

AUP Reports for Lenders in Cross-Border Financing

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By the Guillen Pujol CPA Group Editorial Team

Executive Summary

- **Context:** When a company with international operations seeks to renew, refinance, or maintain a credit line, the lender may request specific evidence on financial covenants, metrics, schedules, or reconciliations.
- **Why it matters in cross-border structures:** financial information can come from several entities, currencies, accounting systems, and jurisdictions. That dispersion calls for documentation that is traceable, comparable, and clear for third parties.
- **What an AUP report provides:** an agreed-upon procedures report allows a CPA to perform agreed-upon procedures and report factual findings on selected information. It does not issue an opinion or replace an audit.
- **What the company should prepare before the engagement:** clarify what the lender needs to review, gather the loan agreement, identify the applicable covenants, prepare the financial schedules, and organize the reconciliations and data sources.

In an international financing transaction, the lender's review is driven by the specific financial information required under the loan agreement: metrics, covenants, reconciliations, or financial schedules within a structure spread across several countries, currencies, legal entities, and reporting systems.

The request can arise during a credit renewal, a refinancing, a waiver request, or a periodic covenant review. In those scenarios, the lender may need factual findings on concrete items: financial covenants, debt coverage ratios, EBITDA calculations, borrowing base certificates, intercompany balances, or cross-border financial schedules.

An agreed-upon procedures report can be an appropriate instrument for that context. Unlike a full audit, an AUP applies agreed-upon procedures and reports factual findings on selected information: its scope is precise, the evidence is traceable, and the report is directly usable by the lender that requested it.

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Why a Lender May Request an AUP Report to Review Covenants

A lender may request an AUP report when it needs specific evidence related to selected provisions of the loan agreement, [but not a full audit of the company](#).

A typical case: a company has received a waiver for a prior covenant breach. The lender can then request agreed-upon procedures in a later period to monitor key metrics and reduce its credit risk exposure.

The same instrument serves during a refinancing, a credit line renewal, an increase in the credit facility, the monitoring of a borrowing base, or a periodic financial compliance review.

In all these cases, what the lender needs to know is what the data shows about a specific covenant, a reconciliation, a calculation, or a particular financial schedule.

Read more: [IRS Audit Triggers in 2026: How AI is Transforming Enforcement and What to Do to Prepare](#)

What an Agreed-Upon Procedures Report Does—and Doesn't Do

An AUP report is an attestation engagement performed under the AICPA professional standards applicable to agreed-upon procedures engagements, [including SSAE No. 19](#).

In this type of engagement, the CPA performs agreed-upon procedures on selected information. The CPA then reports the factual findings, detailing which procedure was performed, what information it was applied to, and what factual findings were observed.

An AUP report has concrete limits worth understanding before requesting it. Its function is to report factual findings; it does not issue a professional opinion, does not provide the assurance of an audit, and does not certify the company's overall compliance.

Cross-Border Complexity: Tax, Currency, and Financing in a Single Review

When a company operates across multiple jurisdictions, reviewing a loan covenant becomes more complex because it involves information distributed across multiple entities, currencies, and reporting systems.

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Technical elements add another layer to that dispersion of sources and affect how financial metrics are interpreted: currency translation, [transfer pricing](#), withholding taxes, [cash repatriation](#), and differences between local and consolidated reporting.

An international structure can be impeccably designed from a tax standpoint and still lack something: organized, traceable documentation that can be presented to a lender evaluating a specific metric.

This is where international tax advisory and the AUP converge. Both disciplines work on the same data—the international structure, the financial flows, and the documentary obligations toward the lender—from different angles but with the same goal: ensuring that the company's position before the lender is coherent, documented, and sustainable.

How a Borrower Should Prepare for an AUP Engagement

The efficiency of an AUP depends largely on two factors: the clarity of the lender's request and the organization of the borrower's documentation.

Before starting the engagement, the company should organize the key documents related to financing, the covenants, and the metrics to be reviewed. Among the most relevant supporting documents are:

Credit Documents

- An up-to-date copy of the loan agreement.
- Technical definitions of the applicable financial covenants.
- Written instructions from the lender.
- The reporting package prepared for the lender.

Financial Information

- Trial balances.
- ERP system exports.
- Financial statements of the relevant entity or group.
- Bank statements.
- Financial schedules specific to the engagement.

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Cross-border Supporting Documents

- Reconciliations tied to the credit requirement.
- Schedules or reports from international subsidiaries.
- Active intercompany agreements.
- Support for the exchange rates used.
- Up-to-date ownership structure.

Finally, it is worth defining from the outset the intended users and intended use of the report: these conditions determine who can access the AUP report, for what purposes, and must be defined before the report is issued.

The clearer the lender's question, the more useful the design of the procedures will be. An AUP engagement works best when the scope, the criteria, the data sources, and the intended users are clear from the start.

AUP Reports for Lenders: Key Questions Before Starting the Engagement

What Is the Main Purpose of an Agreed-Upon Procedures Engagement?

To report factual findings derived from agreed-upon procedures applied to selected information. An AUP report does not express an audit opinion or offer a general conclusion.

Can a Lender Request an AUP Report to Review a Single Loan Covenant?

Yes. An AUP can be designed around a covenant, a calculation, a reconciliation, a financial schedule, or a specific data point, according to the lender's request and the agreed-upon procedures.

Who Defines the Procedures in an AUP Engagement?

The engaging party and the CPA agree on the procedures. Depending on the loan agreement, the report's intended use, and the information the lender needs the CPA to review, the lender may help shape the request.

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Can an AUP Report Be Shared with the Lender?

Yes, as long as the lender is included among the intended users or the intended use permits it. That is why it's best to define these conditions before issuing the report.

Read more: [The Benefits of Outsourced Bookkeeping: Why Partnering with a CPA Firm Will Promote Business Success](#)

Do You Need to Respond to an AUP Request from Your Lender?

In international operations, documentary clarity is critical for lenders and other interested parties that need to evaluate financial information in complex contexts. Many companies have financial statements, internal reports, and tax documentation, but do not always have the specific evidence a lender needs to review organized and ready.

At [Guillen Pujol CPA Group](#), we assist companies with cross-border operations in preparing financial, tax, and operational documentation to respond to third-party requests.

Our related services include:

- [Agreed-Upon Procedures \(AUP\)](#): scope definition, criteria, procedures, data sources, intended users, and intended use to report factual findings on selected information.
- [International Tax Consulting](#): analysis of international structures, cash flows, transfer pricing, treaty planning, withholding, and documentation prepared for third-party review.
- [International Tax Compliance](#): coordination of reports, multi-jurisdictional obligations, intercompany documentation, and compliance calendars.
- [Cross-Border Transaction Support](#): assistance in organizing financial and tax information for lenders, investors, buyers, advisors, and other stakeholders.

If your company needs to respond to an AUP request from a lender, the next step is an evaluation session with our senior team. We review the context of the request, the loan agreement, the applicable covenants, the available data sources, and the documentation needed to define the scope of a proposal tailored to the case.

The session is exploratory. It allows us to understand the request before preparing a technical proposal.

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[\[Request your evaluation session\]](#)

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Editor's Note: This post is part of the '[GPCPAs Info Hub](#),' an initiative dedicated to empowering you with the knowledge and strategies needed to navigate the complexities of the U.S. tax system and financial decision-making. Visit our [Information Hub](#), a curated resource offering the latest in tax, economic, and business news, alongside actionable guidance on tax strategies, accounting, and business advisory—because Planning Tomorrow starts [here](#).

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