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>


To <saskia.slomp@fee.be>

cc <joanna.dadacz@mofnet.gov.pl>,  
<joanna.guzowska@mofnet.gov.pl>,  
<international@kibr.org.pl>, "Ewa Dudkowska"

bcc

Subject DP n Comfort letters - comments of Polish MoF

History:

 This message has been forwarded.

Dear Saskia,

Referring to FEE's Discussion Paper on Comfort Letters Issued in relation to Financial Information in a Prospectus, please find below ad-hoc comments of the Polish Ministry of Finance on certain issues raised in that document. The above-mentioned position takes into account the views expressed by the Polish Securities and Stock Exchange Commission.

#### Issue for Discussion 3

One cannot exclude a possibility that the issuance of a comfort letter by an auditor may create a different level of information available to underwriters and investors. Depending on the procedures agreed in the engagement letter, the comfort letter may present certain information of a new quality which has been derived on the basis of information included in the prospectus and other generally available information. Considering the limited access of the addressees of the comfort letter, the investors may be put in a weaker position comparing to the underwriters.

#### Issue for Discussion 6

The audit base should be a requirement. Auditors possessing an in-depth knowledge of the client's accounting and financial reporting practices and the internal control systems for the periods for which the procedures are to be applied, are much likely to provide a better level of comfort than an auditor without an audit base. The above-mentioned requirement might be waived only in exceptional cases, when carrying out the agreed procedures by an auditor with an audit base - for certain reasons - could not be met.

#### Issue for Discussion 7

Independence of an auditor should be a necessary condition for him/her to get involved in carrying out any activities for the client, including the issuance of a comfort letter. The letter should contain a section on independence.

#### Issue for Discussion 8

If interim financial information was published and was subject to an audit or a review by an auditor, the information is required to be put in the prospectus, together with the audit/review report. But if interim financial information was not published and the period of time from the audit of the financial statements included in the prospectus is less than 9 months, the interim financial information is not required to be disclosed in the prospectus, regardless of the fact that it was subject to an audit or a review (see item 20.6.2 of Annex I). Therefore it should be concluded that if the comfort letter contains an audit/review report on the unpublished financial statements, there is no explicit requirement to put this report in the prospectus.

I hope you may find these short comments helpful.

With best regards,

Jacek Gdański

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