

IFIAR 2025 Member Profile – GFSC

1. Jurisdiction	<p>1.1 Insert the name of the jurisdiction in English:</p> <p>Gibraltar</p>
2. Member¹	
	<p>2.1 Insert the name of the Member, both in the local language and in English:</p> <p>Gibraltar Financial Services Commission (GFSC)</p>
	<p>2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website:</p> <p>PO Box 940, Suite 3, Ground Floor, Atlantic Suites, Europort Avenue, Gibraltar Tel.: +350 200 40283 Website: http://www.gfsc.gi</p>
	<p>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</p> <p>The GFSC is an independent unified regulatory and supervisory authority created under Statute for the regulation and supervision of financial services in Gibraltar, including that of the audit industry. It is a statutory body corporate established by the Financial Services Act, 2019 (“the Act”).</p> <p>The functions of the GFSC include having to supervise regulated persons in accordance with the Act, to consider and determine applications, and monitor and enforce compliance with the Act and regulations. An additional function includes monitoring of compliance by the regulated persons in the prevention of financial crime, as well as monitoring financial services businesses carried on in or from Gibraltar and taking enforcement actions in respect of unlicensed business.</p> <p>Regulation 537/2014/EU on specific requirements regarding statutory audit of public-interest entities provides the GFSC with a mandate in respect to audit regulation.</p>

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</p> <p> <input checked="" type="checkbox"/> Licensing <input checked="" type="checkbox"/> Registration <input type="checkbox"/> Audit and/or Ethics Standard Setting <input type="checkbox"/> Permanent Education / Continuous Training of Auditors <input checked="" type="checkbox"/> Inspection <input checked="" type="checkbox"/> Enforcement <input checked="" type="checkbox"/> Other: <u>Quality Assurance and Public Oversight</u> </p>
<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</p> <p>https://www.fsc.gi/aboutus/commission</p> <p>The GFSC is accountable to a Board of Commission Members (the “Board”) consisting of eight Members, seven of which are non-executive and the Chief Executive Officer. The Board has a Chairman appointed from within the seven members of the Board. The governing body is made up of non-practitioners, highly experienced individuals in the legal and financial services sectors.</p> <p>The current Board consists of: Kerry Blight (Chief Executive) Stephen Haddrill (Chairman) Hayley Robinson Emma Lejeune Peter Caetano Albert Mena Richard Hill Paul Smee</p> <p>On 17 June 2016 an Auditors Regulatory Committee (“ARC”) was formed; this meant, in practice, that whenever audit regulation is discussed, a board member who is also an audit practitioner is not to be present or be provided with any pertinent information.</p> <p>The ARC consists of: Kerry Blight (Chief Executive) Stephen Haddrill (Chairman) Hayley Robinson Emma Lejeune Peter Caetano</p>

	<p>Albert Mena Richard Hill Paul Smee</p> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</p> <p>The Chief Executive and members are appointed by the Minister with responsibility for financial services in Gibraltar. Board Members are not appointed as representatives of a constituency; they are appointed as individuals to bring their personal qualities and experience for the benefit of the GFSC. Supervisory bodies need to be independent, and this policy preserves the objectivity and independence of the GFSC. Board members are appointed for three years and upon such terms as may be specified in the instrument appointing them. The appointment of Board Members is renewable, however, with the exception of the Chief Executive, Members may not be reappointed if they have served a term of nine years or more.</p> <p>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes to either of the above, please describe:</p> <p>As aforementioned there is an Auditors Regulatory Committee that is responsible for the governance of Statutory Auditors and does not allow any current auditors/practitioners to be part of the panel.</p> <p>The cooling off period in accordance with Regulation 537/2014/EU is three years.</p>
<p>4. Independence safeguards</p>	<p>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</p> <p>The Board does not take any executive decisions on approval of applications, enforcement action or other types of regulatory action. Instead, it delegates the powers granted to it under the Act to the Chief</p>

	<p>Executive through a formal delegation of powers approved by the Board. The Chief Executive Officer is charged with the responsibility of supervising institutions carrying on finance business in or from within Gibraltar. The CEO is required to ensure that such supervision complies with any applicable obligations Gibraltar has established supervisory standards which match those required by legislation and supervisory practice governing the provision of financial services within the United Kingdom.</p> <p>The Board conducts an annual assessment of the performance of the Members and the Chairman. These are led by the Chairman and the Senior Independent Members respectively. Findings of the performance reviews are discussed at Board meetings.</p> <p>Board Members are provided with formal induction training upon appointment to the Board and maintain regular contact with industry and related parties in order to keep abreast of current issues.</p> <p>To summarise, the Board is ultimately responsible for all decisions in respect of regulated entities except for Statutory Auditors. The Auditors Regulatory Committee will provide the governance for audit supervision and is made up entirely of board members that are non-practitioners.</p> <p>Are employees of the Member covered by the same or separate set of independence requirements?</p> <p><input checked="" type="checkbox"/> Same set of requirements <input type="checkbox"/> Different set of requirements</p> <p>If there are separate independence requirements for employees, please describe: N/A</p> <hr/> <p>4.2 Are there any additional safeguards in place that provide for the Member's overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe:</p> <p><i>Under Section 506 (3) (a to c) of the Financial Services Act of 2019 (3) For the purpose of subsection (1)(e) at least the following criteria must apply to the selection of reviewers–</i></p> <p><i>(a) reviewers must have appropriate professional education and relevant experience in statutory audit and financial reporting combined with specific training on quality assurance reviews;</i></p> <p><i>(b) a person must not be allowed to act as a reviewer in a quality assurance control assignment in respect of a statutory auditor or audit firm until at least three years have elapsed since that person ceased to be a partner or an employee of, or otherwise associated with, that statutory auditor or</i></p>
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	<p><i>audit firm; and (c) reviewers must declare that there are no conflicts of interest between them and the statutory auditor and audit firm to be reviewed.</i></p>
<p>5. Funding Arrangements</p>	<p>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</p> <p>The GFSC levies fees in the form of annual registration fees and application fees for audit firms and statutory auditors.</p> <p>The annual fees for Auditors are stipulated in the Financial Services (Fees) Regulations 2020.</p> <p>Funding is secure and free from any possible undue influence by Statutory Auditor's or Audit Firms.</p> <hr/> <p>5.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>The annual fees for Auditors are stipulated in the Financial Services (Fees) Regulations. These regulations are revised and amended on an annual basis prior to when fees are due to be invoiced.</p> <p>This is legislated by His Majesty's Government of Gibraltar.</p>
<p>6. Audit Market</p>	<p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member's oversight or mandate.</p> <p>We currently have 22 audit firms/sole practitioners.</p> <p>Currently there are 8 audit firms which conduct audits of PIEs, the number of firms that conduct PIE audits remains fairly stable year on year. The GFSC is now entering its 13th year of Quality Assurance visits.</p> <p>The number of PIEs is 55.</p>

	<p>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member’s jurisdiction.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="text-align: center;"><i>Firm Name/Business Name</i></th> <th style="text-align: center;"><i>Audit Turnover</i></th> <th style="text-align: center;"><i>PIE</i></th> <th style="text-align: center;"><i># of Statutory Auditors</i></th> </tr> </thead> <tbody> <tr> <td>BDO Limited</td> <td style="text-align: center;">£ 1.4 m</td> <td style="text-align: center;">4</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Deloitte Limited</td> <td style="text-align: center;">£ 3.0 m</td> <td style="text-align: center;">8</td> <td style="text-align: center;">3</td> </tr> <tr> <td>EY Limited</td> <td style="text-align: center;">£ 2.6 m</td> <td style="text-align: center;">10</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Grant Thornton (Gibraltar) Limited</td> <td style="text-align: center;">£ 1.4 m</td> <td style="text-align: center;">5</td> <td style="text-align: center;">1</td> </tr> <tr> <td>KPMG Limited</td> <td style="text-align: center;">£ 4.2 m</td> <td style="text-align: center;">6</td> <td style="text-align: center;">5</td> </tr> <tr> <td>PKF Canillas Limited</td> <td style="text-align: center;">£ 1.4 m</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>PKF Littlejohn Canillas Limited</td> <td style="text-align: center;">£ 0.5 m</td> <td style="text-align: center;">4</td> <td style="text-align: center;">3</td> </tr> <tr> <td>PricewaterhouseCoopers Limited</td> <td style="text-align: center;">£ 3.0 m</td> <td style="text-align: center;">7</td> <td style="text-align: center;">7</td> </tr> <tr> <td>RSM Audit (Gibraltar) Limited</td> <td style="text-align: center;">£ 2.2 m</td> <td style="text-align: center;">10</td> <td style="text-align: center;">4</td> </tr> </tbody> </table> <p>The firms listed above are all the audit firms within Gibraltar that have PIE clients.</p>	<i>Firm Name/Business Name</i>	<i>Audit Turnover</i>	<i>PIE</i>	<i># of Statutory Auditors</i>	BDO Limited	£ 1.4 m	4	3	Deloitte Limited	£ 3.0 m	8	3	EY Limited	£ 2.6 m	10	4	Grant Thornton (Gibraltar) Limited	£ 1.4 m	5	1	KPMG Limited	£ 4.2 m	6	5	PKF Canillas Limited	£ 1.4 m	1	2	PKF Littlejohn Canillas Limited	£ 0.5 m	4	3	PricewaterhouseCoopers Limited	£ 3.0 m	7	7	RSM Audit (Gibraltar) Limited	£ 2.2 m	10	4
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7. Inspection System	<p>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 12 Enforcement, please reference that section for details on such measures).</p> <p>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:</p> <p>We conduct our QAR using two approaches – desktop monitoring and Quality Assurance Review (QAR) visits. The desktop monitoring is conducted through the audit firms’ annual submission of the Supervisory Information Capture Return (SICR). It provides us with the relevant information about audit firms and statutory auditors. The SICR seeks information generally about the following:</p>																																								

	<ul style="list-style-type: none"> • Number of audit clients (with split of listed, Public Interest Entities (PIES) GFSC- authorized/regulated and other) • Revenue of obtained from PIE clients • Details of Professional Indemnity Insurance • Revenue obtained from different services provided by the firm • Details of audit Staff • Details of audit clients • Recording of Continuous Professional Development undertaken by audit staff • Record of complaints received • Declaration of Compliance with the required standards <p>The information provided to us in the SICR, plus the Financial Crime Report submitted to the GFSC’s AML/CFT Supervision team, is used as the basis to assess the risk score of an audit firm.</p> <p>QAR visits are performed on firms that service PIE clients at least every three years and on other audit firms at least every six years. The onsite visit is normally divided into two parts - the first part is the firm-wide review, and the second part is the audit file review. During the firm-wide review, we will assess the structure of the firm, the composition of clients, the firm’s internal control procedures and its compliance with ethical standards. When carrying out the audit file reviews, we will select a sample of working paper files and assess the quality of audit performed by the statutory auditor. After the onsite visit, we send the firm a report that will set out our findings, conclusions, recommendations, and any action or remediation plans to be established and complied with. This will then be followed-up accordingly by the GFSC, with the timing of follow-up determined by the nature, scope and materiality of the issues that may have been noted.</p> <p>An accelerated review schedule is also applied to a firm/practitioner when significant improvements are needed following a visit or there are repeat findings across two consecutive QAR visits.</p> <p>The GFSC has direct responsibility for recurring inspections of audit firms undertaking audits of public interest entities.</p> <p>The GFSC engages with the ICAEW in order to assist its reviewers in performing the recurring inspections of the auditors.</p> <p>7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p> <p>As stipulated in the Act, quality assurance controls of all audit firms and sole practitioners shall take place every six years with the exception of</p>
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	<p>auditors of public interest entities which are reviewed every three years. Accelerated review schedule is also applied to a firm/practitioner where significant improvements are needed following a visit or where there are repeat findings across two consecutive QAR visits.</p> <p>7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.</p> <p><input checked="" type="checkbox"/> Employees of the Member <input checked="" type="checkbox"/> Professional body</p> <p><input type="checkbox"/> Third Parties <input type="checkbox"/> Other</p> <p>Please explain below:</p> <p>We continue to carry out our Quality Assurance Reviews (QAR) in conjunction with the institute of Chartered Accountants in England and Wales (ICAEW).</p>
<p>8. Licensing</p>	<p>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>We receive process applications for statutory auditors: https://www.fsc.gi/apply/audit-insolvency</p> <p>If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p>
<p>9. Registration</p>	<p>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a</p>

	<p>description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p>The GFSC's remit comprises of the following:</p> <ul style="list-style-type: none"> - The registration, approval and removal of statutory auditors and audit firms - The upkeep of a public register of statutory auditors and audit firms.
<p>10. Audits and/or Ethics Standard Setting</p>	<p>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The GFSC does not have responsibility for audit or ethical standard setting.</p> <p>Statutory Auditors are required to carry out audits in accordance to International Standards on Auditing.</p> <p>Statutory Auditors are required to follow the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants.</p>
<p>11. Permanent Education / Continuous Training of Auditors</p>	<p>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</p> <p><input type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p>

	<p>No single entity holds the responsibility for permanent education. This responsibility is shared by Statutory Auditors who are required to confirm and provide details to the GFSC of Continuous Professional Development (“CPD”) conducted during the year.</p> <p>The CPD information received from auditors is then reviewed as part of our desk-based supervision.</p> <p>Statutory Auditors are additionally required to confirm on an annual basis whether they remain members of a professional accountancy body. The professional bodies will have their own specific CPD requirements which Statutory Auditors would need to follow.</p>
12. Enforcement	<p>12.1 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The GFSC’s Enforcement strategy and process is available on our website (https://www.fsc.gi/enforcement/Strategy)</p>
13. Other Responsibilities in Audit Oversight or Audit Regulation	<p>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</p> <p>We do not undertake other additional audit oversight tasks.</p>
14. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight or Audit Regulation	<p>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</p> <p>The GFSC is also responsible for the regulatory and supervisory oversight of the following additional sectors:</p> <ul style="list-style-type: none"> • Banking & E-Money Issuers; • Investment Services; • Collective Investment Schemes;

	<ul style="list-style-type: none"> • Exchanges and Clearing Houses; • Insurance Companies, Mediation & Management; • Trust and Company Management; • Occupational Pensions Institutions; and • Money Services Business/Money Transmitters. • Distributed Ledger Technology Intermediaries. • Insolvency Practitioners. • Pensions and Pension services providers • Accountants and Tax advisors • Consumer Credit • Mortgage
15. Member Update for public information (if any)	<p>15.1 Are there any major news, activities, events or updates (on audit matters, the Member’s organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year’s Member Profile?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p> <p><i>June 2024 – Audit Sector Event 2024 in collaboration with ICAEW</i></p> <p>The half day event was successfully executed on 25 June 2024. There were almost 80 attendees, comprising of statutory partners, directors, associate partners, and senior audit members. The Audit and Insolvency Team discussed changes made to returns and the team’s risk appetite. Themes from the QARs held in the last six years were also presented. Trevor Smith and Will Strickland from ICAEW’s Quality Assurance - Professional Standards Team provided insight on ISQM 1 components such as the engagement performance, resources, and monitoring. The event ended with a ICAEW training film which included audience wide discussions.</p>