations, explicit or implied, that arise from contracts, law or regulations, or our customary business practices are considered in establishing insurance contract boundaries and in applying IFRS 17. We disregard terms that have no commercial substance. Cash flows that arise from rights and obligations outside of the contract boundary are not considered when measuring a group of insurance contracts.

### Insurance contract assets or liabilities exclude embedded derivatives requiring separation, distinct investment components, and promises to transfer to a policyholder distinct goods or services other than insurance contract services. A single legal insurance contract is further separated if, and only if, this reflects the substance of rights and obligations under the contract after considering all relevant facts, including:

### interdependency between the different risks covered;

### whether the components lapse together; and

### whether the components can be priced and sold separately.

### A series of insurance contracts with a single or related counterparty designed to achieve an overall commercial effect is combined when it results in reporting the substance of the arrangement.

### For the purpose of preparing [consolidated] financial statements, consistent accounting policies exist for similar groups of insurance contracts across all entities and business units within the [consolidated] group. [Inter/Intra]company arrangements within the [consolidated] group have been fully eliminated, including their impact on the presentation, measurement, and disclosure with respect to contracts within the scope of IFRS 17.

*Measurement*

### We have adequate processes to capture, process and store financial and non‑financial data that underpin (i) actuarial/valuation models that generate insurance contract asset and liability estimates, and (ii) engines that calculate the insurance service result and insurance finance income or expenses. We have adequate processes to ensure consistency, completeness, and accuracy of data used.

### Any overlay adjustments to the output of the actuarial/valuation models and calculation engines are consistent with the measurement objectives of IFRS 17 and are appropriate in the circumstances.

### We determined the expected future cash flows in an unbiased way, using our own assumptions about the likelihood of a full range of reasonably possible outcomes based on all available information, including relevant industry benchmarks (expense studies, mortality tables, etc.), recent experience, economic indicators, and other market information. These assumptions are consistent with the information monitored in pricing and other risk management activities used in making operational decisions. We assessed whether assumptions are interdependent and, where appropriate, internally consistent with assumptions used in determining other balances in the [consolidated] financial statements.

### Insurance acquisition cash flows are consistently defined, captured, recorded, and where appropriate, allocated using a systematic and rational method. Assets for insurance acquisition cash flows not yet included in the measurement of recognized groups of insurance contracts are tested for impairment.

### Discount rates [and/or rate curves] are appropriately applied to reflect only relevant factors, i.e. factors that reflect the time value of money, the characteristics of the cash flows, and the liquidity characteristics of the insurance contracts.

### The risk adjustment is consistently calculated and allocated to groups of insurance contracts based on management’s methodology that considers the degree of diversification benefits and risk appetite established for the consideration of non-financial risks. The risk adjustment does not reflect risks that do not arise from the insurance contracts, such as general operational risk.

### The contractual service margin (CSM) allocated to insurance revenue during the reporting period under the [general measurement model and/or variable fee approach] reflects the insurance contract services provided in the period under the groups of insurance contracts and results in an appropriate allocation of the CSM to each reporting period reflecting the types of benefit provided in that period. Where several insurance and/or investment-return [insurance and/or investment-related] services are provided by the insurer for the contracts in a group, weighting of services is performed consistently on a reasonable basis to determine the appropriate allocation of the CSM to each reporting period.

### Where the premium allocation approach is used for groups of insurance contracts with a coverage period exceeding 12 months, we have performed an estimation of the liability for remaining coverage under the general measurement model to evidence that it is not materially different from the measurement under the premium allocation approach.

### [We have used the variable fee approach for subsequent measurement of insurance contracts that meet the respective criteria in IFRS 17 on a contract basis at inception. This approach is based on the present value of the probability-weighted average of expected scenarios.]

### Where the terms of insurance contracts have been modified during the reporting period, we assessed whether the change should result in derecognition of the original contract and initial recognition of the modified contract. Where none of the conditions for derecognition were met, we treated changes in cash flows caused by the modification as changes in estimates of fulfillment cash flows.

### [Changes in accounting estimates reported in previous interim [consolidated] financial statements of the financial year are treated in subsequent interim [consolidated] financial statements and in the annual reporting period on a [elect either period over period or year‑to‑date] basis in accordance with our accounting policy under IFRS 17.B137. A consistent accounting policy is used in the [consolidated] financial statements for all groups of insurance contracts that we issue and groups of reinsurance contracts that we hold.]

*Disclosures*

### The IFRS 17 disclosure objectives were met. Disclosures provide information in the notes to the consolidated financial statements that, together with the information provided in the [consolidated statements of financial position, income, comprehensive income and cash flows], gives a basis for users of the [consolidated] financial statements to assess the effect that contracts within the scope of IFRS 17 have on the entity’s [consolidated] financial position, [consolidated] financial performance and [consolidated] cash flows. In providing the disclosures, we considered the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. If the disclosures provided were not enough to meet the disclosure objectives above, we disclosed additional information necessary to meet that objective. We have aggregated or disaggregated information so that useful information has not been obscured either by the inclusion of a large amount of insignificant detail or by the aggregation of items that have different characteristics.

### We have disclosed significant judgments and changes in judgments made in applying IFRS 17, including the disclosure of significant inputs, key assumptions, and estimation techniques used.

*Initial adoption**—IFRS 9*, *Financial Instruments (IFRS 9)*

### We have initially adopted IFRS 9, on [insert date] at the same time as IFRS 17 and followed all relevant transitional requirements of IFRS 9 for recognition, measurement, presentation, and disclosure of financial instruments recognized in the [consolidated] financial statements on the date of initial application.

OR

### We have initially adopted IFRS 9 for the annual reporting periods before the initial application of IFRS 17. On the date of initial application of IFRS 17 and on the basis of the facts and circumstances that existed at that date, we applied all required and allowed changes in designations and classifications to the affected financial assets and financial liabilities retrospectively. In doing so, we applied the relevant transition requirements in IFRS 9 and in IFRS 17.

### Investment property

The books and records properly reflect and record all transactions affecting investment property of [Entity]. All investment property under the control of [Entity] has been disclosed to you.

[Choose one of the following paragraphs:

We have decided to account for investment property initially using the cost model in accordance with IAS 40, Investment property. Subsequently, investment property continues to be accounted for using the cost model. The [consolidated] financial statements contain all required disclosures, including fair value of investment property.

OR

Investment property has initially been accounted for at cost in accordance with IAS 40, Investment property*.* Subsequently, investment property is accounted for using the fair value model. The [consolidated] financial statements contain all disclosures required by IAS 40.]

### Taxation

With respect to the taxation of [Entity]:

1. We have provided you with all tax correspondence for [Entity] and confirm [Entity] is not subject to any penalty tax.
2. [Entity] is and has been in compliance with the relevant sections of the Income Tax Act of Canada throughout the year.
3. Income taxes for [Entity] have been appropriately determined in accordance with the Income Tax Act (Canada) and in accordance with the financial accounting policies and constituting documents.
4. Add if applicable: The investment manager will reimburse [Entity] for any tax liabilities that arise as a result of an assessment by the Canada Revenue Agency.

[Add if applicable:

### Side letter arrangements

We have made available to you all side letter arrangements, whether written or oral, with any investors entered into or cancelled during the period for which non-compliance would have a material effect on [Entity]’s [consolidated] financial statements. These side letters are allowed under the terms of the offering documents.]

[Add if applicable (relates to third-party hedge funds):

### Fund of funds

We have made available to you all information obtained (whether written or oral) or prepared with respect to other investment funds in which [Entity] holds an interest (an investee fund), including, but not limited to: (a) risk assessments; (b) due diligence documentation (for example, questionnaires, summaries, reports); (c) audited and unaudited financial statements; (d) portfolio-related information (for example: detailed and/or summary portfolio listings); (e) net asset value or capital account statements; (f) investor letters; and (g) other communications. We have appropriately considered the relevant attributes of the investee fund, including but not limited to limitations on redemptions and transferability, on our determination of fair value of the investee fund.]

[Add if applicable:

### Private equity

[Entity] has made appropriate disclosure regarding the amounts of committed capital and capital remaining to be called. [If the entity is in a clawback position with negative general partner capital, add: The general partner has an obligation in the amount of $[amount] in connection with the dissolution or liquidation of the partnership. The [consolidated] financial statements appropriately disclose this obligation. The principal(s) of the general partner[[5]](#footnote-6) have the intent and ability to repay this amount as necessary.] [Add if applicable: All capital contribution receivable amounts have been collected as at the date of this letter.]]

### Investment income classification as return of capital or income

We have appropriately classified distributions received from portfolio companies or underlying funds as return of capital or income on the basis of our knowledge of the earnings and profits of such portfolio companies.

1. The letter should be dated as near as practicable to, but not later than, the date of the auditor’s report (CAS 580.14). [↑](#footnote-ref-2)
2. If appropriate, add “on behalf of the board of directors” (or similar body). The party(ies) responsible for the preparation and presentation of the financial statements and the assertions therein should be identified in this paragraph. Usually, this would be the responsibility of management, which would include the entity’s chief executive officer (CEO) and chief financial officer (CFO) or the equivalent persons in entities that do not use such titles. In some circumstances, bodies, such as those charged with governance, are also responsible for the preparation and presentation of the [consolidated] financial statements. It is suggested that if the CEO and CFO sign on behalf of the board of directors, the management representation letter should be tabled at a meeting of the board of directors. [↑](#footnote-ref-3)
3. The Appendix should include all journal entries that were proposed by the engagement team. [↑](#footnote-ref-4)
4. CAS 580.6 defines the auditor’s objective as follows: to obtain written representations from management and, where appropriate, those charged with governance. The letter would ordinarily be signed by the members of management who have primary responsibility for the client and their financial aspects (ordinarily the CEO and the CFO) based on their knowledge and belief. Therefore, in certain circumstances, the auditor may wish to obtain representation letters from other members of management, or from those charged with governance. For example, the auditor may wish to obtain a written representation about the completeness of all minutes of the meetings of shareholders, the board of directors, important committees, and from the individuals responsible for keeping such minutes. [↑](#footnote-ref-5)
5. If specific personal representations are required from individual(s), consider including those representations in a separate representation letter. [↑](#footnote-ref-6)