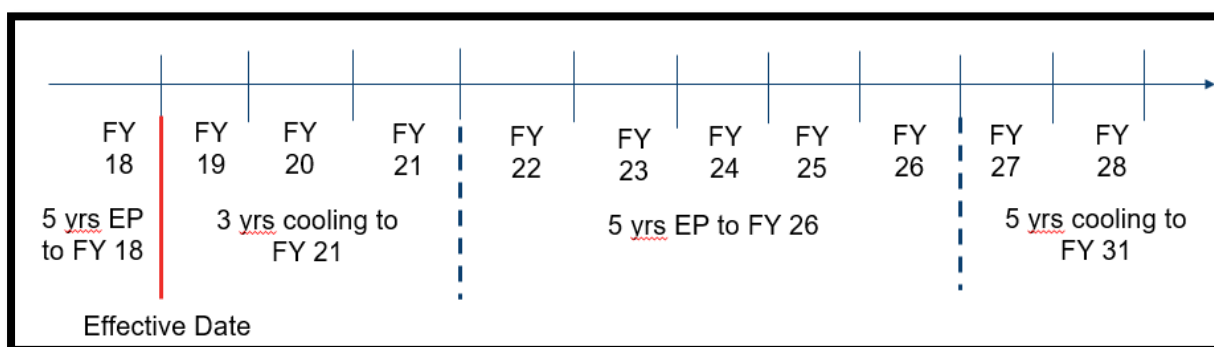


The listed entity illustrated in the scenarios below has a 31 December financial year (FY) end.

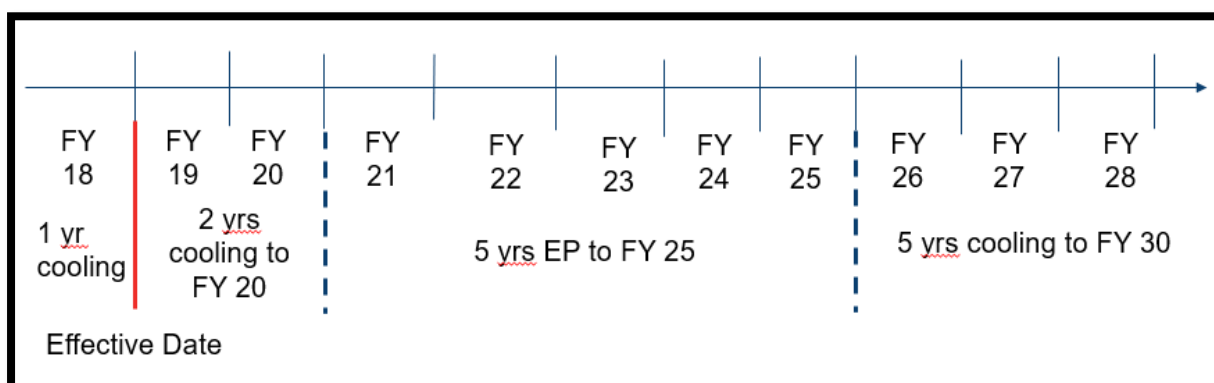
**Scenario 1: EP has served for 5 years after completing FY 2018 audit.**

The EP will start cooling-off from FY 2019 for 3 consecutive years under the transitional provision. Thereafter, the EP can come back to the engagement for a new 5-year term from FY 2022.



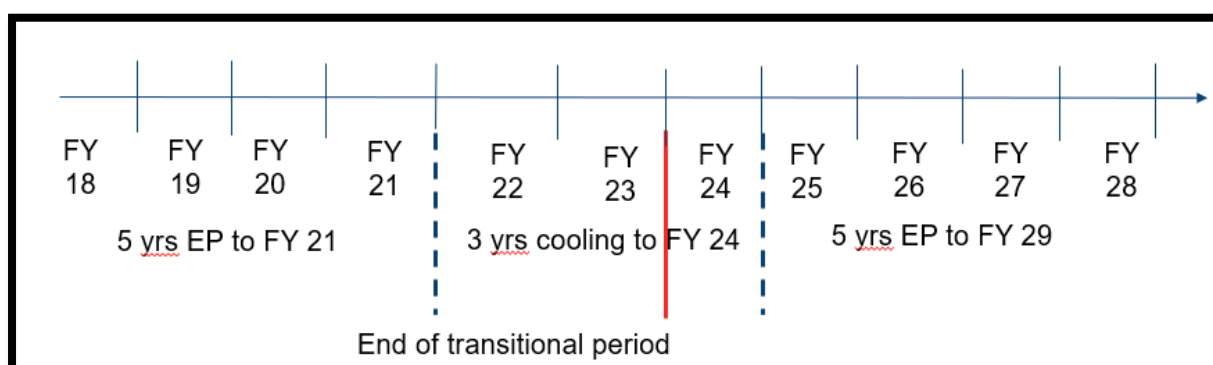
**Scenario 2: EP started to cool-off from FY 2018 after serving as EP for 5 years by the FY 2017 audit.**

The EP should continue to cool-off for FY 2019 and FY 2020 to reach the cumulative 3 years cooling-off period under the transitional provision before returning to the audit engagement for a new 5-year term from FY 2021.



**Scenario 3: EP starts to cool-off from FY 2022 after serving as EP for 5 years by the FY 2021 audit.**

The EP will complete 2 years of cooling-off by FY 2023, which is the last financial year for which the transitional provision applies. The length of the cooling-off period depends on when it begins under the revised long association provisions. In this case, the cooling-off period begins during the transitional period, hence the cooling-off period is 3 years. Hence, the EP needs to cool-off for an additional year (i.e. FY 2024) to reach the 3 consecutive years of cooling-off before coming back to the engagement for a new 5-year term from FY 2025.



**Scenario 4: EP serves for 5 years after completing FY 2023 audit.**

The transitional provision will not be applicable, and the EP will need to cool-off for 5 consecutive years from FY 2024 before he can return as the EP for a new 5-year term from FY 2029.

