



Transparency Report

FMBZ KPMG TUNISIE

Business year ending 31 December 2015

March 2016

kpmg.tn

FMBZ KPMG TUNISIE SA

6, Rue du Riyal - Immeuble KPMG

1053 Les Berges du Lac Tunis

www.kpmg.com/tn

Tel : +(216) 71 19 43 63

Fax : +(216) 71 19 43 31

Statement of the General Management

Pursuant to Article 45 of Directive 2006/43/EC of the European Parliament and of the Council dated 17 May 2006 related to statutory audit, transposed into French law through Article R. 823-21 (Decree No. 2007-179 dated 9 February 2007, article 23) of the Commercial Code, we are pleased to enclose our transparency report for the year ended 31 December 2015 covering the period from 1 January 2015 to 31 December 2015.

This report covers FMBZ KPMG TUNISIE SA (hereinafter referred to as "the firm") which is a holder of individuals or entities' statutory audit mandates whose securities are listed on a regulated stock exchange market and credit institutions of which list is disclosed in Appendix.



Dhia Bouzayen

Chairman of the Board



**Moncef Boussanouga
Zammouri**

Chairman of the Supervisory
Board

Our Structure and governance

Description of FMBZ KPMG TUNISIE S.A.'s legal structure and share capital

FMBZ KPMG TUNISIE SA is a Public Limited Company with a Management Board and a Supervisory Board, governed by the Tunisian Commercial Companies' Code and the provisions on the organization and the exercise of chartered accountant and statutory auditors' professions, including law No. 88-108 dated 18 August 1988 related to the revision of the legislation on the public accounting profession.

The Extraordinary General Meeting dated 1 June 2015 has indeed decided to change the governance mode of a Public Limited Company with a Board of Directors to a Public Limited Company with a Supervisory Board and a Management Board.

FMBZ KPMG TUNISIE SA is controlled for more than 99% by members of the Institute of Chartered Accountants of Tunisia.

Description of KPMG network and legal structure provisions that rules it

KPMG International Cooperative ("KPMG International")

The KPMG brand is the property of KPMG International Cooperative ("KPMG International"), a Swiss entity that does not offer services to KPMG International customers and legally separate member firms are not related companies, subsidiaries, agents, partners or joint ventures. No member firm has the right to commit KPMG International or any other member firms.

Members of KPMG International

Services are provided to customers by the member firms. All member firms are committed to comply with common standards for delivery of services to customers and to maintain the highest standards of independence and integrity. Controls are carried out regularly to ensure compliance with these standards and commitments by member firms. The procedures and tools relating to compliance with these standards and commitments are completed by each member firm that also fulfills the specific legal or regulatory provisions in force in their respective countries.

Description of FMBZ KPMG TUNISIE S.A.'s governance structure

Management Board

The Management Board performs its function in accordance with the Commercial Companies' Code as well as legal or regulatory provisions on the organization and exercise of the chartered accountant and Statutory auditor professions;

It administers and manages the company under the control of the Supervisory Board.

The Management Board has, with respect to third parties, the broadest powers to act in all circumstances on behalf of the company within the limit of the corporate purpose and subject to those powers expressly granted by law to the Supervisory Board and shareholders' General Meetings.

The Management Board members' mandates are for a period of 3 years,

On 1 June 2015, the Supervisory Board appointed a Management Board composed of:

- Dhia BOUZAYEN, Chairman of the Board
- Kalthoum BOUGUERRA
- Manel ZAMMOURI
- Mohamed HZAMI
- Imed LOUKIL

The current board members are Chartered Accountants and statutory auditors.

Supervisory Board

The Supervisory Board has a permanent control over the management Board. It performs its function in accordance with the Commercial Companies' Code as well as legal or regulatory provisions on the organization and the exercise of chartered accountants and statutory auditors' professions.

The General Assembly elects the members of the Supervisory Board for terms of 3 years,

They are currently a number of 3 persons.

The Supervisory Board is chaired by Mr. Moncef BOUSSANOUGA ZAMMOURI. The Vice President is Mr. Hassen BOUAITA. Both are chartered accountants and statutory auditors.

System of Quality Control

Description of internal quality control system and declaration of the management Board on efficiency of its functioning

The firm maintains a quality control system for activities subject to regulatory requirements that are the statutory audit and chartered accounting. This system is designed to meet our customers' expectations and the rules and standards issued by our business oversight from one hand of the regulatory bodies from the other hand including:

- The Institute of Chartered Accountants of Tunisia (Ordre des Experts-Comptables de Tunisie "OECT"),
- International Federation of Accountants ("IFAC")
- The Money Market Board (Conseil du Marché Financier "CMF")
- The Central Bank of Tunisia (Banque Centrale de Tunisie "BCT")
- The Tunisian Stock Exchange Market (Bourse des Valeurs Mobilières de Tunis "BVMT")

It includes the basic rules and procedures also facilitates compliance with relevant rules and regulations of the "American Institute of Certified Public Accountants" ("AICPA"), the Sarbanes-Oxley Act of 2002, the SEC, and the provisions of the Dodd-Frank Act, the "International Standard of Quality Control" (ISQC) 1, professional standards and the firm's quality standards.

This control system also takes into account the requirements driven by Law No. 2005-96 dated 18 October 2005 on strengthening financial relations' security.

The firm's quality control system applied to its activities include the following:

- Compliance with professional standards,
- Ethics, integrity, independence and objectivity,
- Procedures for acceptance and continuance of clients and engagements,
- Personnel management, including in particular training and professional development,
- Supervision of engagements.

Compliance with the Professional Standards

Our statutory audit engagements are performed by applying the KPMG International methodology, supplemented by specific requirements driven from the Tunisian regulatory environment in order to comply with all the applicable professional standards.

The Risk Management department is composed of partners and other professionals who promote quality and ensure understanding and compliance with the rules and professional standards on ethics and independence.

Under the direct control of the Management Board, this department is responsible for developing Risk Management rules, supervising compliance with firm policies and procedures through internal quality control programs.

The Risk Management department also coordinates external programs of quality control provided by regulatory, supervisory or control bodies. The compliance with rules, procedures and Risk management tools is also the responsibility of all partners and staff who need to understand and apply them permanently.

Thus all partners and staff act with integrity and objectivity, perform their work with diligence and comply with laws, regulations and applicable professional standards.

Independence, integrity, ethics, and objectivity

Our firm's Code of Conduct reflects the firm commitment on ethics and integrity.

Our Code of Conduct describes the expected values and standards' behavior of all partners and employees. To this end, the firm's professionals complete bi-annual ethics training on relevant topics of the Code of Conduct and certify each year that they comply with the Code.

Furthermore, our firm ensures compliance by all members of the Institute, including trainees, with the Professional Duties' Code approved by the Minister of Finance's decree dated 26 July 1991.

Acceptance and continuance of clients and engagements

The applicable rules are defined by the Statutory Auditors Ethics' Code. The acceptance and continuance of clients and engagements' procedures are determined by the Risk Management Department, after validation and approval by the firms' General Management. The firm and its professionals respect ethical values, independence, integrity, ethics and objectivity. Accordingly, we work with due care to avoid the occurrence of conflicts of interest.

This awareness is constantly exercised to detect potential conflicts of interest and take the deemed appropriate safeguards. Conflicts of interest may well lead the firm to decline a client or an engagement. The Network internal system, Sentinel © is used to identify and manage potential conflicts of interest and / or incompatibilities within each member firm, but also between the various member firms of the KPMG International network.

Personnel management, including in particular training and professional development

Recruitment and staff hiring

All candidates for professional positions submit their curriculum vitae, are interviewed and are subject to checks on their professional experience. The information being checked, where possible, via independent sources.

The employment contract includes a clause on independence and professional confidentiality. Upon joining the firm, each new personnel member is asked to attend training programs on ethics, independence, compliance, dignity and security, in addition to modules relating to his/her position or to his/her profession.

Professional development and training

Our rules require that our personnel maintains and expands its expertise and comply with applicable regulatory and professional requirements.

To this end, we provide all opportunities to help our personnel to fulfill the requirements for continuing professional development and fulfillment of their goals for professional development.

We require our professionals to keep updated technical developments by attending internal and external programs and conferences, as well as through appropriate technical and industry documentation made available via the firm's intranet in particular. The quality of services we provide is based on regular technical training, and a communication on current events and issues specific to their profession.

Supervision of engagements

The firm meets the requirement of supervision of professional practices by the establishment of its internal quality control. This control is designed to assess compliance of engagements within the firm's Risk Management rules and procedures.

It includes in particular:

- Regular controls of partners individually on a rotation schedule over 3 years
- general controls, including independence, acceptance and continuance of clients, staff appraisals and document retention,
- Communication to the firm's general management the results of controls and their relevant action plans.

Technical Department (Professional Practice Group « PPG »)

FMBZ KPMG TUNISIE SA's Body of professional standards, the Professional Practice Group (PPG), includes two professionals and a university professor. The latter intervenes in files.

PPG's assignment is to help our professionals to perform their duties by providing technical support in the following areas: accounting standards, labor standards, regulatory aspects related to our business activities, methodology and audit tools and training.

The final decision remains in the hands of the engagement partner.

The PPG coordinates the following departments:

- "Accounting Standards", this department specializes in Tunisian accounting standards developed by the National Accounting Council and IFRS
- "Auditing Standards", this department deals with professional standards, as issued by the Institute of Chartered Accountants of Tunisia (OECT), international auditing standards as issued by IFAC and according to auditor's regulatory requirements established by the Financial market Council (CMF), the Central Bank of Tunisia (BCT) and the Stock Exchange Market of Tunis (BVMT)
- The training of FMBZ KPMG TUNISIE SA professionals

These departments are in permanent contact with the national bodies (the Institute of Chartered Accountants of Tunisia and the Board of Control under his supervision, the National Accounting Council, the CMF, BCT, the Tunis Stock Exchange) and, via the KPMG network, the international bodies (including AICPA ISQC, IFAC and PCAOB) and possibly foreign control structures in case of dual listing.

The technical management contributes to our ongoing goal of relevance, quality, safety and efficiency.

Date of last inspection referred to in Article 31 of the Tunisian Decree No. 89-541 dated 25 May 1989 establishing the organization and operating procedures of the Institute of Chartered Accountants of Tunisia

The control board set up by the aforementioned decree conducted as part of its work, a review of several companies listed files on the stock exchange for the financial year 2002

This control did not show comments on the procedures carried out by our firm and nor on the keeping of reviewed files.

List of persons and entities whose securities are publicly listed for trading on a regulated market and credit institutions for which the firm has carried out statutory audits during the year

Please refer to the attached table.

Declaration concerning the independence of the firm and confirmation that the internal review of independence was carried out

In strict compliance with the professional rules regarding the independence, the firm, its partners and staff assigned to each statutory audit engagement should not have personal, financial or business relations with the client company, its management, directors and its principal owners.

The firm controls the compliance with independence requirements through an integrated and automated intranet, associated with an internal process of compliance audit.

The firm also requires all professionals to complete an annual training regarding independence and reaffirm annually their independence using an electronic confirmation system. This confirmation, signed every year, is intended to ensure that each professional is aware of the firm's independence requirements, has applied them and will continue to apply.

Each year, we conduct tests on a sample basis, to ascertain compliance of these rules,

The firm has established processes to communicate independence policies and procedures to all staff. We require adherence to the rules of independence and the applicable ethical standards, which meet the standards set by the OECT, rules established by the CMF and BVMT, the recommendations of the BCT, standards of IFAC, the SEC, and all other applicable regulatory agencies. These rules and procedures, which cover areas such as personal independence, post employment relationships or rotation of the signatories, are subject to a careful control to reflect regulatory changes.

The signatory statutory audit Partner authorizes any service provided to its customers and their subsidiaries. The internal system of the network © Sentinel, facilitates compliance with these rules, and is used to identify and resolve potential conflicts of interest among member firms of the KPMG International network.

We confirm that the independence was subject of an internal compliance testing.

Statement on the policy followed by the firm in terms of continuous training of statutory auditors

FMBZ KPMG TUNISIE SA's training process allows all auditors assigned on statutory audit engagements to be trained to perform their professional duties.

FMBZ KPMG TUNISIE SA's training plan is annual and includes on one hand, mandatory trainings and on the other hand, specific training courses. The orientation of the training plan is given by the Management Board. It is then reviewed by the latter for approval.

These training courses' programs make available to employees a training panel, both in terms of understanding and application of accounting and auditing standards and in terms of particularities related to certain industries; these courses enable them to assume the responsibilities of their duties and that, in compliance with the continuing education requirements of professional bodies and supervisory authorities.

These programs take into account the particular training on ethics of the statutory auditor and on financial, legal and tax topics. The mandatory course takes into account the experience of staff and their level of responsibilities. It also incorporates the KPMG International guidelines.

At the beginning of the year, the training manager shall agree with the Management Board, on the specific training requirements for carrying out engagements.

The training manager is required to ensure that each staff receives professional training sessions provided for mandatory training and necessary specific training. The training department has made available a training history for each professional. It updates throughout the year each individual training followed.

The courses are subject to a systematic assessment of their educational and technical content as well as the quality of the trainers, members of the firm's professionals.

The analysis of these assessments is used to develop training both in relation to their educational and technical content.

The effectiveness of the training undertaken by our employees can be measured on the professional field through the review of their working papers by their supervisor and / or during their annual performance review. This review controls the understanding of the training seminars and also to complete it, if necessary. FMBZ KPMG TUNISIE SA creates and maintains for its employees a comprehensive training environment, including by providing access to all technical and industry information (magazines, books, news summaries, etc ...).

Each employee can also access to this information via the intranet and external sources of appropriate information to enrich their knowledge.

During 2015 all the firm's professionals received 4,150 hours of training. In 2015, the firm has spent 5% of its payroll costs to staff training.

We confirm that continuous training policy described above assures quality training to all of our professionals.

Financial information and bases of partners' compensations

Financial Information

The turnover realized by FMBZ KPMG TUNISIE in 2015 has increased by 6% compared to 2014.

This turnover corresponds in full to audit fees of which 71% for services provided to local clients and 29% to fully export companies.

For 2014, such distribution was as follows: 72% for audit fees realized with local clients versus 28% with fully export companies.

FMBZ KPMG TUNISIE SA's accounts are subject to statutory audit by an auditor having no direct or indirect relationship with the firm. FMBZ KPMG TUNISIE SA's financial statements for the year ended 31 December 2015 are currently under audit.

Information on bases of Partners' compensations

Partners compensation as employees of the firm consists of a fixed part and a variable part. The variable part is the result of the allocation of an envelope determined on a comprehensive economic calculation. The allocation is made based on qualitative and quantitative criteria identical for all partners, and in particular:

- Technical quality of files,
- Compliance with professional standards for carrying out engagements' works,
- Compliance with all of the values and firm's policies,
- Performance (s) of the team (s) whose partner is responsible.

Partner compensation is not dependent on legal entities' results other than the firm itself.

Appendix

List of individuals or entities whose securities are publicly listed for trading on a regulated stock exchange market and credit institutions for which the firm has carried out statutory audits during the year

Statutory auditor	Company	Company
FMBZ KPMG Tunisie	CARTHAGE CEMENT	Automobile Réseau Tunisien et Services (ARTES)
	ENNAKL AUTOMOBILIES	AMENA TAKAFUL
	FCP SECURITE	CITIBANK NA Tunis, on and offshore branches
	SOCIETE INDUSTRIELLE DES TEXTILES (SITEX)	Universal Auto Distributions Holding (UADH)
	FINACORP OBLIGATAIRE SICAV	Ateliers Mécaniques du Sahel (AMS)
	FCP MAGHREBIA (Famille de Fonds)	ESSOUKNA
	GENERALE INDUSTRIELLE DES FILTRES (GIF)	
	SOCIETE DE PLACEMENT ET DE DEVELOPPEMENT INDUSTRIEL ET TOURISTIQUE (SPIDIT)	
	Compagnie d'Assurance et de Réassurances (LA CARTE)	
	North Africa International Bank (NAIB)	
	Assurance Mutuelle Ittihad (AMI)	
	ZITOUNA TAKAFUL	
	WIFACK INTERNATIONAL BANK	
	BEST LEASE	
	BANQUE ZITOUNA	
	ARAB TUNISIAN BANK (A.T.B)	
	QATAR NATIONAL BANK (QNB)	
	TUNIS INTERNATIONAL BANK (T.I.B)	
	CTAMA	
	LAND'OR SA	
	Société Nouvelle Maison de la Ville de Tunis (MONOPRIX – SNMVT)	



kpmg.com/socialmedia



kpmg.com/app



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. FMBZ KPMG Tunisie is a public company of chartered accounting and statutory audit with a share capital of 150 000 TND. Headquarters: 6, Rue du Riyal – Immeuble KPMG – Les Berges du Lac – 1053 Tunis.

FMBZ KPMG Tunisie is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG International provides no client services. No member firm has the right to KPMG International or any other member firm vis-à-vis third parties. KPMG International has not the right to commit any member firm.

© 2016 FMBZ KPMG Tunisie, a Public Limited Company of chartered accounting and statutory audit, a Tunisian member of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.