



## **Public statement n. 6 of 20 December 2022**

To Audit firms and statutory auditors responsible for audit engagements of Public Interest Entities (PIEs) and Entities Subject to Intermediate Regime (ESRIs)

### **Audit and assurance engagements related to companies operating in the crypto-asset sector**

Recent events affecting the crypto-asset sector showed the high risks associated with these activities, such as to require particular attention by the auditors, considering the potential professional and legal responsibilities that arise from the acceptance and the continuance of engagements related to companies operating in this sector.

On these grounds, audit firms and statutory auditors are invited to perform, in compliance with the requirements of the standard on internal quality control (ISQC Italia 1), an appropriate risk assessment before accepting an engagement with a new client and when deciding whether to continue an existing audit engagement, or other assurance engagements and related services, relating to companies - including their subsidiaries and parent companies - that manage exchange platforms and/or perform activities concerning issuance, brokerage, lending or deposit of crypto-assets and/or provide other services in this sector.

Although Consob audit oversight scope does not directly include assurance engagements, performed by auditors on a voluntary basis in order to evaluate the level of reliability of information provided by companies operating in crypto-asset sector at a certain date, this statement regards this type of assurance engagements also, given that - considering their more limited scope as compared to the statutory audits of financial statements subject to specific regulatory and technical requirements - they can expose auditors to higher risks of audit failure, with consequent impacts from a reputational point of view.

The peculiarities of the crypto-asset sector, with its limits in terms of regulation and disclosure, the interconnections between the different actors operating in the sector, as well as the effects deriving from the default events of major crypto-asset players require audit firms and statutory auditors to increase professional skepticism to the highest level.

In addition, given the high money laundering risk associated with activities and services involving crypto-assets, audit firms and statutory auditors should pay particular attention to the assessment of the money laundering risk which is inherent to audit, assurance and related services engagements with clients operating in this sector.

In case of high money laundering risk, audit firms and statutory auditors must apply enhanced due diligence measures, performing, both at the time of the engagement acceptance and during the provision of services, more in-depth, accurate and/or frequent controls, including accounting tests, in order to detect any suspicious money laundering activities.

**IL PRESIDENTE**  
*Paolo Savona*