

[Company Letterhead]

[Date]

[Auditor Name/Firm Name]

[Address]

[City, State, Zip Code]

Subject: Management Representation Regarding Intercompany Balances and Related Party Disclosures

Dear [Auditor Name],

This representation letter is provided in connection with your audit of the financial statements of [Company Name] for the period ended [Date]. We confirm, to the best of our knowledge and belief, the following representations concerning intercompany balances and related party disclosures:

1. Identification of Related Parties

We have disclosed to you the identity of all the company's related parties and all the related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.

2. Intercompany Balances

All intercompany balances, including accounts receivable, accounts payable, and loan accounts, have been properly recorded in the general ledger. All such balances have been reconciled with the respective affiliate entities, and any discrepancies have been investigated and adjusted accordingly.

3. Terms and Conditions

All intercompany transactions were conducted under terms approved by management. We have disclosed whether these transactions were conducted on an arm's length basis or under specific preferential terms.

4. Collectability

Management believes that all intercompany receivables are fully collectable, or where necessary, appropriate provisions for impairment have been recorded in the financial statements.

5. Eliminating Entries

For the purposes of consolidated financial statements, we have identified all intercompany profits, losses, and balances that require elimination to ensure the accuracy of the consolidated report.

6. Disclosures

The financial statements include all necessary disclosures regarding related party transactions

and balances required by [Accounting Framework, e.g., IFRS/GAAP]. This includes the nature of the relationships, the volume of transactions, and the outstanding balances.

7. No Undisclosed Side Agreements

There are no side agreements, written or oral, with related parties or affiliates that have not been disclosed to you or reflected in the financial records.

Sincerely,

[Signature]

[Name of Chief Financial Officer/Manager]

[Title]

[Signature]

[Name of Chief Executive Officer/Director]

[Title]