

**John Grewe**

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**From:** Hutchinson, Rob [rahutchinson@kpmg.guernsey.gg]  
**Sent:** 27 June 2008 16:34  
**To:** John Grewe  
**Subject:** Regulation of Third Country Auditors

Hi John

I am writing as President of the Guernsey Society of Chartered and Certified Accountants ("the Society"). The Society seeks to provide a means of promoting the interests and concerns of members working in Guernsey.

I refer to the consultation paper in respect of "Regulation of Third Country Auditors-Giving effect in the UK to the requirements of the Statutory Audit Directive" and provide some comments in relation to Question 1.

The overall measures in the paper are a practical response to the requirements of the Directive and are not entirely unexpected. The registration requirements resulting from the distinction between third countries are well thought out and I believe appropriate.

From a Guernsey perspective and as you would expect there are only a small number of the accounting firm that carry out audits for EU listed vehicles. You are also aware that Guernsey has commenced the process of putting measures in place to ensure that it will achieve equivalence by 2010.

My understanding is that a number of the Guernsey firms that have EU listed clients are also UK Registered Auditors and are thus able to meet the basic criteria set out in the FSA Consultation Paper 07/24 and referred to in paragraph 1.20. From a registration context in the short term this may make the process simpler. In this context and in the interests of certainty for our clients and their audit committees I believe it is important that arrangements are put in place to accept and process applications from third country auditors as soon as the Commission Decision on transitional provisions are published.

By stating this view I am conscious that firms in Guernsey will register in certain other countries and may face duplication of effort because of a lack of common format application forms, however the requirement to achieve certainty with our clients must take precedence.

I trust the above comments are useful and will be helpful in your deliberations.

Please contact me if you wish to discuss

Kind regards

Rob Hutchinson  
President  
Guernsey Society of Chartered and Certified Accountants

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