

MEMORANDUM TO LAWYERS

**with regard to
the joint policy statement
on the preparation and audit
of financial statements of
the Canadian Institute of Chartered Accountants
and the Canadian Bar Association**

The auditor's report on financial statements is a statutory requirement for many corporations and is a keystone of business accounting. In reporting on financial statements an auditor is required to obtain sufficient audit evidence to provide a reasonable basis for his opinion on the client's statements. The auditing procedures to be followed in obtaining this evidence are set out in the Handbook published by the C.I.C.A. and include communicating with the client's lawyer who is regarded as uniquely qualified to comment on claims and possible claims which might affect the statement. The relevant section of the Handbook, number 6560, is included in this brochure and should be studied by all lawyers who are in receipt of communications from auditors in the foregoing regard.

With a view to clarifying the positions of the lawyer and the auditor with respect to the client's financial statements the C.B.A. and the Auditing Standards Committee of the C.I.C.A. have collaborated in the formulation of the Joint Policy Statement which is published in this brochure. The Statement is the result of efforts by both professional groups to determine what each can properly expect of the other in connection with the audit enquiry process. Agreement has been reached on a formula which eliminates the unacceptable demands and responses which have characterized audit enquiry procedures in the past. Approval of the Joint Policy Statement by the C.B.A. constitutes recognition by the legal profession of the legitimacy of the auditor's enquiry and approval on behalf of the accounting profession acknowledges that certain types of requests cannot reasonably be made.

The Joint Policy Statement has been prepared with two major considerations of great significance to the legal profession in mind, namely:

1. as far as possible, confidentiality of solicitor-client communications and the client's privilege of secrecy must be protected; and
2. the lawyer should not become involved in a joint undertaking with the auditor in the preparation and certification of the client's financial statements.

The lawyer's position is, however, necessarily affected by the legal obligation that rests on the client to prepare accurate financial information and the legal and professional obligation of the auditor to verify and report upon such information. In the latter regard, it has been made clear by the Auditing Standards Committee of the C.I.C.A. that

anything less than what is required by the Joint Policy Statement in the lawyer's response to the audit enquiry may result in a qualified audit report. This could be prejudicial to the client.

It is contemplated by the C.I.C.A. and the C.B.A. that the procedures laid down in the Joint Policy Statement will be followed as a matter of course in communications between Canadian auditors and lawyers. Audit letters from auditors in other countries may continue to be sent to Canadian lawyers in accordance with the practices followed in the country where the auditor carries on practice. Such letters will have to be dealt with on an ad hoc basis. In the unusual case where a Canadian auditor feels constrained to ask for a lawyer's letter different from that prescribed in the Joint Policy Statement the matter will have to be resolved between the lawyer and the auditor.

Attention is drawn to the following particular features of the Joint Policy procedure:

1. The lawyer's response is determined by what is found in his records. There is no direction as to how such records are to be kept or what information is to be found in them.

2. The distinction between a "claim" and a "possible claim" is important. A claim as defined is considered to have a degree of objective visibility which should relieve the lawyer from the requirement of confidentiality otherwise affecting the client's affairs.

3. It is not mandatory that a lawyer respond in accordance with the scheduled form to an enquiry letter identified as having been sent under the terms of the Joint Policy Statement. The C.B.A. does, however, recommend to its members that they should do so.

4. Where the lawyer does adopt the procedure laid down in the Joint Policy Statement, he obliges himself:

- (a) to draw attention to claims of which he has a record even though not mentioned in the enquiry letter; and
- (b) to participate in a conference with the client and the auditor where the circumstances require.

The Joint Policy Statement may require modification from time to time as a result of experience gained in its use. Accordingly, lawyers are encouraged to direct comments, suggestions and criticisms to the Special Committee on Audit Enquiry & Response in care of the Canadian Bar Association, 130 Albert Street, Suite 1700, Ottawa, Ontario, K1A 0L6.

**Legal Members
of the Special Committee on
Audit Enquiry & Response**

Jack T. Edwards	Vancouver
Ivan R. Feltham	Toronto
William Hesler	Montreal
Stuart Thom	Toronto

SPECIFIC ITEMS

SECTION 6560

communications with law firms regarding claims and possible claims

INTRODUCTION

- .01 This Section discusses the appropriate method of communication with a law firm in connection with claims and possible claims as part of the auditor's examination of financial statements. Appended to this Section is a Joint Policy Statement, which has been approved by The Canadian Bar Association ⁱ¹ and by the Auditing Standards Committee, adherence to which will facilitate such communication. Terms defined in the Joint Policy Statement have the same meaning within this Section.
- .02 As explained in the Joint Policy Statement, it does not, and hence this Section does not, deal with matters such as:
- (a) legal opinions sought by the auditor;
 - (b) audit enquiries which may be made of a lawyer who is an employee of the client (such enquiries may request that the lawyer list and evaluate claims and possible claims); and
 - (c) audit enquiries of law firms in respect of matters other than claims and possible claims.
- Enquiries requesting information on matters such as trust funds, unpaid accounts or unbilled charges will require a separate communication.
- The auditor may be able to identify contracts, agreements, etc., which provide information concerning such matters as commitments, contractual obligations and guarantees, by reviewing legal bills for the period under audit and by other procedures. As a consequence the auditor may wish to enquire of the law firm as to legal services which have not yet been billed.
- .03 Examination standard (iii) (see **GENERALLY ACCEPTED AUDITING STANDARDS**, Section 5100) requires the auditor to obtain sufficient appropriate audit evidence to afford a reasonable basis to support the content of his report. Accordingly, with respect to claims and possible claims, the auditor seeks audit evidence:
- (a) that all such items, whether favourable or unfavourable, have been identified; and
 - (b) as to the likelihood of loss (or gain) and the estimated amount thereof.

ⁱ¹. and by the Council of the Bermuda Bar Association.

- .04 In addition to communicating with the law firm, auditing procedures to obtain the audit evidence referred to in paragraph 6560.03 may include:
- (a) reviewing the prior year's audit files;
 - (b) examining the client's legal correspondence files;
 - (c) analyzing amounts recorded as legal expenses;
 - (d) reading minutes of meetings of shareholders, directors and appropriate committees thereof;
 - (e) reading contracts, agreements, leases and related correspondence and documents;
 - (f) enquiring of banks concerning guarantees;
 - (g) reviewing the status of tax assessments;
 - (h) confirming the existence of, and conditions attaching to, long-term debt;
 - (i) obtaining a representation from the client, dated on or after the date of the auditor's report, that he has disclosed to the auditor all claims and possible claims.

ENQUIRY LETTER

- .05 Discussions with the client and performance of the auditing procedures outlined in paragraph 6560.04 assist the auditor in identifying the law firms consulted by the client. Such law firms are well-qualified to provide information concerning claims and possible claims and to comment on the likelihood and amount of possible loss (or gain) arising therefrom.
- .06 If the auditor decides that the enquiry letter need not list and the law firm need not respond in respect of routine matters of an identified type or matters immaterial in the aggregate, he would be guided by paragraph 12 of the Joint Policy Statement. In specifying a materiality limit, however, the auditor should recognize that a claim, immaterial in itself, may provide an indication of the probable assertion of further like claims, such as a claim by a customer in respect of a product defect which may be widespread.
- .07 ♦ *An enquiry letter, prepared by the client, should be sent ⁱⁱ2 by the auditor to each law firm ⁱⁱⁱ3 identified as handling claims which are outstanding or possible claims, unless the auditor is satisfied that such matters are:*
- (a) *routine matters of an identified type; or*
 - (b) *immaterial in the aggregate.*

The auditor may wish to send an enquiry letter to a law firm not identified as currently handling claims or possible claims, for example, to confirm their

ⁱⁱ2. As indicated in the Joint Policy Statement, the enquiry letter would normally be sent to the law firm at least three weeks in advance of the requested effective date of response.

ⁱⁱⁱ3. As indicated in the Joint Policy Statement, the term "law firm" includes an individual practising alone.

resolution during the period under examination or to confirm that there are no claims which are outstanding. [MAR. 1978]

- .08 ♦ *The enquiry letter should request information concerning (i) claims which are outstanding and possible claims and (ii) the client's evaluation of their outcome.* The enquiry letter would normally:
- (a) list all entities to which the enquiry related;
 - (b) request that the law firm respond as of a specific date; ^{iv4}
 - (c) list outstanding claims and possible claims on which the law firm has represented or advised the client;
 - (d) describe the nature and current status of each claim and possible claim;
 - (e) indicate the client's evaluation ^{v5} of the likelihood of loss (or gain) and the estimated amount thereof for each claim and possible claim;
 - (f) request that the law firm:
 - (1) address a reply to the client advising
 - (i) whether the claims and possible claims are properly described;
 - (ii) whether the client's evaluations are reasonable; and
 - (iii) the names of the parties and the amount claimed in respect of any claim which is omitted from the enquiry letter; and
 - (2) send a signed copy of the response letter directly to the auditor; and
 - (g) state that the enquiry letter is submitted in accordance with the Joint Policy Statement.

Alternative forms of enquiry letters are illustrated in Schedule A to the Joint Policy Statement. ^{vi6} [MAR. 1978]

RESPONSE LETTER

- .09 Alternative forms of response to the enquiry letter are illustrated in Schedule B to the Joint Policy Statement. Significant departures from the suggested form could indicate that the response letter is restricted in some manner.
- .10 ♦ *The auditor should review the response letter and if it appears that it is restricted in any fashion not contemplated by the Joint Policy Statement and the auditor is unable to have the restriction removed, he should consider whether this constitutes a limitation in the scope of his examination and thereby affects the*

^{iv4}. Normally the requested effective date of response will be the anticipated date of the auditor's report.

^{v5}. The client's evaluation of the likelihood of loss or gain would preferably be made in the terms outlined in paragraph 16 of the Joint Policy Statement.

^{vi6}. When the law firm is located in another country the form of enquiry may have to be modified. However, the auditor needs to consider whether the response letter together with any supplementary auditing procedures provide him with sufficient appropriate audit evidence as to claims and possible claims.

- content of his report.* [MAR. 1978]
- .11 ♦ *If the law firm identifies a claim that has been omitted from the enquiry letter, the auditor should obtain the client's evaluation of it and the law firm's confirmation as to the reasonableness of the evaluation unless the claim falls within the exemptions described in paragraph 6560.07.* [MAR. 1978]
- .12 When the law firm disagrees with the client's original evaluation of a particular matter, the Joint Policy Statement indicates that the law firm will request that the client arrange a conference for the client, law firm and auditor to discuss the matter.
- .13 ♦ *If, at a conference to discuss the law firm's disagreement with the client's evaluation, the disagreement is resolved, the auditor should request that the law firm confirm in writing to him the reasonableness of the agreed evaluation.* If the disagreement is not resolved, it is desirable that the auditor prepare a memorandum of the discussion and obtain written confirmation from the client and the law firm that it is an accurate record of the discussion. [MAR. 1978]
- .14 ♦ *When the client and the law firm fail to agree on an evaluation, the auditor should consider the effect of such disagreement on the content of his report.* [MAR. 1978]
- .15 The Joint Policy Statement indicates that the response letter must not be quoted from or referred to without the consent of the law firm. It is desirable that the auditor advise his client to have the law firm review the wording of any note to the financial statements regarding claims or possible claims on which the law firm has been consulted.

RELATED PROCEDURES

- .16 New matters may be referred to the law firm subsequent to the date of the enquiry letter.
- .17 ♦ *The auditor should enquire of the client as to new matters referred to the law firm subsequent to the date of the enquiry letter. If any such matter constitutes a claim or possible claim, the auditor should request that the client prepare a further enquiry letter to the law firm with respect to the matter, unless it falls within the exemptions described in paragraph 6560.07.* [MAR. 1978]
- .18 Contingent liabilities may arise from "possible claims", which are defined in the Joint Policy Statement. As indicated therein, the law firm's response letter need not mention possible claims which are omitted from the enquiry letter but the law firm is required to discuss such matters with the client with a view to ensuring that the client has considered his responsibility to make any appropriate adjustment of, or disclosure in, the financial statements.
- .19 ♦ *The auditor should obtain a written representation from the client that he has disclosed to the auditor all claims which are outstanding and possible claims, whether or not discussed with the law firm.* [MAR. 1978]

CLAIMS HANDLED BY AN INSURANCE COMPANY

- .20 If the auditor is aware that a claim is being handled by an insurance company, he would consider making an enquiry of the insurance company as, although a claim may appear to be insured, the client could be liable for an amount which materially affects the financial statements through:
- (a) the claim being subject to a deductibility clause of material amount;
 - (b) the claim exceeding the policy limit; or
 - (c) the loss not being covered by the insurance.

If the client has consulted a law firm in connection with a claim which is in the hands of insurers, it may be appropriate to send an enquiry letter to the law firm in which case the insured status of the claim would be appropriately described.

ADDENDUM

- .21 There are some wording differences between the Auditing Recommendations in DATE OF THE AUDITOR'S REPORT, Section 5405 (issued April 1984) and paragraphs 6 and 8 of the JOINT POLICY STATEMENT CONCERNING COMMUNICATIONS WITH LAW FIRMS, Section 6560A (issued February 1978); for example, Section 5405 uses the term "substantial completion of examination" whereas the Joint Policy Statement uses the term "completion of field work".
- .22 The Auditing Standards Committee believes that the Joint Policy Statement does not differ in any substantive way from the material in Section 5405 and, therefore, does not intend to propose to the Canadian Bar Association that the Joint Policy Statement be amended at this time.

Joint Policy Statement Concerning Communications with Law Firms Regarding Claims and Possible Claims in Connection with the Preparation and Audit of Financial Statements

This Joint Policy Statement of January 1978 has been approved by The Canadian Bar Association ¹ and by the Auditing Standards Committee of The Canadian Institute of Chartered Accountants [currently the Auditing and Assurance Standards Board].

Application and Definitions

1. For purposes of this Statement:
 - (a) "law firm" includes an individual practicing alone;
 - (b) "auditor" means an individual unless he is a partner or member of a firm in which case it means his firm, where the context requires;
 - (c) "claim" means a matter involving the client which is or may become litigious with respect to which (i) the law firm has been engaged to represent or advise the client and (ii) a demand or indication of demand has been communicated to or by the client, carrying with it the possibility of future loss or gain; accordingly, claims include those against third parties as well as those by third parties;
 - (d) "possible claim" means a matter involving the client which is or may become litigious with respect to which the law firm has been engaged to represent or advise the client but a demand or indication of demand has not been communicated to or by the client;
 - (e) "records" means the method or system used by the law firm to record services given to the client and may, but shall not necessarily, consist of claims registers, time-charge records or docket entries.
2. When a request from a client to a law firm for confirmation of claims and possible claims in connection with the preparation and audit of financial statements (the "inquiry letter") and the law firm's letter of response (the "response letter") are stated to be made in accordance with this Statement, they are deemed to be governed by and interpreted in accordance with this Statement as if it were part of both letters.
3. This Statement does not apply to:
 - (a) legal opinions sought by the auditor;
 - (b) audit inquiries which may be made of a lawyer who is an employee of the client or of a lawyer in his capacity as a director of the client; and
 - (c) audit inquiries which may be made of law firms in respect of such items as trust funds, unpaid accounts, unbilled charges and contractual obligations and commitments of the client.

Form of Inquiry Letter and Response Letter

4. The inquiry letter shall be substantially in the appropriate version of the forms illustrated in Schedule A and be signed by the client. The response letter shall be substantially in the appropriate version of the forms illustrated in Schedule B and be signed by a partner of, or in the name of, the law firm. The law firm is not expected to respond to a general inquiry.

Routing the Inquiry Letter and the Response Letter

5. The inquiry letter shall be addressed to the law firm. The response letter, marked "Privileged and Confidential", shall be addressed to the client with a separate signed copy sent directly to the auditor.

Timing of Inquiry Letter and Response Letter

6. Although the inquiry letter relates to financial statements for a particular fiscal period, the client, in preparing the financial statements, and the auditor, in reporting on them, have to consider events which occur up to the date the financial statements are finalized, which would generally coincide with the date of completion of the auditors' field work. The inquiry letter will therefore specify the date as of which the response letter will take effect ("the effective date of response") which will normally be the date on which the auditor's field work will be completed. The inquiry letter should be sent to the law firm at least three weeks in advance of the effective date of response.
7. The response letter should take into consideration developments up to the effective date of response. In most instances, the normal time-lag in keeping the law firm's records, together with the time required to prepare the response letter, will result in the response letter not being available until some time after the effective date of response. Accordingly, the law firm will require a reasonable time after the effective date to prepare the response letter.
8. As there is usually a lapse of about two weeks between the completion of the auditor's field work and the release of his report, the receipt of the response letter within two weeks after the effective date specified in the inquiry letter will normally be satisfactory. Where, however, a response letter will not be available within two weeks from the specified effective date, the law firm should advise the client of the date when it will be available. The client and the auditor will then consider whether the prospective date of release of the audit report which this entails is acceptable. If it is not, the client, the law firm and the auditor should have a discussion to determine a mutually-agreeable solution to the timing problem.
9. Where circumstances require, a further written inquiry may be sent to the law firm for the purpose of updating all or part of the original response letter.

Preparation of the Inquiry Letter

10. The responsibility rests with the client to list in the inquiry letter the claims and possible claims. However, particularly in smaller enterprises, the client may wish to discuss the description and evaluation of these matters with the law firm prior to preparing the inquiry letter.
11. The inquiry letter may relate to other entities which are also clients of the law firm (where, for example, the client is preparing consolidated financial statements) in which case every entity to which the inquiry relates shall be named therein and the inquiry letter shall be signed on behalf of each listed entity.
12. The inquiry letter may be limited by stating that it excludes:
 - (a) matters of an identified type (for example, collections);
 - (b) matters involving amounts that aggregate less than a stated dollar amount.

Claims Omitted from the Inquiry Letter

13. The law firm shall specify in the response letter any claim identified in its records which is outstanding and which is omitted from the inquiry letter.

Possible Claims Omitted from the Inquiry Letter

14. It is in the public interest that the confidentiality of lawyer-client communications be maintained. Accordingly, the law firm will not indicate in the response letter any possible claims which are omitted from the inquiry letter.

15. It is also in the public interest that the financial statements contain all adjustments and disclosures required for fair presentation in accordance with generally accepted accounting principles. Accordingly, the law firm will discuss with the client possible claims identified in the law firm's records but omitted from the inquiry letter with a view to ensuring that the client is informed of his responsibility to inform the auditor and to make any appropriate adjustment of, or disclosure in, the financial statements.

Evaluations

16. In order to make decisions required in the preparation of its financial statements the client evaluates:
 - (a) whether loss (or gain) ultimately resulting from each particular claim and possible claim is likely, unlikely or not determinable; and
 - (b) the amount of ultimate loss (or gain) if reasonably estimable.
17. When a law firm confirms the reasonableness of evaluations made by the client, it is not expressing a conclusion as to the ultimate outcome, but is providing the benefit of its professional insight based on considerations which in its experience are generally relevant to the litigation and settlement of claims and which may be helpful to the client in arriving at a decision on the appropriate financial statement treatment and to the auditor in his consideration of that decision.
18. The amounts which are recorded or the information which is disclosed in the client's financial statements are not attributable to the law firm but reflect the decisions reached by the client by reference to generally accepted accounting principles, taking into account all relevant information including the comments of the law firm.
19. One of the factors which a law firm is expected to consider in determining whether it can confirm the reasonableness of the client's evaluations is the extent of its own knowledge of the matter. While there are instances where the law firm will be unable to assess the likelihood of loss (or gain) or make a reasonable estimate of the ultimate amount thereof, it is in the client's interest that the law firm make a reasonable effort to do so.
20. While another factor considered by the law firm in reviewing the estimated amount of ultimate loss (or gain) is the probable legal costs of the claim, no separate mention need be made in the response of a normal accumulation of unbilled fees and disbursements.
21. When the law firm disagrees with the client's evaluation, the response letter should not include an evaluation but should request that the client arrange a conference (which may be by telephone) at which the client, the law firm and the auditor will discuss the matter. The law firm should endeavour to bring such a disagreement to the client's attention as soon as possible as the financial statements or auditor's report may be affected thereby. If the client and the law firm agree on an evaluation at the conference, the law firm will be in a position to confirm this in writing to the auditor. If the client and the law firm still disagree on an evaluation following the conference, the auditor will usually prepare a memorandum of the discussion and request the client and the law firm to confirm its accuracy.

Confidentiality

22. Every lawyer has a duty to hold in strict confidence all information acquired in the course of the professional relationship concerning the business and affairs of a client and may not divulge any such information unless expressly or impliedly authorized by the client or required by law to do so. The client has the privilege of denying third parties access to communications between the client and the client's law firm. The response letter is a

privileged and confidential communication requested by the client and given to the client and the client's auditor in connection with the preparation and audit of the financial statements.

23. The auditor's professional responsibility not to divulge information concerning a client's affairs without the client's consent applies to the response letter. It must not be quoted from or referred to in the financial statements or be furnished in whole or in part to any other party without prior written consent of the law firm. The law firm should be prepared to review the proposed wording of any note to the financial statements regarding claims and possible claims on which it has been consulted.

Schedule A

(Inquiry Letter) ⁱⁱ1

Version 1 — when there are claims or possible claims to be listed

(On client letterhead)

(To law firm)

(Date)

Dear Sir(s):

In connection with the preparation and audit of our financial statements for the fiscal period ended (date), (which include the accounts of the following entities), ⁱⁱⁱ2 we have made the following evaluations of claims and possible claims with respect to which your firm's advice or representation has been sought:

Description	Evaluation
(name of entity, name of other party, nature, amount claimed and current status)	(indicate likelihood of loss (or gain) and estimated amount of ultimate loss (or gain), if any; or indicate that likelihood is not determinable or amount is not reasonably estimable)

Would you please advise us, as of (effective date of response), on the following points:

- (a) Are the claims and possible claims properly described?
- (b) Do you consider that our evaluations are reasonable?
- (c) Are you aware of any claims not listed above which are outstanding? If so, please include in your response letter the names of the parties and the amount claimed.

This inquiry is made in accordance with the Joint Policy Statement of January 1978 approved by The Canadian Bar Association and the Auditing Standards Committee of The Canadian Institute of Chartered Accountants.

Please address your reply, marked "Privileged and Confidential", to this company and send a signed copy of the reply directly to our auditor, (name and address of auditor).

Yours truly,

c.c. (name of auditor)

(Inquiry Letter) ^{iv}1

Version 2 — when there are no claims or possible claims to be listed

(On client letterhead)

(To law firm)

(Date)

Dear Sir(s):

In connection with the preparation and audit of our financial statements for the fiscal period ended (date), (which include the accounts of the following entities), ^v2 we have determined that there are no claims or possible claims with respect to which your firm's advice or representation has been sought and which are outstanding.

Please confirm that there are no claims which are outstanding as of (effective date of response). If you are aware of any such claims, please include in your response letter the names of the parties and the amount claimed.

This inquiry is made in accordance with the Joint Policy Statement of January 1978 approved by The Canadian Bar Association and the Auditing Standards Committee of The Canadian Institute of Chartered Accountants.

Please address your reply, marked "Privileged and Confidential", to this company and send a signed copy of the reply directly to our auditor, (name and address of auditor).

Yours truly,

c.c. (name of auditor)

Schedule B

(Response Letter)

Version 1 — responding to Inquiry Letter Version 1

Privileged and Confidential

(To client)

(Date)

Dear Sir(s):

This reply to your inquiry letter of (date) is made in accordance with the Joint Policy Statement referred to in that letter.

We confirm, based on an examination of our records, that as of (effective date of response) the claims and possible claims referred to in your letter:

- (a) have been properly described (except for the following: ^{vi}1)
- (b) have been reasonably evaluated (except for the following with respect to which we request that you arrange a conference at which our (identify individual) will discuss the matter with you and your auditor: ^{vii}1)
- (c) include all claims which are outstanding (except for the following:
Parties Amount Claimed ^{viii}1)

This letter should not be quoted from or referred to in your financial statements or in dealings with third parties without our prior written consent.

Yours truly,

c.c. (Signed copy to auditor)

(Response Letter)

Version 2 — responding to Inquiry Letter Version 2

Privileged and Confidential

(To client)

(Date)

Dear Sir(s):

This reply to your inquiry letter of (date) is made in accordance with the Joint Policy Statement referred to in that letter.

We confirm, based on an examination of our records, that as of (effective date of response) there are no claims which are outstanding.^{ix} 1

This letter should not be quoted from or referred to in your financial statements or in dealings with third parties without our prior written consent.

Yours truly,

c.c. (Signed copy to auditor)

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- i 1. and by the Council of the Bermuda Bar Association.
- ii 1. The letter should be appropriately modified if the client advises that certain matters have been excluded in accordance with paragraph 12 of the Joint Policy Statement.
- iii 2. Delete if inapplicable. If applicable, refer to paragraph 11 re signing of the inquiry letter.
- iv 1. The letter should be appropriately modified if the client advises that certain matters have been excluded in accordance with paragraph 12 of the Joint Policy Statement.
- v 2. Delete if inapplicable. If applicable, refer to paragraph 11 re signing of the inquiry letter.
- vi 1. Delete if inapplicable.
- vii 1. Delete if inapplicable.
- viii 1. Delete if inapplicable.
- ix 1. Delete if inapplicable and substitute the following:
We have identified in our records the following claim(s) which is (are) outstanding as of (effective date of response):
Parties Amount Claimed