HKSA 505
Issued June 2010

Effective for audits of financial statements
for periods beginning on or after 15 December 2009

Hong Kong Standard on Auditing 505

External Confirmations

Hong Kong Institute of
Certified Public Accountants
香港會計師公會

COPYRIGHT

© Copyright 2010 Hong Kong Institute of Certified Public Accountants

The Hong Kong Standards on Auditing are based on the International Standards on Auditing of the International Auditing and Assurance Standards Board, published by the International Federation of Accountants (IFAC) in April 2009 and are used with permission of IFAC.

This Hong Kong Standard on Auditing contains IFAC copyright material. Reproduction within Hong Kong in unaltered form (retaining this notice) is permitted for personal and non-commercial use subject to the inclusion of an acknowledgment of the source. Requests and inquiries concerning reproduction and rights for commercial purposes within Hong Kong should be addressed to the Director, Operation and Finance, Hong Kong Institute of Certified Public Accountants, 37/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.

All rights in this material outside of Hong Kong are reserved by IFAC. Reproduction of Hong Kong Standards on Auditing outside of Hong Kong in unaltered form (retaining this notice) is permitted for personal and non-commercial use only. Further information and requests for authorisation to reproduce for commercial purposes outside Hong Kong should be addressed to the IFAC at www.ifac.org.

HONG KONG STANDARD ON AUDITING 505

EXTERNAL CONFIRMATIONS

(Effective for audits of financial statements for periods beginning on or after 15 December 2009)

CONTENTS

	Paragraph
Introduction	
Scope of this HKSA	1
External Confirmation Procedures to Obtain Audit Evidence	2-3
Effective Date	4
Objective	5
Definitions	6
Requirements	
External Confirmation Procedures	7
Management's Refusal to Allow the Auditor to Send a Confirmation Request	8-9
Results of the External Confirmation Procedures	10-14
Negative Confirmations	15
Evaluating the Evidence Obtained	16
Conformity and Compliance with International Standards on Auditing	17-18
Application and Other Explanatory Material	
External Confirmation Procedures	A1-A7
Management's Refusal to Allow the Auditor to Send a Confirmation Request	A8-A10
Results of the External Confirmation Procedures	A11-A22
Negative Confirmations	A23
Evaluating the Evidence Obtained	A24-A25
Appendix 1: Additional Local Guidance on Bank Confirmation Requests	
Appendix 2: Standard Bank Confirmation Request Form	

Hong Kong Standard on Auditing (HKSA) 505, "External Confirmations" should be read in conjunction with HKSA 200, "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Hong Kong Standards on Auditing."

© Copyright

Introduction

Scope of this HKSA

1. This Hong Kong Standard on Auditing (HKSA) deals with the auditor's use of external confirmation procedures to obtain audit evidence in accordance with the requirements of HKSA 330[1] and HKSA 500.[2] It does not address inquiries regarding litigation and claims, which are dealt with in HKSA 501[3].

External Confirmation Procedures to Obtain Audit Evidence

2. HKSA 500 indicates that the reliability of audit evidence is influenced by its source and by its nature, and is dependent on the individual circumstances under which it is obtained.[4] That HKSA also includes the following generalizations applicable to audit evidence:[5]

   - Audit evidence is more reliable when it is obtained from independent sources outside the entity.
   - Audit evidence obtained directly by the auditor is more reliable than audit evidence obtained indirectly or by inference.
   - Audit evidence is more reliable when it exists in documentary form, whether paper, electronic or other medium.

   Accordingly, depending on the circumstances of the audit, audit evidence in the form of external confirmations received directly by the auditor from confirming parties may be more reliable than evidence generated internally by the entity. This HKSA is intended to assist the auditor in designing and performing external confirmation procedures to obtain relevant and reliable audit evidence.

3. Other HKSAs recognize the importance of external confirmations as audit evidence, for example:

   - HKSA 330 discusses the auditor's responsibility to design and implement overall responses to address the assessed risks of material misstatement at the financial statement level, and to design and perform further audit procedures whose nature, timing and extent are based on, and are responsive to, the assessed risks of material misstatement at the assertion level.[6] In addition, HKSA 330 requires that, irrespective of the assessed risks of material misstatement, the auditor designs and performs substantive procedures for each material class of transactions, account balance, and disclosure. The auditor is also required to consider whether external confirmation procedures are to be performed as substantive audit procedures.[7]
   - HKSA 330 requires that the auditor obtain more persuasive audit evidence the higher the auditor's assessment of risk.[8] To do this, the auditor may increase the quantity of

---

1 HKSA 330, "The Auditor's Responses to Assessed Risks."

2 HKSA 500, "Audit Evidence."

3 HKSA 501, "Audit Evidence—Specific Considerations for Selected Items."

4 HKSA 500, paragraph A5.

5 HKSA 500, paragraph A31.

6 HKSA 330, paragraphs 5-6.

7 HKSA 330, paragraphs 18-19.

8 HKSA 330, paragraph 7(b).

the evidence or obtain evidence that is more relevant or reliable, or both. For example, the auditor may place more emphasis on obtaining evidence directly from third parties or obtaining corroborating evidence from a number of independent sources. HKSA 330 also indicates that external confirmation procedures may assist the auditor in obtaining audit evidence with the high level of reliability that the auditor requires to respond to significant risks of material misstatement, whether due to fraud or error.[9]

- HKSA 240 indicates that the auditor may design confirmation requests to obtain additional corroborative information as a response to address the assessed risks of material misstatement due to fraud at the assertion level.[10]

- HKSA 500 indicates that corroborating information obtained from a source independent of the entity, such as external confirmations, may increase the assurance the auditor obtains from evidence existing within the accounting records or from representations made by management.[11]

Effective Date

4. This HKSA is effective for audits of financial statements for periods beginning on or after 15 December 2009.

Objective

5. The objective of the auditor, when using external confirmation procedures, is to design and perform such procedures to obtain relevant and reliable audit evidence.

Definitions

6. For purposes of the HKSAs, the following terms have the meanings attributed below:

   (a) External confirmation – Audit evidence obtained as a direct written response to the auditor from a third party (the confirming party), in paper form, or by electronic or other medium.

   (b) Positive confirmation request – A request that the confirming party respond directly to the auditor indicating whether the confirming party agrees or disagrees with the information in the request, or providing the requested information.

   (c) Negative confirmation request – A request that the confirming party respond directly to the auditor only if the confirming party disagrees with the information provided in the request.

   (d) Non-response – A failure of the confirming party to respond, or fully respond, to a positive confirmation request, or a confirmation request returned undelivered.

   (e) Exception – A response that indicates a difference between information requested to be confirmed, or contained in the entity's records, and information provided by the confirming party.

---

9 HKSA 330, paragraph A53.

10 HKSA 240, "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements," paragraph A37.

11 HKSA 500, paragraphs A8-A9.

Requirements

External Confirmation Procedures

7. When using external confirmation procedures, the auditor shall maintain control over external confirmation requests, including:

   (a) Determining the information to be confirmed or requested; (Ref: Para. A1)

   (b) Selecting the appropriate confirming party; (Ref: Para. A2)

   (c) Designing the confirmation requests[11a], including determining that requests are properly addressed and contain return information for responses to be sent directly to the auditor; and (Ref: Para. A3-A6)

   (d) Sending the requests, including follow-up requests when applicable, to the confirming party. (Ref: Para. A7)

Management's Refusal to Allow the Auditor to Send a Confirmation Request

8. If management refuses to allow the auditor to send a confirmation request, the auditor shall:

   (a) Inquire as to management's reasons for the refusal, and seek audit evidence as to their validity and reasonableness; (Ref: Para. A8)

   (b) Evaluate the implications of management's refusal on the auditor's assessment of the relevant risks of material misstatement, including the risk of fraud, and on the nature, timing and extent of other audit procedures; and (Ref: Para. A9)

   (c) Perform alternative audit procedures designed to obtain relevant and reliable audit evidence. (Ref: Para. A10)

9. If the auditor concludes that management's refusal to allow the auditor to send a confirmation request is unreasonable, or the auditor is unable to obtain relevant and reliable audit evidence from alternative audit procedures, the auditor shall communicate with those charged with governance in accordance with HKSA 260.[12] The auditor also shall determine the implications for the audit and the auditor's opinion in accordance with HKSA 705.[13]

Results of the External Confirmation Procedures

Reliability of Responses to Confirmation Requests

10. If the auditor identifies factors that give rise to doubts about the reliability of the response to a confirmation request, the auditor shall obtain further audit evidence to resolve those doubts. (Ref: Para. A11-A16)

11. If the auditor determines that a response to a confirmation request is not reliable, the auditor shall evaluate the implications on the assessment of the relevant risks of material misstatement, including the risk of fraud, and on the related nature, timing and extent of other audit procedures. (Ref: Para. A17)

[11a] Additional local guidance is provided in Appendix 1.

[12] HKSA 260, "Communication with Those Charged with Governance," paragraph 16.

[13] HKSA 705, "Modifications to the Opinion in the Independent Auditor's Report."

Non-Responses

12. In the case of each non-response, the auditor shall perform alternative audit procedures to obtain relevant and reliable audit evidence. (Ref: Para A18-A19)

When a Response to a Positive Confirmation Request Is Necessary to Obtain Sufficient Appropriate Audit Evidence

13. If the auditor has determined that a response to a positive confirmation request is necessary to obtain sufficient appropriate audit evidence, alternative audit procedures will not provide the audit evidence the auditor requires. If the auditor does not obtain such confirmation, the auditor shall determine the implications for the audit and the auditor's opinion in accordance with HKSA 705. (Ref: Para A20)

Exceptions

14. The auditor shall investigate exceptions to determine whether or not they are indicative of misstatements. (Ref: Para. A21-A22)

Negative Confirmations

15. Negative confirmations provide less persuasive audit evidence than positive confirmations. Accordingly, the auditor shall not use negative confirmation requests as the sole substantive audit procedure to address an assessed risk of material misstatement at the assertion level unless all of the following are present: (Ref: Para. A23)

    (a) The auditor has assessed the risk of material misstatement as low and has obtained sufficient appropriate audit evidence regarding the operating effectiveness of controls relevant to the assertion;

    (b) The population of items subject to negative confirmation procedures comprises a large number of small, homogeneous account balances, transactions or conditions;

    (c) A very low exception rate is expected; and

    (d) The auditor is not aware of circumstances or conditions that would cause recipients of negative confirmation requests to disregard such requests.

Evaluating the Evidence Obtained

16. The auditor shall evaluate whether the results of the external confirmation procedures provide relevant and reliable audit evidence, or whether further audit evidence is necessary. (Ref: Para A24-A25)

Conformity and Compliance with International Standards on Auditing

17. As of June 2010 (date of issue), this HKSA conforms with International Standard on Auditing (ISA) 505 "External Confirmations". Compliance with the requirements of this HKSA ensures compliance with ISA 505.

18. Additional local requirement and guidance are provided in Appendix 1. A standard bank confirmation request form is reproduced in Appendix 2.

***

Application and Other Explanatory Material

External Confirmation Procedures

Determining the Information to Be Confirmed or Requested (Ref: Para. 7(a))

A1. External confirmation procedures frequently are performed to confirm or request information regarding account balances and their elements. They may also be used to confirm terms of agreements, contracts, or transactions between an entity and other parties, or to confirm the absence of certain conditions, such as a "side agreement."

Selecting the Appropriate Confirming Party (Ref: Para. 7(b))

A2. Responses to confirmation requests provide more relevant and reliable audit evidence when confirmation requests are sent to a confirming party the auditor believes is knowledgeable about the information to be confirmed. For example, a financial institution official who is knowledgeable about the transactions or arrangements for which confirmation is requested may be the most appropriate person at the financial institution from whom to request confirmation.

Designing Confirmation Requests (Ref: Para. 7(c))

A3. The design of a confirmation request may directly affect the confirmation response rate, and the reliability and the nature of the audit evidence obtained from responses.

A4. Factors to consider when designing confirmation requests include:

- The assertions being addressed.
- Specific identified risks of material misstatement, including fraud risks.
- The layout and presentation of the confirmation request.
- Prior experience on the audit or similar engagements.
- The method of communication (for example, in paper form, or by electronic or other medium).
- Management's authorization or encouragement to the confirming parties to respond to the auditor. Confirming parties may only be willing to respond to a confirmation request containing management's authorization.
- The ability of the intended confirming party to confirm or provide the requested information (for example, individual invoice amount versus total balance).

A5. A positive external confirmation request asks the confirming party to reply to the auditor in all cases, either by indicating the confirming party's agreement with the given information, or by asking the confirming party to provide information. A response to a positive confirmation request ordinarily is expected to provide reliable audit evidence. There is a risk, however, that a confirming party may reply to the confirmation request without verifying that the information is correct. The auditor may reduce this risk by using positive confirmation requests that do not state the amount (or other information) on the confirmation request, and ask the confirming party to fill in the amount or furnish other information. On the other hand, use of this type of "blank" confirmation request may result in lower response rates because additional effort is required of the confirming parties.

A6. Determining that requests are properly addressed includes testing the validity of some or all of the addresses on confirmation requests before they are sent out.

Follow-Up on Confirmation Requests (Ref: Para. 7(d))

A7. The auditor may send an additional confirmation request when a reply to a previous request has not been received within a reasonable time. For example, the auditor may, having re-verified the accuracy of the original address, send an additional or follow-up request.

Management's Refusal to Allow the Auditor to Send a Confirmation Request

Reasonableness of Management's Refusal (Ref: Para. 8(a))

A8. A refusal by management to allow the auditor to send a confirmation request is a limitation on the audit evidence the auditor may wish to obtain. The auditor is therefore required to inquire as to the reasons for the limitation. A common reason advanced is the existence of a legal dispute or ongoing negotiation with the intended confirming party, the resolution of which may be affected by an untimely confirmation request. The auditor is required to seek audit evidence as to the validity and reasonableness of the reasons because of the risk that management may be attempting to deny the auditor access to audit evidence that may reveal fraud or error.

Implications for the Assessment of Risks of Material Misstatement (Ref: Para. 8(b))

A9. The auditor may conclude from the evaluation in paragraph 8(b) that it would be appropriate to revise the assessment of the risks of material misstatement at the assertion level and modify planned audit procedures in accordance with HKSA 315.[14] For example, if management's request to not confirm is unreasonable, this may indicate a fraud risk factor that requires evaluation in accordance with HKSA 240.[15]

Alternative Audit Procedures (Ref: Para. 8(c))

A10. The alternative audit procedures performed may be similar to those appropriate for a non-response as set out in paragraphs A18-A19 of this HKSA. Such procedures also would take account of the results of the auditor's evaluation in paragraph 8(b) of this HKSA.

Results of the External Confirmation Procedures

Reliability of Responses to Confirmation Requests (Ref: Para. 10)

A11. HKSA 500 indicates that even when audit evidence is obtained from sources external to the entity, circumstances may exist that affect its reliability.[16] All responses carry some risk of interception, alteration or fraud. Such risk exists regardless of whether a response is obtained in paper form, or by electronic or other medium. Factors that may indicate doubts about the reliability of a response include that it:

- Was received by the auditor indirectly; or
- Appeared not to come from the originally intended confirming party.

[14] HKSA 315, "Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment," paragraph 31.

[15] HKSA 240, paragraph 24.

[16] HKSA 500, paragraph A31.

A12. Responses received electronically, for example, by facsimile or electronic mail, involve risks as to reliability because proof of origin and authority of the respondent may be difficult to establish, and alterations may be difficult to detect. A process used by the auditor and the respondent that creates a secure environment for responses received electronically may mitigate these risks. If the auditor is satisfied that such a process is secure and properly controlled, the reliability of the related responses is enhanced. An electronic confirmation process might incorporate various techniques for validating the identity of a sender of information in electronic form, for example, through the use of encryption, electronic digital signatures, and procedures to verify web site authenticity.

A13. If a confirming party uses a third party to coordinate and provide responses to confirmation requests, the auditor may perform procedures to address the risks that:

(a) The response may not be from the proper source;

(b) A respondent may not be authorized to respond; and

(c) The integrity of the transmission may have been compromised.

A14. The auditor is required by HKSA 500 to determine whether to modify or add procedures to resolve doubts over the reliability of information to be used as audit evidence.[17] The auditor may choose to verify the source and contents of a response to a confirmation request by contacting the confirming party. For example, when a confirming party responds by electronic mail, the auditor may telephone the confirming party to determine whether the confirming party did, in fact, send the response. When a response has been returned to the auditor indirectly (for example, because the confirming party incorrectly addressed it to the entity rather than to the auditor), the auditor may request the confirming party to respond in writing directly to the auditor.

A15. On its own, an oral response to a confirmation request does not meet the definition of an external confirmation because it is not a direct written response to the auditor. However, upon obtaining an oral response to a confirmation request, the auditor may, depending on the circumstances, request the confirming party to respond in writing directly to the auditor. If no such response is received, in accordance with paragraph 12, the auditor seeks other audit evidence to support the information in the oral response.

A16. A response to a confirmation request may contain restrictive language regarding its use. Such restrictions do not necessarily invalidate the reliability of the response as audit evidence.

Unreliable Responses (Ref: Para. 11)

A17. When the auditor concludes that a response is unreliable, the auditor may need to revise the assessment of the risks of material misstatement at the assertion level and modify planned audit procedures accordingly, in accordance with HKSA 315.[18] For example, an unreliable response may indicate a fraud risk factor that requires evaluation in accordance with HKSA 240.[19]

---

[17] HKSA 500, paragraph 11.

[18] HKSA 315, paragraph 31.

[19] HKSA 240, paragraph 24.

Non-Responses (Ref: Para. 12)

A18. Examples of alternative audit procedures the auditor may perform include:

- For accounts receivable balances – examining specific subsequent cash receipts, shipping documentation, and sales near the period end.
- For accounts payable balances – examining subsequent cash disbursements or correspondence from third parties, and other records, such as goods received notes.

A19. The nature and extent of alternative audit procedures are affected by the account and assertion in question. A non-response to a confirmation request may indicate a previously unidentified risk of material misstatement. In such situations, the auditor may need to revise the assessed risk of material misstatement at the assertion level, and modify planned audit procedures, in accordance with HKSA 315.[20] For example, fewer responses to confirmation requests than anticipated, or a greater number of responses than anticipated, may indicate a previously unidentified fraud risk factor that requires evaluation in accordance with HKSA 240.[21]

When a Response to a Positive Confirmation Request Is Necessary to Obtain Sufficient Appropriate Audit Evidence (Ref: Para. 13)

A20. In certain circumstances, the auditor may identify an assessed risk of material misstatement at the assertion level for which a response to a positive confirmation request is necessary to obtain sufficient appropriate audit evidence. Such circumstances may include where:

- The information available to corroborate management's assertion(s) is only available outside the entity.
- Specific fraud risk factors, such as the risk of management override of controls, or the risk of collusion which can involve employee(s) and/or management, prevent the auditor from relying on evidence from the entity.

Exceptions (Ref: Para. 14)

A21. Exceptions noted in responses to confirmation requests may indicate misstatements or potential misstatements in the financial statements. When a misstatement is identified, the auditor is required by HKSA 240 to evaluate whether such misstatement is indicative of fraud.[22] Exceptions may provide a guide to the quality of responses from similar confirming parties or for similar accounts. Exceptions also may indicate a deficiency, or deficiencies, in the entity's internal control over financial reporting.

A22. Some exceptions do not represent misstatements. For example, the auditor may conclude that differences in responses to confirmation requests are due to timing, measurement, or clerical errors in the external confirmation procedures.

---

[20] HKSA 315, paragraph 31.

[21] HKSA 240, paragraph 24.

[22] HKSA 240, paragraph 35.

Negative Confirmations (Ref: Para. 15)

A23. The failure to receive a response to a negative confirmation request does not explicitly indicate receipt by the intended confirming party of the confirmation request or verification of the accuracy of the information contained in the request. Accordingly, a failure of a confirming party to respond to a negative confirmation request provides significantly less persuasive audit evidence than does a response to a positive confirmation request. Confirming parties also may be more likely to respond indicating their disagreement with a confirmation request when the information in the request is not in their favor, and less likely to respond otherwise. For example, holders of bank deposit accounts may be more likely to respond if they believe that the balance in their account is understated in the confirmation request, but may be less likely to respond when they believe the balance is overstated. Therefore, sending negative confirmation requests to holders of bank deposit accounts may be a useful procedure in considering whether such balances may be understated, but is unlikely to be effective if the auditor is seeking evidence regarding overstatement.

Evaluating the Evidence Obtained (Ref: Para. 16)

A24. When evaluating the results of individual external confirmation requests, the auditor may categorize such results as follows:

(a) A response by the appropriate confirming party indicating agreement with the information provided in the confirmation request, or providing requested information without exception;

(b) A response deemed unreliable;

(c) A non-response; or

(d) A response indicating an exception.

A25. The auditor's evaluation, when taken into account with other audit procedures the auditor may have performed, may assist the auditor in concluding whether sufficient appropriate audit evidence has been obtained or whether further audit evidence is necessary, as required by HKSA 330.[23]

[23] HKSA 330, paragraphs 26-27.

Appendix 1

(Ref: Para. 7(c))

Additional Local Guidance on Bank Confirmation Requests

1. This local guidance sets out the additional local guidance on bank confirmation requests.

2. While this local guidance deals specifically with communications with members of The Hong Kong Association of Banks (HKAB), the guidance is to be applied to confirmations requested of other financial institutions, for example, deposit-taking companies.

3. "Bank confirmation request" means a request of a bank to provide independent confirmation for audit purposes of such information as the entity's account balances, securities, treasury management instruments, documents and other related information held by the bank on behalf of the entity.

4. Information obtained from bank confirmation requests assists the auditor in discharging his responsibilities to obtain sufficient appropriate audit evidence by providing external evidence in relation to such matters as the existence, completeness and valuation of assets and liabilities.

5. Through knowledge of the entity's business and audit planning, the auditor gains an understanding of the nature and extent of the entity's banking and treasury operations. Based on this understanding, the auditor would determine the significance of banking activities to the audit by reference to materiality and audit risk.

6. The auditor should send bank confirmation requests when the entity's banking activities, including treasury operations, are significant to the audit.

7. The use of a standard bank request form is considered to be of benefit to both the banks and the auditor for the confirmation or provision of information which is customarily held by banks. Accordingly, a standard bank confirmation request form is reproduced in Appendix 2.

8. When the auditor requires information of matters not covered by the standard request form, a separate letter would be sent to cover the particular matter. The letter to the bank would clearly identify the details of the matter for which confirmation is required and would carry the entity's authorization for the bank to provide the confirmation to the auditor.

9. The auditor will review the bank's reply. The auditor may need to carry out additional tests on matters relating to the entity's banking relationship, for example when other audit procedures indicate doubt as to completeness of the information provided, a separate letter would be sent to the bank enquiring specifically about potential matters of concern.

10. The entity is to complete and sign the authorization on the bank confirmation request requesting its completion by the bank.

11. The following has been agreed with the HKAB:

(a) Standard form

All requests for confirmation of balances/outstandings sent to banks by the auditor will be in the standard request form as reproduced in Appendix 2. The only deviation which will be permitted is that the form may be reduced to A4 size (but no smaller); banks will be entitled to reject forms which deviate from the standard in any other way.

(b) Timing

The auditor is required where possible to send the form to banks well in advance of the confirmed balance date, which will enable a much more prompt response to be given. Where the auditor submits forms after the confirmed balance date, he would expect banks to charge more for the service. Any charges will be for account of the entity and not the auditor.

(c) Submission of blank form

The form is to be submitted to the banks in blank.

(d) Authorization

The auditor would need to ensure that entities sign the authorization with chops and signatures corresponding to those required by their account mandate.

(e) Computer listings

Where an entity has outstandings in any category, it is acceptable for a bank to attach a computer or type-written listing, providing this is suitably identified and authenticated. Where a bank wishes to have the entire form printed by computer, including the headings, this will also be acceptable providing that the print-out is substantially in the column order of the form.

To The Manager

In set of 5 pages

(Name of bank)

_____ Office Date _____

Dear Sir,

REQUEST FOR BANK CONFIRMATION OF INFORMATION FOR AUDIT PURPOSES

A/C (Customer's Name)

For the purposes of our annual audit please complete the attached form to show the following information relating to our affairs with your bank as at the close of business on …… For each item, please state any factors which may limit the completeness of your reply; if there is nothing to report, state "none".

Please confirm the position by completing the section headed "Bankers' Confirmation" on the final page of this request.

You are hereby authorised to return this request after completion and together with any remarks you may have to our auditors, Messrs. ……of ……

You are hereby authorised to debit any charge for this service to our account number .....

It is understood that your reply to this request will in no way prejudice your rights in respect of your General Lien as Bankers.

Yours faithfully,

(Authorised Signature/s and Chop)

Item 1 Deposits, Fixed or at Call held in your books

	Receipt No.	Date	Amount	Interest Rate	Due Date
Local Currency					
Foreign Currency					

Item 2 Savings Accounts held in your books

	Account No.	Balance
Local Currency		
Foreign Currency		

Item 3 Current Account Balance/s held in your books. Please state whether in credit (Cr) or overdrawn (Dr).

	Account No.	Balance
Local Currency		
Foreign Currency		

Item 4 Facilities granted to us. Please state by types of facilities.[1]

	Types of Facilities	Reference No.	Interest Rate	Amount	Maturity Date	Guarantor
Local Currency						
Foreign Currency						

Item 5 Loan Account Debit Balance/s (excluding Loans in connection with Inward cargoes) in your books

	Account No.	Balance
Local Currency		
Foreign Currency		

Item 6 Accounts closed during the year to confirmation date

	Account No.	Account Type	Date Closed
Local Currency			
Foreign Currency			

Item 7 Advances to Manufacturers and/or Packing Credits Account and/or Exports Loans granted Outstanding in your books

	Account No.	Balance

Item 8 Acceptances Outstanding in your books

	Reference No.	Amount	Issue Date	Maturity Date
Bills Receivable by you (Banker)				
of which, goods released against Trust Receipt				
Bills held by you for Collection				

[1] Alternatively, banks may complete this section by attaching the relevant bank facility letters. Any relevant information not included in such letters should be separately included above.

Item 9	**Partial payments held by you**		
On account of Item 8	Reference No.	Amount	

Item 10	**Irrevocable Letters of Credit Outstanding in your books**		
	Reference No.	Balance Unutilized	Expiry Date

Item 11	**Bills receivable by us (customer)**	
Bills purchased by you (and outstanding at this date)	Reference No.	Amount
Bills held by you for Collection		

Item 12	**Margin deposit held by you**	
On account of Item 8 and Item 10	Reference No.	Amount
On account of Item 11		

Item 13	**Loans granted in connection with Inward Cargoes Outstanding in your books**		
	Reference No.	Amount	Details of Cargo

Item 14 Guarantees[2]

Given by you on our behalf	To whom Issued	Reference No.	Notional Amount
i) Shipping Guarantees			
ii) Others (specify the type of guarantee e.g. financial guarantee, performance bond, etc)			
Received by you on our behalf			

Item 15 Derivative Contracts/ Structured Product Contracts[3] **Outstanding**

	Contract No.	Notional Amount	Contract Rate	Maturity Date
i) Exchange Rate Contracts				
ii) Interest Rate Contracts				
iii)Other derivative contracts/ structured product contracts				

Item 16 Other direct or contingent liabilities to you

[2] Common examples of guarantees include financial guarantees, advance payment guarantees, shipping guarantees and performance bond, bid bond and retention bond guarantees. Banks are recommended to provide additional explanatory notes for the items or terms used in the bank confirmation, where the nature of the guarantee is not readily apparent.

[3] Common examples of derivative contracts/ structured product contracts include forward rate agreements, option contracts, futures contracts, swap arrangements, bullion contracts, commodity contracts and structured products. Banks are recommended to provide additional explanatory notes for the items or terms used in the bank confirmation, where the nature of the derivative contract / structured product contract is not readily apparent.

Item 17	**Securities and other documents of title held by you**
Against Facilities granted	
For Safe Custody	

BANKERS' CONFIRMATION
We confirm that the balances and information which we have inserted under items 1 to 17 above are correct and complete. This information is given in strictest confidence, for the purposes of your audit, without any responsibility for error or omission on the part of this Bank, its employees, agents or informants. _____ Authorised signatory for and on behalf of the Bank