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2009 - 2014

Committee on Legal Affairs

2011/0389(COD)

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AMENDMENTS

26 - 173

Draft report
Sajjad Karim
(PE494.556v02-00)

Amendment of Directive 2006/43/EC on statutory audits of annual accounts
and consolidated accounts

Proposal for a directive
(COM(2011)0778 – C7-0461/2011 – 2011/0389(COD))

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United in diversity

EN

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Amendment 26
Klaus-Heiner Lehne

Proposal for a directive
Recital 3

Text proposed by the Commission

Amendment

(3) In order to allow audit firms to grow, Member States should allow them to have access to external capital. Therefore, Member States should no longer require that a minimum amount of capital or of voting rights in an audit firm is held by statutory auditors or audit firms, provided that a majority of the members of the administrative body are audit firms approved in any Member State or statutory auditors of good repute.

deleted

Or. en

Justification

Follow-up to the deletion of unrestricted participation of commercial companies

Amendment 27
Françoise Castex

Proposal for a directive
Recital 3

Text proposed by the Commission

Amendment

(3) In order to allow audit firms to grow, Member States should allow them to have access to external capital. Therefore, Member States should no longer require that a minimum amount of capital or of voting rights in an audit firm is held by statutory auditors or audit firms, provided that a majority of the members of the administrative body are audit firms approved in any Member State or

deleted

statutory auditors of good repute.

Or. fr

Amendment 28
Eva Lichtenberger

Proposal for a directive
Recital 6

Text proposed by the Commission

(6) In order to enhance the independence of statutory auditors and audit firms from the audited entity when carrying out statutory audits, any person or entity that holds rights in an audit firm should be independent of the audited entity and should not be involved in the process of decision making of the audited entity.

Amendment

(6) In order to enhance the independence of statutory auditors and audit firms from the audited entity when carrying out statutory audits, any person or entity that holds rights ***or have ownership*** in an audit firm should be independent of the audited entity and should not be involved in the process of decision making of the audited entity.

Or. en

Amendment 29
Françoise Castex

Proposal for a directive
Recital 7

Text proposed by the Commission

(7) It is important to ensure high quality statutory audits within the Union. All statutory audits should therefore be carried out on the basis of the international auditing standards which are part of the Clarity Project issued by the International Federation of Accountants (IFAC) in 2009 insofar as they are relevant to statutory audits. Member States should be allowed to impose additional national audit procedures or requirements only if they stem from specific national legal

Amendment

deleted

requirements relating to the scope of the statutory audit of annual or consolidated financial statements, meaning that those requirements have not been covered by the adopted international auditing standards, and only if they add to the credibility and quality of annual financial statements and consolidated financial statements and are conducive to the Union public good. The Commission should continue to be involved in the monitoring of the content and adoption process of the international auditing standards by the IFAC.

Or. fr

Amendment 30
Klaus-Heiner Lehne

Proposal for a directive
Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) In order to increase the confidence in and the liability of the statutory auditors and audit firms carrying out the statutory audit of public-interest entities, it is important that the transparency reporting by statutory auditors and audit firms is increased. Therefore, statutory auditors and audit firms should be required to disclose audited financial information. The transparency reports of audit firms should include a declaration on the application of a corporate governance code, if applicable;

Or. en

Justification

Moved from recital 22 of the proposed audit regulation and modified.

Amendment 31
Klaus-Heiner Lehne

Proposal for a directive
Recital 10 b (new)

Text proposed by the Commission

Amendment

(10b) Audit committees, or bodies performing an equivalent function within the audited entity, have a decisive role in contributing to high-quality statutory audit. It is particularly important to reinforce the independence and technical competence of the audit committee by requiring that at least one of its members is independent and that at least one of the members of the committee has competence in auditing and another one in auditing and/or accounting. The Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board¹ sets out how audit committees should be established and function. Considering, however, the dimension of boards in companies with reduced market capitalisation and in small and medium-sized public-interest entities, it would be appropriate that the functions assigned to the audit committee for those entities, or to a body performing equivalent functions within the audited entity, may be performed by the administrative or supervisory body as a whole. Public-interest entities which are UCITS or alternative investment funds should also be exempted from the obligation to have an audit committee. This exemption takes into account the fact that where those funds function merely for the purpose of pooling assets, the employment of an audit committee is not appropriate. UCITS and alternative investments funds, as well as their

management companies, operate in a strictly defined regulatory environment and are subject to specific governance mechanisms such as controls exercised by their depositary.

¹ OJ L 52, 25.2.2005, p. 51.

Or. en

Justification

Moved from recital 23 of the proposed audit regulation.

Amendment 32
Klaus-Heiner Lehne

Proposal for a directive
Recital 10 c (new)

Text proposed by the Commission

Amendment

(10c) It is also important that the role of the audit committee in the selection of a new statutory auditor or audit firm be reinforced, for the benefit of a more informed decision of the general meeting of shareholders or members of the audited entity. Hence, when making a proposal to the general meeting, the board should explain whether it follows the recommendation of the audit committee and, if not, why. The recommendation of the audit committee should include at least two possible choices for the audit engagement and a duly justified preference for one of them, so that the general meeting can make a real choice. In order to provide a fair and proper justification in its recommendation, the audit committee should use the results of a mandatory selection procedure organised by the audited entity, under the responsibility of the audit committee. In

such selection procedure, the audited entity should invite statutory auditors or audit firms, including smaller ones, to present proposals for the audit engagement. Tender documents should contain transparent and non-discriminatory selection criteria to be used for the evaluation of proposals. Considering, however, that this selection procedure could entail disproportionate costs for companies with reduced market capitalisation or small and medium-sized public-interest entities having regard to their dimension, it is appropriate to relieve such entities from this obligation.

Or. en

Justification

Moved from recital 24 of the audit regulation.

Amendment 33
Klaus-Heiner Lehne

Proposal for a directive
Recital 10 d (new)

Text proposed by the Commission

Amendment

(10d) The right of the general meeting of shareholders or members of the audited entity to choose the statutory auditor or the audit firm would be of no value if the audited entity were to enter into a contract with a third party providing for a restriction of such choice. Therefore any contractual clause entered into by the audited entity with a third party regarding the appointment or restricting the choice of a particular auditor or audit firm should be considered null and void.

Or. en

Justification

Moved from recital 25 of the proposed audit regulation.

Amendment 34
Sebastian Valentin Bodu

Proposal for a directive
Recital 11

Text proposed by the Commission

(11) Adequate supervision of statutory auditors and audit firms that have cross-border activities or are part of networks requires the public oversight authorities of the Member States to exchange information. In order to protect the confidentiality of the information that may be thus exchanged, Member States should subject to the obligation of professional secrecy not only the employees of the public oversight authorities, but also all persons to whom the public oversight authorities have delegated tasks. The competent authority should have the possibility to delegate tasks to other authorities or bodies *only* with regard to the *approval and registration of the statutory auditors*. Such delegation should be subject to several conditions and the competent authority should bear the ultimate responsibility for it.

Amendment

(11) Adequate supervision of statutory auditors and audit firms that have cross-border activities or are part of networks requires the public oversight authorities of the Member States to exchange information. In order to protect the confidentiality of the information that may be thus exchanged, Member States should subject to the obligation of professional secrecy not only the employees of the public oversight authorities, but also all persons to whom the public oversight authorities have delegated tasks. The competent authority should have the possibility to delegate tasks to other authorities or bodies with regard to the *inspections, verifications on regulatory proposals*. Such delegation should be subject to several conditions and the competent authority should bear the ultimate responsibility for it.

Or. en

Amendment 35
Françoise Castex, Frédéric Daerden

Proposal for a directive
Recital 15

Text proposed by the Commission

(15) In order to preserve the rights of the parties concerned when the competent authorities of Member States cooperate with the competent authorities of third countries on the exchange of audit working papers or other relevant documents for the assessment of the quality of the audit performed, Member States should ensure that the working arrangements entered into by their competent authorities based on which any exchange of such papers takes place comprise enough safeguards to protect the business secrecy, commercial interests, including the industrial and intellectual property rights of the audited entities.

Amendment

(15) In order to preserve the rights of the parties concerned when the competent authorities of Member States cooperate with the competent authorities of third countries on the exchange of audit working papers or other relevant documents for the assessment of the quality of the audit performed, Member States should ensure that the working arrangements entered into by their competent authorities based on which any exchange of such papers takes place comprise enough safeguards to protect the business secrecy, commercial interests, including the industrial and intellectual property rights of the audited entities. ***Member States shall ensure that those arrangements comply and are compatible with the provisions of Directive 95/46/EC of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and of the free movement of such data.***

Or. fr

Amendment 36
Klaus-Heiner Lehne

Proposal for a directive
Recital 16 a (new)

Text proposed by the Commission

Amendment

(16a) In order to improve compliance with the requirements of this Directive Member States should foresee administrative pecuniary sanctions on statutory auditors, audit firms and public-interest entities for identified violations. To that end, measures and sanctions should be sufficiently dissuasive, proportionate and consistently enforced. The adoption and

publication of sanctions should respect fundamental rights as laid down in the Charter of Fundamental Rights of the European Union, in particular the right to respect for private and family life (Article 7), the right to the protection of personal data (Article 8) and the right to an effective remedy and to a fair trial (Article 47). Member States should ensure that decisions taken by the competent national authorities are subject to the right of appeal to the courts

Or. en

Justification

Moved from recital 41 of the proposed audit regulation and modified.

Amendment 37 **Eva Lichtenberger**

Proposal for a directive **Recital 21**

Text proposed by the Commission

(21) Since the objective of this Directive, namely reinforcing investor protection in the financial statements published by undertakings by further enhancing the quality of statutory audits that are performed within the Union cannot be sufficiently achieved by Member States and can therefore, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.

Amendment

(21) Since the objective of this Directive, namely reinforcing **public oversight with regard to the auditing of public interest entities and** investor protection in the financial statements published by undertakings by further enhancing the quality of statutory audits that are performed within the Union cannot be sufficiently achieved by Member States and can therefore, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to

achieve that objective.

Or. en

Amendment 38
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point a
Directive 2006/43/EC
Article 2 – point 1 – point a

Text proposed by the Commission

Amendment

(a) required by Union law;

(a) required by Union law.

Or. de

Justification

It is simply illogical for non-statutory audits to be covered by rules applicable to statutory audits. This would impose a disproportionate burden on medium-sized undertakings and would be an example of over-regulation. Neither the undertakings in question nor their auditors caused the financial crisis. Bringing voluntary audits conducted by small undertakings within the scope of the directive also represents a breach of the subsidiarity principle.

Amendment 39
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point a
Directive 2006/43/EC
Article 2 – point 1 – point b

Text proposed by the Commission

Amendment

(b) required by national law as regards small undertakings;

deleted

Or. de

Justification

It is simply illogical for non-statutory audits to be covered by rules applicable to statutory audits. This would impose a disproportionate burden on medium-sized undertakings and would be an example of over-regulation. Neither the undertakings in question nor their auditors caused the financial crisis. Bringing voluntary audits conducted by small undertakings within the scope of the directive also represents a breach of the subsidiarity principle.

Amendment 40
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 2 – point a
Directive 2006/43/EC
Article 2 – point 1 – point c

Text proposed by the Commission

Amendment

(c) voluntarily conducted by small undertakings; ***deleted***

Or. en

Justification

The voluntary audit of small companies needs not be regulated.

Amendment 41
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point a
Directive 2006/43/EC
Article 2 – point 1 – point c

Text proposed by the Commission

Amendment

(c) voluntarily conducted by small undertakings;' ***deleted***

Or. de

Justification

It is simply illogical for non-statutory audits to be covered by rules applicable to statutory audits. This would impose a disproportionate burden on medium-sized undertakings and would be an example of over-regulation. Neither the undertakings in question nor their auditors caused the financial crisis. Bringing voluntary audits conducted by small undertakings within the scope of the directive also represents a breach of the subsidiarity principle.

Amendment 42 **Angelika Niebler**

Proposal for a directive
Article 1 – point 2 – point a
Directive 2006/43/EC
Article 2 – point 1 – point c

Text proposed by the Commission

Amendment

(c) voluntarily conducted by small undertakings;'

deleted

Or. de

Justification

Different requirements should apply to voluntary audits than to statutory audits. The greater administrative burden involved could have serious consequences for SMUs.

Amendment 43 **Antonio Masip Hidalgo**

Proposal for a directive
Article 1 – point 2 – point a
Directive 2006/43/EC
Article 2 – point 1 – point c

Text proposed by the Commission

Amendment

(c) voluntarily conducted by **small** undertakings;

(c) voluntarily conducted by undertakings;

Or. en

Amendment 44
Jean-Pierre Audy

Proposal for a directive
Article 1 – point 2 – point a
Directive 2006/43/EC
Article 2 – point 1 – point c

Text proposed by the Commission

Amendment

(c) voluntarily conducted **by small undertakings**;

(c) voluntarily conducted;’;

Or. fr

Amendment 45
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point b
Directive 2006/43/EC
Article 2 – point 10

Text proposed by the Commission

Amendment

(b) Point 10 is replaced by the following:

deleted

‘10. ‘competent authorities’ means the authorities designated by law that are in charge of the regulation and/or oversight of statutory auditors and audit firms or of specific aspects thereof; the reference to ‘competent authority’ in a specific Article means a reference to the authority responsible for the functions referred to in that Article;’ ;

Or. de

Justification

Es ist nicht nachvollziehbar und unverhältnismäßig, in der EU bei den Aufsichtsstrukturen weit über das bisherige Maß hinauszugehen. Es gibt keinerlei belastbaren Analysen und Nachweise dafür, dass die Aufsichtssysteme in Europa versagt hätten. Die Forderungen nach

einer einzigen berufsstandsunabhängigen zuständigen Behörde ist auch mit dem Subsidiaritätsprinzip nicht vereinbar, da den Mitgliedsstaaten die sachgerechte Ausgestaltung der Aufsicht möglich ist. Das geltende System ist daher beizubehalten. Siehe auch also Änderungsvorschläge : Artikel 1 Ziffer 3 a) i); Artikel 1 Ziffer 4; Artikel 1 Ziffer 5; Artikel 1 Ziffer 7; Artikel 1 Ziffer 8; Artikel 1 Ziffer 14 a); Artikel 1 Ziffer 15; Art. 1 Ziffer 16; Artikel 1 Ziffer 17; Artikel 1 Ziffer 20; Artikel 1 Ziffer 21 a); Artikel 1 Ziffer 23 c).

Amendment 46
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 2 – point b
Directive 2006/43/EC
Article 2 – point 10

Text proposed by the Commission

Amendment

Point 10 is replaced by the following:

deleted

"10. "competent authorities" means the authorities designated by law that are in charge of the regulation and/or oversight of statutory auditors and audit firms or of specific aspects thereof; the reference to "competent authority" in a specific Article means a reference to the authority responsible for the functions referred to in that Article;"

Or. en

Justification

There is no need to exclude bodies from the definition of competent authorities as the delegation of certain tasks to special bodies as stipulated by Directive 2006/43/EC is providing the necessary flexibility for Member States to organise the oversight and regulation of auditors.

Amendment 47
Angelika Niebler

Proposal for a directive
Article 1 – point 2 – point b

Directive 2006/43/EC
Article 2 – point 10

Text proposed by the Commission

Amendment

(b) Point 10 is replaced by the following: *deleted*

‘10. ‘competent authorities’ means the authorities designated by law that are in charge of the regulation and/or oversight of statutory auditors and audit firms or of specific aspects thereof; the reference to ‘competent authority’ in a specific Article means a reference to the authority responsible for the functions referred to in that Article;’;

Or. de

Justification

The call to establish a single competent authority independent of the profession is not consistent with the subsidiarity principle. It should be for the Member States to make arrangements for the supervision of statutory auditors.

Amendment 48
Françoise Castex

Proposal for a directive
Article 1 – point 2 – point c
Directive 2006/43/EC
Article 2 – point 11

Text proposed by the Commission

Amendment

(c) point 11 is deleted; *deleted*

Or. fr

Amendment 49
Jim Higgins

Proposal for a directive
Article 1 – point 2 – point d

Text proposed by the Commission

(a) entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC;

Amendment

(a) entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC, **other than:**

(a) captive insurance and captive reinsurance undertakings within the meaning of Articles 13(2) and (5) of Directive 2009/138/EC of the European Parliament and of the Council;

(b) EU alternative investment funds as defined in Article 4(1)(k) of Directive 2011/61/EC of the European Parliament and of the Council;

(c) undertakings for collective investment in transferable securities (UCITS) as defined in Article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council.

Or. en

Justification

These proposed amendments exclude captive insurance and captive reinsurance undertakings, EU AIFs, and UCITS. Captive insurance and captive reinsurance undertakings are generally subsidiaries of multinational groups that have been set up to self insure the risks of the group. They are included within the consolidated accounts of their parent group. They provide insurance only to other entities within the group and not to unrelated entities or the general public. Each EU AIF has a regulated manager and custodian. The EU AIFM Directive, due to be implemented in July 2013, will further increase the responsibilities of AIF depositaries and investment managers. Several of the measures proposed for PIEs are disproportionate for funds of this type. UCITS are already required to be audited by virtue of Article 73 of the UCITS Directive and are subject to significant recent EU legislation. They have in place stringent risk management policies and investor protection disclosure requirements. Each UCITS can only invest in eligible assets. They each must have a custodian, an administrator and a transfer agent which are themselves regulated. Several of the measures proposed for PIEs are disproportionate for funds of this type.

Amendment 50
Jim Higgins

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point c

Text proposed by the Commission

(c) insurance undertakings within the meaning of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council(**);

Amendment

(c) insurance undertakings within the meaning of Article 13, ***other than Articles 13(2) and (5)***, of Directive 2009/138/EC of the European Parliament and of the Council(**);

Or. en

Justification

This proposed amendment excludes non-listed captive insurance and captive reinsurance undertakings from the definition of PIE. Captive insurance and captive reinsurance undertakings are generally subsidiaries of multinational groups that have been set up to self insure the risks of the group. They are included within the consolidated accounts of their parent group. They provide insurance only to other entities within the group and not to unrelated entities or the general public.

Amendment 51
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point c

Text proposed by the Commission

(c) insurance undertakings within the meaning of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council(**);

Amendment

(c) insurance undertakings within the meaning of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council(**);

Member States may also designate other entities as public-interest entities, for instance entities that are of major public significance because of the nature of their

business, their size or the number of their employees;

Or. de

Justification

The broadening of the definition of public-interest entities proposed by the Commission (letters (d) to (j)) is disproportionate and would amount to over-regulation of the audited entities and of statutory auditors. For example, in Germany alone 190 statutory auditors and some 900 financial services institutions would be affected. The scope of the directive should therefore remain unchanged.

Amendment 52
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point d

Text proposed by the Commission

Amendment

(d) entities governed by the law of a Member State which are payment institutions as defined in point 4 of Article 4 of Directive 2007/64/EC of the European Parliament and of the Council(), unless Article 15(2) of that Directive applies;***

deleted

() OJ L 319, 5.12.2007, p. 1.***

Or. de

Justification

The broadening of the definition of public-interest entities proposed by the Commission (letters (d) to (j)) is disproportionate and would amount to over-regulation of the audited entities and of statutory auditors. For example, in Germany alone 190 statutory auditors and some 900 financial services institutions would be affected. The scope of the directive should therefore remain unchanged.

Amendment 53
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point e

Text proposed by the Commission

Amendment

*(e) entities governed by the law of a Member State which are electronic money institutions as defined in point 1 of Article 2 of Directive 2009/110/EC of the European Parliament and of the Council(****), unless Article 15(2) of Directive 2007/64/EC applies;*
*(****) OJ L 267, 10.10.2009, p. 7.*

deleted

Or. de

Justification

The broadening of the definition of public-interest entities proposed by the Commission (letters (d) to (j)) is disproportionate and would amount to over-regulation of the audited entities and of statutory auditors. For example, in Germany alone 190 statutory auditors and some 900 financial services institutions would be affected. The scope of the directive should therefore remain unchanged.

Amendment 54
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point f

Text proposed by the Commission

Amendment

(f) investment firms as defined in point 1 of Article 4(1) of Directive 2004/39/EC;

deleted

Or. de

Justification

The broadening of the definition of public-interest entities proposed by the Commission (letters (d) to (j)) is disproportionate and would amount to over-regulation of the audited entities and of statutory auditors. For example, in Germany alone 190 statutory auditors and some 900 financial services institutions would be affected. The scope of the directive should therefore remain unchanged.

Amendment 55
Jim Higgins

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point f

Text proposed by the Commission

Amendment

(f) investment firms **as defined in point 1 of Article 4(1) of Directive 2004/39/EC;**

(f) investment firms **regulated under Directive 2004/39/EC;**

Or. en

Justification

The exemptions provided for in Articles 2 and 3(1) of Directive 2004/39/EC (MiFID) do not apply to the definition of investment firms as proposed by the Commission in 2(13)(f). This proposed amendment would allow these exemptions to apply. The exemptions available for certain investment firms under MiFID should also apply to the PIE definition as none of the entities or natural persons covered by those exemptions can pose a systemic risk.

Amendment 56
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point g

Text proposed by the Commission

Amendment

(g) EU alternative investment funds as defined in Article 4(1)(k) of Directive 2011/61/EC of the European Parliament

deleted

*and of the Council(****);*

*(****) OJ L 174, 1.7.2001, p. 1.*

Or. de

Justification

The broadening of the definition of public-interest entities proposed by the Commission (letters (d) to (j)) is disproportionate and would amount to over-regulation of the audited entities and of statutory auditors. For example, in Germany alone 190 statutory auditors and some 900 financial services institutions would be affected. The scope of the directive should therefore remain unchanged.

Amendment 57
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point h

Text proposed by the Commission

Amendment

*(h) undertakings for collective investment in transferable securities (UCITS) as defined in Article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council(****);*
*(****) OJ L 302, 17.11.2009, p. 32.*

deleted

Or. de

Justification

The broadening of the definition of public-interest entities proposed by the Commission (letters (d) to (j)) is disproportionate and would amount to over-regulation of the audited entities and of statutory auditors. For example, in Germany alone 190 statutory auditors and some 900 financial services institutions would be affected. The scope of the directive should therefore remain unchanged.

Amendment 58
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point i

Text proposed by the Commission

Amendment

**(i) entities governed by the law of a
Member State which are central securities
depositories;** **deleted**

Or. de

Justification

The broadening of the definition of public-interest entities proposed by the Commission (letters (d) to (j)) is disproportionate and would amount to over-regulation of the audited entities and of statutory auditors. For example, in Germany alone 190 statutory auditors and some 900 financial services institutions would be affected. The scope of the directive should therefore remain unchanged.

Amendment 59
Alexandra Thein

Proposal for a directive
Article 1 – point 2 – point d
Directive 2006/43/EC
Article 2 – point 13 – point j

Text proposed by the Commission

Amendment

**(j) central counterparties as defined in
Article 2(1) of Regulation X/XXXX of the
European Parliament and of the
Council(*****)[see proposal for a
Regulation on OTC derivatives, central
counterparties and trade repositories,
COM(2010)484];** **deleted**
(***) OJ L ...**

Or. de

Justification

The broadening of the definition of public-interest entities proposed by the Commission (letters (d) to (j)) is disproportionate and would amount to over-regulation of the audited entities and of statutory auditors. For example, in Germany alone 190 statutory auditors and some 900 financial services institutions would be affected. The scope of the directive should therefore remain unchanged.

Amendment 60
Alexandra Thein

Proposal for a directive
Article 1 – point 3 – point a – point i
Directive 2006/43/EC
Article 3 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Amendment

‘Each Member State shall designate the competent authority referred to in Article 32 as authority responsible for approving statutory auditors and audit firms.’; ***deleted***

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The deletion ensures that the status quo is maintained.

Amendment 61
Angelika Niebler

Proposal for a directive
Article 1 – point 3 – point a – point i
Directive 2006/43/EC
Article 3 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Amendment

‘Each Member State shall designate the competent authority referred to in Article 32 as authority responsible for approving ***deleted***

statutory auditors and audit firms.’;

Or. de

Justification

The call to establish a single competent authority independent of the profession is not consistent with the subsidiarity principle. It should be for the Member States to make arrangements for the supervision of statutory auditors.

Amendment 62
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 3 – point a – point i
Directive 2006/43/EC
Article 3 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Each Member State shall designate the competent **authority** referred to in Article 32 as authority responsible for approving statutory auditors and audit firms.

Amendment

Each Member State shall designate the competent **authorities** referred to in Article 32 as authority responsible for approving statutory auditors and audit firms.

Or. en

Justification

Alignment with changes in Article 32.

Amendment 63
Françoise Castex

Proposal for a directive
Article 1 – point 3 – point b
Directive 2006/43/EC
Article 3 – paragraph 4

Text proposed by the Commission

(b) paragraph 4 is amended as follows:

Amendment

deleted

(i) in the first subparagraph, point (b) is deleted;

(ii) in the first subparagraph, point (c) is replaced by the following:

‘(c) a majority of the members of the administrative or management body of the entity must be audit firms which are approved in any Member State or natural persons who satisfy at least the conditions imposed by Article 4 and Articles 6 to 12. Where such a body has no more than two members, one of these members must satisfy at least the conditions in this point.’;

(iii) the second subparagraph is replaced by the following:

‘Member States may not set additional conditions in relation to these points. Member States shall not be allowed to require that a minimum amount of capital or of voting rights in an audit firm is held by statutory auditors or audit firms.’.

Or. fr

Amendment 64
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 3 – point b – point i
Directive 2006/43/EC
Article 3 – paragraph 4 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(i) in the first subparagraph, point (b) is deleted; *deleted*

Or. en

Justification

An unrestricted participation of commercial companies needs to be rejected as this constitutes

a risk to the independence of audit firms.

Amendment 65
Alexandra Thein

Proposal for a directive

Article 1 – point 3 – point b – point i

Directive 2006/43/EC

Article 3 – paragraph 4 – subparagraph 1 – point b

Text proposed by the Commission

(i) in the first subparagraph, point (b) is *deleted*;

Amendment

(i) in the first subparagraph, point (b) is *amended as follows*:

(b) A majority of the voting rights in an entity must be held by audit firms which are approved in a Member State or by natural persons who meet at least the conditions imposed by Articles 4 and 6 to 12. Member States may provide that such natural persons must also be approved in another Member State. A minority of the voting rights in an entity may be held by other natural persons who are members of a liberal profession within the meaning of Recital 43 of Directive 2005/36/EC of the European Parliament and of the Council and who, in accordance with the law of the Member State concerned, may exercise their profession together with statutory auditors or audit firms, but not in the name and/or on behalf of a third party. Commercial investors may not take a holding, whether directly, indirectly or in a fiduciary capacity, in audit firms. For the purposes of the statutory audit of cooperatives and similar entities, as referred to in Article 45 of Directive 86/635/EEC, Member States may establish further specific provisions concerning voting rights.

** OJ L 255, 30.9.2005, p. 22.*

Or. de

Justification

It would run counter to the aim of strengthening the independence of statutory auditors if a change to the arrangements governing holdings in audit firms were to clear the way for the 100% ownership of such firms by commercial investors such as banks, insurance companies and other undertakings in all the Member States. The reverse is true: commercial investors should be banned from taking any holdings in such firms. This should only be possible for members of a liberal profession, e.g. tax consultants or lawyers. A commercial investor would pursue aims other than that of strengthening the independence of statutory auditors.

Amendment 66 **Alexandra Thein**

Proposal for a directive

Article 1 – point 3 – point b – point iii

Directive 2006/43/EC

Article 3 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

(iii) the second subparagraph is replaced by the following: ***deleted***

‘Member States may not set additional conditions in relation to these points. Member States shall not be allowed to require that a minimum amount of capital or of voting rights in an audit firm is held by statutory auditors or audit firms.’

Or. de

Justification

Der Vorschlag der Kommission nimmt den Mitgliedstaaten die Möglichkeit, ggf. weitere Anforderungen festzulegen. Die derzeitige Artikel 3 Absatz 4 Unterabsatz 4 lässt hingegen abweichende Regelungen der Mitgliedstaaten zu Artikel 3 Absatz 4 Buchstabe c) zu. Dieser Rechtszustand ist vorzugswürdig, da die Mitgliedstaaten in der Lage auf, Besonderheiten einzugehen. Die Voraussetzung, dass die Mitgliedstaaten nicht vorschreiben dürfen, dass ein Mindestanteil am Kapital oder an den Stimmrechten in einer Prüfungsgesellschaft von Abschlussprüfern oder Prüfungsgesellschaften gehalten wird, widerspricht dem Änderungsantrag zu Artikel 1 Ziffer 3 Buchstabe b) Buchstabe i), weshalb er aufzuheben ist.

Amendment 67
Eva Lichtenberger

Proposal for a directive
Article 1 – point 3 – point b – point iii
Directive 2006/43/EC
Article 3 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

(iii) the second subparagraph is replaced by the following: ***deleted***

"Member States may not set additional conditions in relation to these points. Member States shall not be allowed to require that a minimum amount of capital or of voting rights in an audit firm is held by statutory auditors or audit firms."

Or. en

Amendment 68
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 3 – point b – point iii
Directive 2006/43/EC
Article 3 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

(iii) the second subparagraph is replaced by the following: ***deleted***

"Member States may not set additional conditions in relation to these points. Member States shall not be allowed to require that a minimum amount of capital or of voting rights in an audit firm is held by statutory auditors or audit firms."

Or. en

Justification

Follow up deletion to the rejection of unrestricted participation of commercial companies

Amendment 69

Antonio Masip Hidalgo

Proposal for a directive

Article 1 – point 3 – point b – point iii

Directive 2006/43/EC

Article 3 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

(iii) the second subparagraph is replaced by the following:

deleted

"Member States may not set additional conditions in relation to these points. Member States shall not be allowed to require that a minimum amount of capital or of voting rights in an audit firm is held by statutory auditors or audit firms."v

Or. en

Amendment 70

Alexandra Thein

Proposal for a directive

Article 1 – point 4

Directive 2006/43/EC

Article 3a

Text proposed by the Commission

Amendment

By derogation from Article 3(1) of this Directive, a statutory auditor who is approved in a Member State shall be entitled to perform statutory audits in another Member State on a temporary or occasional basis. Articles 5 to 9 of Directive 2005/36/EC of the European Parliament and of the Council* shall apply.

deleted

Amendment 71
Alexandra Thein

Proposal for a directive
Article 1 – point 4
Directive 2006/43/EC
Article 3 b– paragraph 2

Text proposed by the Commission

2. An audit firm that wishes to carry out statutory audits in a Member State other than the one in which it has been approved shall register with the competent **authority** in the host Member State in accordance with Articles 15 and 17.

Amendment

2. An audit firm that wishes to carry out statutory audits in a Member State other than the one in which it has been approved shall register with the competent **body** in the host Member State in accordance with Articles 15 and 17.

Or. de

Justification

See justification to Article 1(2)(b). ‘Body’ is the term defined in the directive on statutory audits.

Amendment 72
Angelika Niebler

Proposal for a directive
Article 1 – point 4
Directive 2006/43/EC
Article 3 b – paragraph 2

Text proposed by the Commission

2. An audit firm that wishes to carry out statutory audits in a Member State other than the one in which it has been approved shall register with the competent **authority** in the host Member State in accordance with Articles 15 and 17.

Amendment

2. An audit firm that wishes to carry out statutory audits in a Member State other than the one in which it has been approved shall register with the competent **body** in the host Member State in accordance with Articles 15 and 17.

Justification

In keeping with the deletion of Article 1(2)(b).

Amendment 73
Alexandra Thein

Proposal for a directive
Article 1 – point 4
Directive 2006/43/EC
Article 3 b – paragraph 3

Text proposed by the Commission

3. The competent **authority** in the host Member State shall register the audit firm upon presentation of a certificate attesting to its registration with the competent **authority** in the home Member State. The competent **authority** in the host Member State may require that the certificate issued by the competent **authority** in the home Member State be not more than three months old. It shall inform the competent **authority** in the home Member State of its registration.

Amendment

3. The competent **body** in the host Member State shall register the audit firm upon presentation of a certificate attesting to its registration with the competent **body** in the home Member State. The competent **body** in the host Member State may require that the certificate issued by the competent **body** in the home Member State be not more than three months old. It shall inform the competent **body** in the home Member State of its registration.

Justification

See justification for the amendment to Article 1(2)(b). ‘Body’ is the term defined in the directive on statutory audits.

Amendment 74
Angelika Niebler

Proposal for a directive
Article 1 – point 4
Directive 2006/43/EC
Article 3 b – paragraph 3

Text proposed by the Commission

3. The competent **authority** in the host Member State shall register the audit firm upon presentation of a certificate attesting to its registration with the competent **authority** in the home Member State. The competent **authority** in the host Member State may require that the certificate issued by the competent **authority** in the home Member State be not more than three months old. It shall inform the competent **authority** in the home Member State of its registration.

Amendment

3. The competent **body** in the host Member State shall register the audit firm upon presentation of a certificate attesting to its registration with the competent **body** in the home Member State. The competent **body** in the host Member State may require that the certificate issued by the competent **body** in the home Member State be not more than three months old. It shall inform the competent **body** in the home Member State of its registration.

Or. de

Justification

In keeping with the deletion of Article 1(2)(b).

Amendment 75
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 5
Directive 2006/43/EC
Article 6 – paragraph 1 a (new)

Text proposed by the Commission

The competent authorities referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements set out in this Article. They shall cooperate with **the European Securities and Markets Authority (ESMA)** and the competent authorities referred to in Article X of Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audit of public-interest entities.

Amendment

The competent authorities referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements set out in this Article. They shall cooperate with **EGAOB** and the competent authorities referred to in Article X of Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audit of public-interest entities.

Or. en

Justification

Alignment with changes in the regulation.

Amendment 76
Alexandra Thein

Proposal for a directive
Article 1 – point 5
Directive 2006/43/EC
Article 6 – paragraph 1 a (new)

Text proposed by the Commission

‘The competent **authorities** referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements set out in this Article. They shall cooperate with the European Securities and Markets Authority (ESMA) **and the competent authorities referred to in Article X of Regulation [XXX] of [XXX]** in so far as such convergence relates to the statutory audit of public-interest entities.’

Amendment

‘The competent **bodies** referred to in Article 32 shall cooperate with a view to achieving a minimum convergence of the requirements set out in this Article. They shall cooperate with ESMA in so far as such convergence relates to the statutory audits of public-interest entities.’

Or. de

Justification

See justification for the amendment to Article 1(2)(b). ‘Body’ is the term defined in the directive on statutory audits.

Amendment 77
Françoise Castex

Proposal for a directive
Article 1 – point 5
Directive 2006/43/EC
Article 6 – paragraph 1 a (new)

Text proposed by the Commission

‘The competent authorities referred to in

Amendment

‘The competent authorities referred to in

Article 32 shall cooperate in view of achieving a convergence of the requirements set out in this Article. They shall cooperate with the European **Securities and Markets Authority (ESMA)** and the competent authorities referred to in Article X of Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audit of public-interest entities.’

Article 32 shall cooperate in view of achieving a convergence of the requirements set out in this Article. They shall cooperate with the European **Group of Auditors’ Oversight Bodies (EGAOB)** and the competent authorities referred to in Article [XXX] Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audits of public-interest entities.’.

Or. fr

Justification

La nécessité d’une harmonisation des pratiques de supervision de l’audit n’implique pas de confier à l’AEMF un rôle qui excède son champ actuel de compétences compte tenu de la spécificité de l’audit et du périmètre d’intervention du contrôle légal des comptes qui dépassent largement les compétences de cette autorité. L’EAOB (groupe européen des organes de supervision de l’audit) a jusqu’alors assuré les travaux de coordination entre les autorités européennes de supervision et constitue le cadre le plus approprié pour mettre en place des normes techniques harmonisées. L’EAIG, groupe constitué au sein de l’EAOB, atteste que les autorités de régulation des Etats membres ont pris la mesure de leurs responsabilités au niveau de l’Union. C’est pourquoi l’harmonisation des pratiques de supervision du contrôle légal des comptes doit être confiée à un EGAOB de niveau III et non à l’AEMF dans son organisation actuelle.

Amendment 78 **Alexandra Thein**

Proposal for a directive
Article 1 – point 5
Directive 2006/43/EC
Article 6 – paragraph 1 a (new)

Text proposed by the Commission

The competent authorities referred to in Article 32 shall cooperate **in view of** achieving a convergence of the requirements set out in this Article. They shall cooperate with the European Securities and Markets Authority (ESMA) and the competent authorities referred to in Article X of Regulation [XXX] of [XXX]

Amendment

The competent authorities referred to in Article 32 shall cooperate **with a view to** achieving a **minimum** convergence of the requirements set out in this Article. **When engaging in such cooperation, these competent authorities shall take into account developments in auditing and the audit profession, and in particular,**

in so far as such convergence relates to the statutory audit of public-interest entities.

convergence that has already been achieved by the profession. They shall cooperate with the European Securities and Markets Authority (ESMA) and the competent authorities referred to in Article X of Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audit of public-interest entities.

Or. en

Amendment 79
Angelika Niebler

Proposal for a directive
Article 1 – point 5
Directive 2006/43/EC
Article 6 – paragraph 1 a (new)

Text proposed by the Commission

‘The competent ***authorities*** referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements set out in this Article. They shall cooperate with the European Securities and Markets Authority (ESMA) ***and the competent authorities referred to in Article X of Regulation [XXX] of [XXX]*** in so far as such convergence relates to the statutory audit of public-interest entities.’

Amendment

‘The competent ***bodies*** referred to in Article 32 shall cooperate with a view to achieving a minimum convergence of the requirements set out in this Article. They shall cooperate with ESMA in so far as such convergence relates to the statutory audits of public-interest entities.’

Or. de

Justification

In keeping with the deletion of Article 1(2)(b).

Amendment 80
Bernhard Rapkay

Proposal for a directive
Article 1 – point 6 – point b
Directive 2006/43/EC
Article 8 – paragraph 3

Text proposed by the Commission

Amendment

(b) paragraph 3 is replaced by the following:

deleted

'The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of adapting the list of subjects to be included in the test of theoretical knowledge referred to in paragraph 1 of this Article. When using such powers, the Commission shall take into account developments in auditing and the audit profession.'

Or. de

Amendment 81
Alexandra Thein

Proposal for a directive
Article 1 – point 6 – point b
Directive 2006/43/EC
Article 8 – paragraph 3

Text proposed by the Commission

Amendment

The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of ***adapting*** the list of subjects to be included in the ***test of theoretical knowledge*** referred to in paragraph 1 of this Article. When using such powers, the Commission shall take into account developments in auditing and the audit profession.

The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of ***revising*** the list of subjects to be included in the ***assessments of professional competence*** referred to in paragraph 1 of this Article. When using such powers, the Commission shall take into account developments in auditing and the audit profession, ***and in particular convergence that has been achieved by the profession, such as educational benchmarks based on learning outcomes and knowledge and international education standards relating***

to auditors.

Or. en

Amendment 82
Alexandra Thein

Proposal for a directive
Article 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 1

Text proposed by the Commission

1. The competent **authorities** referred to in Article 32 shall establish procedures for the approval of statutory auditors who have been approved in other Member States. Those procedures shall comply with Articles 11 and 12 of Directive 2005/36/EC and shall not go beyond the requirements contained in Articles 13 and 14 of that Directive.

Amendment

1. The competent **bodies** referred to in Article 32 shall establish procedures for the approval of statutory auditors who have been approved in other Member States. Those procedures shall comply with Articles 11 and 12 of Directive 2005/36/EC and shall not go beyond the requirements contained in Articles 13 and 14 of that Directive.

Or. de

Justification

See justification for the amendment to Article 1(2)(b). ‘Body’ is the term defined in the directive on statutory auditing.

Amendment 83
Angelika Niebler

Proposal for a directive
Article 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 1

Text proposed by the Commission

1. The competent **authorities** referred to in Article 32 shall establish procedures for the

Amendment

1. The competent **bodies** referred to in Article 32 shall establish procedures for the

approval of statutory auditors who have been approved in other Member States. Those procedures shall comply with Articles 11 and 12 of Directive 2005/36/EC and shall not go beyond the requirements contained in Articles 13 and 14 of that Directive.

approval of statutory auditors who have been approved in other Member States. Those procedures shall comply with Articles 11 and 12 of Directive 2005/36/EC and shall not go beyond the requirements contained in Articles 13 and 14 of that Directive.

Or. de

Justification

In keeping with the deletion of Article 1(2)(b).

Amendment 84
Jean-Pierre Audy

Proposal for a directive
Article 1 – paragraph 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 1

Text proposed by the Commission

1. The **competent authorities referred to in Article 32** shall establish procedures for the approval of statutory auditors who have been approved in other Member States. Those procedures shall comply with Articles 11 and 12 of Directive 2005/36/EC and shall not go beyond the requirements contained in Articles 13 and 14 of that Directive.

Amendment

1. The **Member States** shall establish procedures for the approval of statutory auditors who have been approved in other Member States. Those procedures shall comply with Articles 11 and 12 of Directive 2005/36/EC and shall not go beyond the requirements contained in Articles 13 and 14 of that Directive.

Or. fr

Amendment 85
Alexandra Thein

Proposal for a directive
Article 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Member States shall **offer** the applicant the choice between an adaptation period as defined in point (g) of Article 3(1) of Directive 2005/36/EC and an aptitude test as defined in point (h) of that Article. For the purposes of this Article, Article 14(3) of Directive 2005/36/EC shall not apply.

Amendment

Member States shall **have the option of offering** the applicant the choice between an adaptation period as defined in point (g) of Article 3(1) of Directive 2005/36/EC and an aptitude test as defined in point (h) of that Article. For the purposes of this Article, Article 14(3) of Directive 2005/36/EC shall not apply.

Or. en

Amendment 86
Alexandra Thein

Proposal for a directive
Article 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 2 – subparagraph 2

Text proposed by the Commission

The adaptation period shall not exceed three years and shall be subject to an assessment.

Amendment

The adaptation period shall not exceed three years and shall be subject to an assessment **of professional competence achieved in national law relating to audits**.

Or. en

Amendment 87
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 3

Text proposed by the Commission

3. The competent authorities referred to in Article 32 shall cooperate in view of

Amendment

3. The competent authorities referred to in Article 32 shall cooperate in view of

achieving a convergence of the requirements of the adaptation period and the aptitude test. They shall enhance the transparency and predictability of the requirements. They shall cooperate with **ESMA** and the competent authorities referred to in Article [XXX] Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audits of public-interest entities.

achieving a convergence of the requirements of the adaptation period and the aptitude test. They shall enhance the transparency and predictability of the requirements. They shall cooperate with **EGAOB** and the competent authorities referred to in Article [XXX] Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audits of public-interest entities.

Or. en

Justification

Alignment with changes in Regulation.

Amendment 88 **Françoise Castex**

Proposal for a directive
Article 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 3

Text proposed by the Commission

3. The competent authorities referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements of the adaptation period and the aptitude test. They shall enhance the transparency and predictability of the requirements. They shall cooperate with **ESMA** and the competent authorities referred to in Article [XXX] Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audits of public-interest entities.’.

Amendment

3. The competent authorities referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements of the adaptation period and the aptitude test. They shall enhance the transparency and predictability of the requirements. They shall cooperate with **the EGAOB** and the competent authorities referred to in Article [XXX] Regulation [XXX] of [XXX] in so far as such convergence relates to the statutory audits of public-interest entities.’.

Or. fr

Justification

Cf. Amendment 77.

Amendment 89
Alexandra Thein

Proposal for a directive
Article 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 3

Text proposed by the Commission

3. The competent **authorities** referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements of the adaptation period and the aptitude test. They shall enhance the transparency and predictability of the requirements. They shall cooperate with ESMA **and the competent authorities referred to in Article [XXX] Regulation [XXX] of [XXX]** in so far as such convergence relates to the statutory audits of public-interest entities.’.

Amendment

3. The competent **bodies** referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements of the adaptation period and the aptitude test. They shall enhance the transparency and predictability of the requirements. They shall cooperate with ESMA in so far as such convergence relates to the statutory audits of public-interest entities.’.

Or. de

Justification

See justification for the amendment to Article 1(2)(b). ‘Body’ is the term defined in the directive on statutory auditing. The reference to the regulation is redundant because the proposal as a whole is being rejected.

Amendment 90
Angelika Niebler

Proposal for a directive
Article 1 – point 7
Directive 2006/43/EC
Article 14 – paragraph 3

Text proposed by the Commission

3. The competent **authorities** referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements of the adaptation period and the aptitude test. They shall enhance the transparency and predictability of the requirements. They shall cooperate with ESMA **and the competent authorities referred to in Article [XXX] Regulation [XXX] of [XXX]** in so far as such convergence relates to the statutory audits of public-interest entities.’.

Amendment

3. The competent **bodies** referred to in Article 32 shall cooperate in view of achieving a convergence of the requirements of the adaptation period and the aptitude test. They shall enhance the transparency and predictability of the requirements. They shall cooperate with ESMA in so far as such convergence relates to the statutory audits of public-interest entities.’.

Or. de

Justification

In keeping with the deletion of Article 1(2)(b).

Amendment 91
Alexandra Thein

Proposal for a directive
Article 1 – point 8
Directive 2006/43/EC
Article 15 – paragraph 1

Text proposed by the Commission

In Article 15(1), the following subparagraph is added:

‘The public register shall be organized by the competent authority referred to in Article 32.’.

Amendment

deleted

Or. de

Justification

See justification for the amendment to Article 1(2)(b). Since the legal status quo in respect of the supervisory system is to be maintained, the arrangements governing responsibility for the

register are now redundant.

Amendment 92
Angelika Niebler

Proposal for a directive
Article 1 – point 8
Directive 2006/43/EC
Article 15 – paragraph 1

Text proposed by the Commission

Amendment

***In Article 15(1), the following
subparagraph is added:***

deleted

***‘The public register shall be organized by
the competent authority referred to in
Article 32.’***

Or. de

Justification

The deletion of Article 1(2)(b) renders the arrangements governing responsibility for the register redundant, since the legal status quo regarding the supervisory system is to be maintained.

Amendment 93
Alexandra Thein

Proposal for a directive
Article 1 – point 10 a (new)
Directive 2006/43/EC
Article 21 a (new)

Text proposed by the Commission

Amendment

10a. The following Article 21a is inserted:

***‘Member States shall ensure that
undertakings appoint the statutory
auditors or the audit firm for a period of
at least three years. Reappointments shall
be permissible.’***

Amendment 94
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 11 – point a
Directive 2006/43/EC
Article 22 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall ensure that when carrying out a statutory audit, the statutory auditor and/or the audit firm and any holder of voting rights in the audit firm is independent of the audited entity and is not involved in the decision-taking of the audited entity.

deleted

Or. en

Justification

Follow-up to the rejection of unrestricted participation of non-professionals.

Amendment 95
Antonio Masip Hidalgo

Proposal for a directive
Article 1 – point 11 – point a
Directive 2006/43/EC
Article 22 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall ensure that when carrying out a statutory audit, the statutory auditor and/or the audit firm and any holder of voting rights in the audit firm is independent of the audited entity and is not involved in the decision-taking of the audited entity.

1. Member States shall ensure that when carrying out a statutory audit, the statutory auditor and/or the audit firm and any holder of voting rights in the audit firm is independent of the audited entity and is not involved in the decision-taking of the audited entity ***or in the provision of any***

non-audit services.

Or. en

Amendment 96
Angelika Niebler

Proposal for a directive
Article 1 – point 11 – point a
Directive 2006/43/EC
Article 22 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that when carrying out a statutory audit, the statutory auditor and/or the audit firm ***and any holder of voting rights in the audit firm is independent of the audited entity and is not involved in the decision-taking of the audited entity.***

Amendment

1. Member States shall ensure that when carrying out a statutory audit, the statutory auditor and/or the audit firm ***takes all necessary steps to ensure that its independence is not compromised by financial, personal, business, employment or other relationships involving the statutory auditor, the audit firm, its affiliate firms and network and any natural person in a position to influence the outcome of the statutory audit.***

Or. de

Justification

The basic standards governing independence should be the same for statutory auditors and/or audit firms as for firms auditing public-interest entities.

Amendment 97
Angelika Niebler

Proposal for a directive
Article 1 – point 11 – point a a (new)
Directive 2006/43/EC
Article 22 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Amendment

(aa) In paragraph 2, subparagraph 1 is replaced by the following:

‘Member States shall ensure that a statutory auditor or an audit firm shall not carry out a statutory audit if an objective, reasonable and informed third party would conclude that the statutory auditor's or audit firm's independence is compromised. If there are threats to the statutory auditor's or audit firm's independence, such as self-review, self-interest, advocacy, familiarity or trust or intimidation, the statutory auditor or audit firm must apply safeguards in order to mitigate those threats. If the significance of the threats compared to the safeguards applied is such that its independence is compromised, the statutory auditor or audit firm shall not carry out the statutory audit.’

Or. de

Justification

In keeping with the deletion of Article 1(11)(a).

Amendment 98
Bernhard Rapkay

Proposal for a directive
Article 1 – point 11 – point c
Directive 2006/43/EC
Article 22 – paragraph 4

Text proposed by the Commission

Amendment

(c) paragraph 4 is replaced by the following:

deleted

‘4. The Commission shall be empowered to adopt delegated acts in accordance with

Article 48a for the purpose of specifying:

(a) the threats and safeguards referred to in paragraph 2 of this Article;

(b) the situations in which the significance of the threats, as referred to in paragraph 2 of this Article, is such that the independence of the statutory auditor or audit firm is compromised.'

Or. de

Amendment 99
Alexandra Thein

Proposal for a directive
Article 1 – point 11 a (new)
Directive 2006/43/EC
Article 25

Text proposed by the Commission

Amendment

11a. Article 25 is amended as follows:

'Article 25 Quality assurance payment scheme

(1) Member States shall be required to introduce a quality assurance payment scheme for the conduct of statutory audits. A quality assurance payment scheme shall comprise at least the following:

(a) rules on the minimum number of hours to be spent on audits, depending on predetermined entity-specific factors such as the size of the entity, sector, turnover, balance sheet total and number of employees, and

(b) rules on the minimum hours to be spent on the audit by statutory auditors.

(2) Member States shall also lay down suitable rules to ensure that payments for statutory audits:

(a) are not influenced or determined by

*the provision of additional services
to the audited entity;*

*(b) may not be made contingent on
compliance with any conditions;*

(c) are appropriate.

*Member States may delegate this task to
the competent body responsible for
supervision.'*

Or. de

Justification

The proposed minimum rules governing quality assurance payment schemes will serve both to guarantee the quality of audits and strengthen the independence of statutory auditors. They will also serve to ensure that auditing fees can be easily compared (not least by competent bodies), so that the payment of inappropriately low fees can be prevented.

Amendment 100 **Françoise Castex**

Proposal for a directive
Article 1 – point 12
Directive 2006/43/EC
Article 26

Text proposed by the Commission

Amendment

Article 26

deleted

Auditing standards

*1. Member States shall ensure that
statutory auditors and audit firms comply
with international auditing standards
when carrying out statutory audits as long
as those standards are in conformity with
the requirements of this Directive and of
Regulation XX/XX.*

*Member States may impose audit
procedures or requirements in addition to
the international auditing standards only
if those audit procedures or requirements
stem from specific national legal*

requirements relating to the scope of statutory audits. Member States shall ensure that those audit procedures or requirements comply with the following conditions:

(a) they contribute a high level of credibility and quality to the annual or consolidated financial statements in conformity with the principles set out in Article 4(3) of Directive [xxxx] on the annual financial statements and the consolidated financial statements of certain types of undertakings;

(b) are conducive to the Union public good.

Member States shall communicate those audit procedures or requirements to the Commission, ESMA and other Member States.

2. For the purposes of paragraph 1, 'international auditing standards' means International Standards on Auditing (ISAs) and related Statement and Standards which are part of the Clarity Project issued by the International Federation of Accountants (IFAC) in 2009 insofar as they are relevant to the statutory audit.

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of amending the definition of international auditing standards in paragraph 2 of this Article. When using such powers, the Commission shall take into account any amendments brought to the ISAs by the IFAC, the opinion of the Public Interest Oversight Board on such amendments as well as any other developments in auditing and the audit profession. '.

Or. fr

Justification

L'application directe, sans discussion et en bloc de l'ensemble des ISAs clarifiées n'est pas appropriée en l'état actuel de ces normes. La confrontation des textes traduits avec le référentiel applicable en France a permis d'identifier des améliorations nécessaires. C'est pourquoi il est nécessaire de préserver une procédure d'adoption préalable au niveau communautaire avant toute application de ces normes dans les Etats membres qui pourront ainsi faire valoir leurs spécificités nationales. La procédure d'adoption actuellement prévue par l'article 26 de la directive doit être maintenue, ainsi que la possibilité de retirer des parties des normes internationales au moment de leur adoption en raison de contraintes européennes ou nationales spécifiques (« carve out »).

Amendment 101 Klaus-Heiner Lehne

Proposal for a directive

Article 1 – point 12

Directive 2006/43/EC

Article 26 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Member States shall **ensure** that statutory auditors and audit firms comply with international auditing standards when carrying out statutory audits as long as those standards are in conformity with the requirements of this Directive and of Regulation XX/XX.

Amendment

Member States shall **require** that statutory auditors and audit firms comply with international auditing standards when carrying out statutory audits as long as those standards are in conformity with the requirements of this Directive and of Regulation XX/XX **adopted according to paragraph 3.**

Member States shall require statutory auditors and audit firms to keep records of their work papers for at least five years in accordance with the rules on personal data protection and administrative and judicial proceedings.

Or. en

Justification

New text moved from Article 29 of the audit Regulation proposal and aligned with the Directive.

Amendment 102
Alexandra Thein

Proposal for a directive

Article 1 – point 12

Directive 2006/43/EC

Article 26 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Member States shall ensure that statutory auditors and audit firms comply with international auditing standards when carrying out statutory audits as long as those standards are in conformity with the requirements of this Directive **and of Regulation XX/XX**.

Amendment

1. Member States shall ensure that statutory auditors and audit firms comply with international auditing standards when carrying out statutory audits as long as those standards **are applied proportionately and** are in conformity with the requirements of this Directive. **The proportionate application of international auditing standards when carrying out statutory audits requires that the statutory auditor/audit firm must carry out the audit in a manner consistent with the circumstances of the entity being audited. In that connection the statutory auditor/audit firm shall be responsible for determining the nature and scope of the audit, and the way it is to be documented, using due discretion, on the basis of the scale and complexity of and the risks inherent in the audit remit.**

Or. de

Justification

The requirement to apply the ISA (International Standards on Auditing) to all statutory auditing is welcome. The rules they lay down are already contained in the auditing standards which are generally applied, but some technical adjustments may be required. However, the principle of proportionality must be enforced in connection with the application of the ISA. The reference to the regulation in paragraph 1 must be deleted. The proposal for a regulation should be withdrawn; The matters it address should be dealt with in the amending directive, i.e. in the directive on statutory audits, so that proper account can be taken of specific circumstances in individual Member States.

Amendment 103
Klaus-Heiner Lehne

Proposal for a directive

Article 1 – point 12

Directive 2006/43/EC

Article 26 – paragraph 1 – subparagraph 2 – introductory words

Text proposed by the Commission

Member States may impose audit procedures or requirements in addition to the international auditing standards only if those audit procedures or requirements stem from specific national legal requirements relating to the scope of statutory audits. ***Member States shall ensure that those audit procedures or requirements comply with the following conditions:***

Amendment

Member States may impose audit procedures or requirements in addition to the international auditing standards only if those audit procedures or requirements stem from specific national legal requirements relating to the scope of statutory audits.

Or. en

Justification

The changes to Art. 26 para 2 result from changes to Art. 26 para 3.

Amendment 104
Klaus-Heiner Lehne

Proposal for a directive

Article 1 – point 12

Directive 2006/43/EC

Article 26 – paragraph 1 – subparagraph 2 – point a

Text proposed by the Commission

(a) they contribute a high level of credibility and quality to the annual or consolidated financial statements in conformity with the principles set out in Article 4(3) of Directive [xxxx] on the annual financial statements and the consolidated financial statements of certain types of undertakings;

Amendment

deleted

Or. en

Amendment 105
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 12
Directive 2006/43/EC
Article 26 – paragraph 1 – subparagraph 2 – point b

Text proposed by the Commission

Amendment

*(b) are conducive to the Union public
good.* *deleted*

Or. en

Amendment 106
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 12
Directive 2006/43/EC
Article 26 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Amendment

*Member States shall communicate those
audit procedures or requirements to the
Commission, ESMA and other Member
States.* *deleted*

Or. en

Amendment 107
Jean-Pierre Audy

Proposal for a directive
Article 1 – point 12
Directive 2006/43/EC
Article 26 – paragraph 2

Text proposed by the Commission

2. For the purposes of paragraph 1, 'international auditing standards' means International Standards on Auditing (ISAs) and related Statement and Standards **which are part of the Clarity Project issued by the International Federation of Accountants (IFAC) in 2009** insofar as they are relevant to the statutory audit.

Amendment

2. For the purposes of paragraph 1, 'international auditing standards' means International Standards on Auditing (ISAs) and related Statements and Standards **adopted and published** by the International Federation of Accountants (IFAC) insofar as they are relevant to the statutory audit **and are available in the working languages of the European Union.**

Or. fr

Amendment 108
Sajjad Karim

Proposal for a directive
Article 1 – point 12
Directive 2006/43/EC
Article 26 – paragraph 2

Text proposed by the Commission

2. For the purposes of paragraph 1, "international auditing standards" means International Standards on Auditing (ISAs) **and related Statement and Standards which are part of the Clarity Project issued by the International Federation of Accountants (IFAC) in 2009** insofar as they are relevant to the statutory audit.

Amendment

2. For the purposes of paragraph 1, 'international auditing standards' means International Standards on Auditing (ISAs) **issued by the International Auditing and Assurance Standards Board (IAASB) with an effective date stated therein of 2009** insofar as they are relevant to the statutory audit.

Or. en

Amendment 109
Bernhard Rapkay

Proposal for a directive
Article 1 – point 12
Directive 2006/43/EC
Article 26 – paragraph 3

Text proposed by the Commission

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of amending the definition of international auditing standards in paragraph 2 of this Article. When using such powers, the Commission shall take into account any amendments brought to the ISAs by the IFAC, the opinion of the Public Interest Oversight Board on such amendments as well as any other developments in auditing and the audit profession.’.

deleted

Or. de

Amendment 110
Alexandra Thein

Proposal for a directive
Article 1 – point 12
Directive 2006/43/EC
Article 26 – paragraph 3

Text proposed by the Commission

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of amending the definition of international auditing standards in paragraph 2 of this Article. When using such powers, the Commission shall take into account any amendments brought to the ISAs by the IFAC, the opinion of the Public Interest Oversight Board on such amendments as well as any other developments in auditing and the audit profession.’.

Does not apply to English text.

Or. de

Justification

Does not apply to English text (linguistic amendment affecting only the German).

Amendment 111
Klaus-Heiner Lehne

Proposal for a directive

Article 1 – point 12

Directive 2006/43/EC

Article 26 – paragraph 3

Text proposed by the Commission

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of ***amending the definition of*** international auditing standards in paragraph 2 of this Article. When using such powers, the Commission shall ***take into account any amendments brought to the ISAs by the IFAC, the opinion of the Public Interest Oversight Board on such amendments as well as any other developments in auditing and the audit profession.***

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of ***adopting or revoking*** international auditing standards in paragraph 2 of this Article. When using such powers, the Commission shall ***decide on the applicability of international auditing standards within the Union being aware of the proportionality of these standards. The Commission shall adopt international auditing standards for application in the Union only if they***

- (a) have been developed with proper due care, in a transparent manner, under public oversight and are generally accepted internationally;***
- (b) they contribute a high level of credibility and quality to the annual or consolidated financial statements in conformity with the principles set out in Article 4(3) of Directive [xxxx] on the annual financial statements and the consolidated financial statements of certain types of undertakings;***
- (c) are conducive to the Union public good.***

Or. en

Justification

The Commission shall adopt international accounting standards being aware of their proportionality and in order to avoid 27 different auditing standards.

Amendment 112
Alexandra Thein

Proposal for a directive
Article 1 – point 13 a (new)
Directive 2006/43/EC
Article 28 a (new)

Text proposed by the Commission

Amendment

13a. The following Article 28a is inserted:

‘Article 28a Additional report

(1) The statutory auditor shall draw up a clear written report on the nature, scope and outcome of the audit. The report must first comment on the assessment of the situation of the entity or group drawn up by its legal representatives, focusing in particular on an assessment of the viability as a going concern and future development of the entity in the light of the management report, and, when auditing the group financial statements of parent entities, the viability as a going concern and future development of the group, in the light of the group management report, in so far as the audited documents and the management report or group management report make such an assessment possible. In addition, the statutory auditor must report on errors, instances of non-compliance with statutory provisions or facts identified in the course of carrying out the audit which could jeopardise the viability as a going concern of the audited entity or the group or seriously impair its development or which point to serious breaches of the law, the partnership agreement or the articles of incorporation by legal

representatives or employees.

(2) The main part of the audit report must include a statement as to whether the accounts and any other documents audited, the financial statements, the management report, the group financial statements and the group management report are consistent with the relevant statutory provisions and any additional relevant provisions of the partnership agreement or the articles of incorporation. It shall also contain details of any reservations which have not led to the submission of a qualified or an adverse audit opinion, where this is significant in the context of the supervision of the management and of the audited entity. The auditor shall also comment on whether the accounts as a whole give a true a fair view of the assets, financial position and profitability of the entity or group, in accordance with accepted accounting principles or other applicable accounting standards. Details shall also be provided of the material measurement bases employed and of the impact which changes in those measurement bases, including the exercise of recognition and measurement options, the application of management discretion or grooming transactions may have on the presentation of the assets, financial position and profitability. In that connection the items in the financial statements and group financial statements shall be broken down and explained in sufficient detail, if the relevant details are not given in the annex. The report shall state whether the legal representatives provided all requested explanations and documents.

(3) The subject, nature and scope of the audit shall be outlined in a separate section of the audit report. Details shall also be given of the accounting and auditing principles applied.

(4) The audit report shall also indicate the number of audit hours taken to perform the audit engagement, broken down by the hours worked by statutory auditors and those worked by other employees involved. Details shall also be given of the entity-specific factors identified by Member States in the quality assurance payment scheme referred to in Article 25(1)(a) as being significant for the calculation of the payment required. If, in drawing up the quality assurance payment scheme, a Member State has gone beyond the minimum requirements laid down in Article 25(1), the audit report shall outline the significant factors used to determine the level of payment in accordance with the quality assurance payment scheme in force in the Member State concerned.

(5) If Member States stipulate that entities must set up an internal monitoring system designed to identify at an early stage developments which might jeopardise the viability of the entity as a going concern, the statutory auditor or the audit firm shall draw up an assessment, to be included in a separate section of the audit report, as to whether that monitoring system has been set up in an appropriate manner and meets its intended purpose. The report shall outline any measures required to improve the internal monitoring system.

(6) The audit report shall contain a declaration of independence by the statutory auditor.

(7) The statutory auditor shall sign the report and submit it to the body on whose behalf he or she is working.

Or. de

Justification

As a matter of principle, the proposed provisions on the additional report to the audit committee (Article 23 of the proposal for a regulation) are welcome. Following the rejection

of the proposal for a regulation, corresponding provisions must be incorporated into the amending directive and thus into the directive on statutory audits.

Amendment 113
Alexandra Thein

Proposal for a directive
Article 1 – point 14 – point a – point i
Directive 2006/43/EC
Article 29 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(i) point (a) is replaced by the following: **deleted**

‘(a) the quality assurance system shall be governed by the competent authority referred to in Article 32 and organized in such a manner that it is independent of statutory auditors and audit firms.’;

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed changes to Article 1(14)(a)(i)(a) are redundant because the legal status quo regarding the supervisory system is to be maintained.

Amendment 114
Angelika Niebler

Proposal for a directive
Article 1 – point 14 – point a – point i
Directive 2006/43/EC
Article 29 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(i) point (a) is replaced by the following: **deleted**

‘(a) the quality assurance system shall be governed by the competent authority referred to in Article 32 and organized in such a manner that it is independent of

statutory auditors and audit firms.’;

Or. de

Justification

The proposed changes are redundant because the deletion of Article 1(2)(b) means that the legal status quo regarding the supervisory system will be maintained.

Amendment 115
Alexandra Thein

Proposal for a directive
Article 1 – point 14 – point a – point iii
Directive 2006/43/EC
Article 29 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

(iii) the following subparagraph is inserted after point (k): *deleted*

’The competent authority referred to in Article 32 shall make available to interested parties, upon their request, the report referred to in point (g) of the first subparagraph. The competent authority shall make sure that the report disclosed does not undermine the commercial interests of the audited entity under review, including its industrial and intellectual property.’;

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed changes to Article 1(14)(a)(iii) are redundant because the legal status quo regarding the supervisory system is to be maintained.

Amendment 116
Angelika Niebler

Proposal for a directive

Article 1 – point 14 – point a – point iii

Directive 2006/43/EC

Article 29 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

(iii) the following subparagraph is inserted after point (k):

deleted

'The competent authority referred to in Article 32 shall make available to interested parties, upon their request, the report referred to in point (g) of the first subparagraph. The competent authority shall make sure that the report disclosed does not undermine the commercial interests of the audited entity under review, including its industrial and intellectual property.'

Or. de

Justification

The proposed changes are redundant because the deletion of Article 1(2)(b) means that the legal status quo regarding the supervisory system will be maintained.

Amendment 117

Eva Lichtenberger

Proposal for a directive

Article 1 – point 14 – point a – point iii

Directive 2006/43/EC

Article 29 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The competent authority referred to in Article 32 shall make available **to interested parties, upon their request**, the report referred to in point (g) of the first subparagraph. The competent authority shall make sure that the report disclosed does not undermine the commercial

The competent authority referred to in Article 32 shall make available **on** their **website** the report referred to in point (g) of the first subparagraph. The competent authority shall make sure that the report disclosed does not undermine the commercial interests of the audited entity

interests of the audited entity under review, including its industrial and intellectual property.

under review, including its industrial and intellectual property.

Or. en

Amendment 118
Bernhard Rapkay

Proposal for a directive
Article 1 – point 14 – point b
Directive 2006/43/EC
Article 29 – paragraph 2

Text proposed by the Commission

Amendment

(b) paragraph 2 is replaced by the following:

deleted

‘2. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of further specifying the requirements concerning points (a), (b) and (e) to (j) of the first subparagraph of paragraph 1.’

Or. de

Amendment 119
Alexandra Thein

Proposal for a directive
Article 1 – point 14 a (new)
Directive 2006/43/EC
Article 30 – paragraph 3

Text proposed by the Commission

Amendment

14a. Article 30(3) is amended as follows:
‘Member States shall provide that measures taken in respect of, or sanctions imposed on, statutory auditors or audit firms in cases of public relevance are disclosed appropriately to the public, with

details of the nature of the offence and the identity of those responsible, provided it is concluded in an assessment of the individual case that the public interest in disclosure outweighs the need to protect the personal dignity of those affected by the measure or sanction. The assessment in each case shall have regard to the fundamental rights laid down in the EU Charter of Fundamental Rights, in particular the right to respect for private and family life and the right to the protection of personal data. Individual details shall not be published where identification of the persons involved would cause them disproportionate damage or where the disclosure would seriously jeopardise the stability of the financial markets. This shall not affect the discretion of the competent authorities to publish details of the measures and sanctions on the basis of anonymity. Sanctions should include the possibility of the withdrawal of approval.'

Or. de

Justification

Die Effektivität eines Aufsichtssystems wird in der interessierten Öffentlichkeit nicht (nur) an dem Grad der allgemeinen Transparenz eines Aufsichtssystems festgemacht, sondern immer wieder gerade auch an der Transparenz eines bestimmten öffentlichkeitsrelevanten Falles. Anonymisierte Veröffentlichungen in Bezug auf die Effektivität eines Aufsichtssystems werden von der Öffentlichkeit oftmals nicht zur Kenntnis genommen. Das öffentliche Interesse fokussiert sich auf bestimmte öffentlichkeitsrelevante Vorgänge. Ist es den Aufsichtsbehörden auf Grund einer umfassenden Pflicht zur Verschwiegenheit nicht gestattet, auch im Einzelfall Auskünfte geben zu können, kann leicht der Eindruck entstehen, dass das Aufsichtssystem nicht funktioniert. So entsteht eine Erwartungslücke. Um diese Erwartungslücke an das Aufsichtssystem über Abschlussprüfer zu schließen, ist es notwendig und angezeigt, in öffentlichkeitsrelevanten berufsaufsichtlichen Verfahren Maßnahmen oder Sanktionen nach pflichtgemäßem Ermessen auch individualisiert veröffentlichen zu können. Vor einer Veröffentlichung muss jedoch in allen Fällen eine Einzelfallabwägung zwischen dem Schutz der Persönlichkeit und dem öffentlichen Interesse erfolgen. Da neben Artikel 64 des Verordnungsentwurfs der Entwurf der Verordnung auch im Übrigen aufzuheben ist und dessen Inhalte in der Änderungsrichtlinie und damit in der Abschlussprüferrichtlinie zu regeln sind, damit innerstaatliche Besonderheiten der Mitgliedsstaaten in der Transformation berücksichtigt werden können, ist dieser aufzuheben. Für eine bessere Transparenz in der

Aufsicht über Abschlussprüfer ist es ausreichend, aber auch angemessen, wenn Artikel 30 Absatz 3 der Abschlussprüferrichtlinie konkretisiert wird.

Amendment 120
Sebastian Valentin Bodu

Proposal for a directive
Article 1 – point 14 a (new)
Directive 2006/43/EC
Article 31 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

14a. In Article 31 the following paragraph is added:

"Member States may opt to decide that the liability of the audit firms to be limited."

Or. en

Amendment 121
Angelika Niebler

Proposal for a directive
Article 1 – point 15
Directive 2006/43/EC
Article 32

Text proposed by the Commission

Amendment

15. [...]

deleted

Or. de

Justification

The proposed change is redundant because the deletion of Article 1(2)(b) means that the legal status quo regarding the supervisory system will be maintained.

Amendment 122
Alexandra Thein

Proposal for a directive
Article 1 – point 15 – point a
Directive 2006/43/EC
Article 32 – paragraph 1

Text proposed by the Commission

Amendment

(a) paragraph 1 is replaced by the following:

deleted

‘1. Member States shall designate a competent authority responsible for the public oversight of statutory auditors and audit firms based on the principles set out in paragraphs 2 to 7.’;

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed changes to Article 1(15) are largely redundant because the legal status quo regarding the supervisory system is to be maintained.

Amendment 123
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 15 – point a
Directive 2006/43/EC
Article 32 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall designate ***a*** competent ***authority*** responsible for the public oversight of statutory auditors and audit firms based on the principles set out in paragraphs 2 to 7.

1. Member States shall designate ***the*** competent ***authorities*** responsible for the public oversight of statutory auditors and audit firms based on the principles set out in paragraphs 2 to 7.

Or. en

Justification

There is no need to change the status quo, Member States shall therefore remain free to designate more than one competent authority. COM did not delete Article 35 of this Directive.

Amendment 124
Eva Lichtenberger

Proposal for a directive
Article 1 – point 15 – point a
Directive 2006/43/EC
Article 32 – paragraph 1

Text proposed by the Commission

1. Member States shall designate *a* competent **authority** responsible for the public oversight of statutory auditors and audit firms based on the principles set out in paragraphs 2 to 7.

Amendment

1. Member States shall designate competent **authorities** responsible for the public oversight of statutory auditors and audit firms based on the principles set out in paragraphs 2 to 7.

Or. en

Amendment 125
Alexandra Thein

Proposal for a directive
Article 1 – point 15 – point b
Directive 2006/43/EC
Article 32 – paragraph 3

Text proposed by the Commission

(b) paragraph 3 is replaced by the following:

‘3. The competent authority may allow non-practitioners who are knowledgeable in the areas relevant to statutory audit to be involved in the governance of the public oversight system, provided that they are selected in accordance with an independent and transparent nomination procedure. Practitioners shall not be allowed to be involved in the governance

Amendment

deleted

of the public oversight system.’;

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed changes to Article 1(15) are largely redundant because the legal status quo regarding the supervisory system is to be maintained.

Amendment 126

Sari Essayah, Hannu Takkula

Proposal for a directive

Article 1 – point 15 – point b

Directive 2006/43/EC

Article 32 – paragraph 3

Text proposed by the Commission

3. The competent authority may allow non-practitioners who are knowledgeable in the areas relevant to statutory audit to be involved in the governance of the public oversight system, provided that they are selected in accordance with an independent and transparent nomination procedure.

Practitioners shall not be allowed to be involved in the governance of the public oversight system.

Amendment

3. ***The competent authority shall be governed by a wide range of stakeholders.***

The competent authority may allow non-practitioners who are knowledgeable in the areas relevant to statutory audit to be involved in the governance of the public oversight system, provided that they are selected in accordance with an independent and transparent nomination procedure.

Member States may allow a minority of practitioners to be involved in the governance of the public oversight system.

Or. en

Justification

To ensure a current and coherent level of knowledge regarding audit in practice, it should be possible for Member States to allow a minority of practitioners to be involved in the governance of the public oversight system. This is allowed in the current audit directive.

Amendment 127

Alexandra Thein

Proposal for a directive
Article 1 – point 15 – point c
Directive 2006/43/EC
Article 32 – paragraph 4

Text proposed by the Commission

Amendment

(c) in paragraph 4, the introductory sentence is replaced by the following:

deleted

‘The competent authority shall have the ultimate responsibility for the oversight of:’;

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed changes to Article 1(15) are largely redundant because the legal status quo regarding the supervisory system is to be maintained.

Amendment 128
Alexandra Thein

Proposal for a directive
Article 1 – point 15 – point d – introductory part
Directive 2006/43/EC
Article 32 – paragraph 5

Text proposed by the Commission

Amendment

(d) paragraph 5 is replaced by the following:

(d) in paragraph 5, the following second subparagraph is added:

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed changes to Article 1(15) are largely redundant because the legal status quo regarding the supervisory system is to be maintained. It makes sense for paragraph 5 to include, as proposed, a provision giving the competent authorities the right to obtain documents and information.

Amendment 129
Alexandra Thein

Proposal for a directive

Article 1 – point 15 – point d

Directive 2006/43/EC

Article 32 – paragraph 5 – subparagraph 1

Text proposed by the Commission

Amendment

5. The competent authority shall have the right, where necessary, to initiate and conduct investigations in relation to statutory auditors and audit firms and the right to take appropriate action. It shall have adequate resources to initiate and conduct such investigations.

deleted

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed changes to Article 1(15) are largely redundant because the legal status quo regarding the supervisory system is to be maintained.

Amendment 130
Jean-Pierre Audy

Proposal for a directive

Article 1 – point 15 – point d

Directive 2006/43/EC

Article 32 – paragraph 5 – subparagraph 1

Text proposed by the Commission

Amendment

5. The competent authority shall have the right, where necessary, to initiate and conduct investigations in relation to statutory auditors and audit firms and the right to take appropriate action. It shall have adequate resources to initiate and conduct such investigations.

5. The competent authority shall have the right, where necessary, to initiate and conduct investigations in relation to statutory auditors and audit firms and the right to take appropriate action. It shall have adequate resources to initiate and conduct such investigations, ***which may take the form of a compulsory***

*contribution by statutory auditors and
audit firms in proportion to their audit
activity.*

Or. fr

Amendment 131
Alexandra Thein

Proposal for a directive
Article 1 – point 15 – point d
Directive 2006/43/EC
Article 32 – paragraph 5 – subparagraph 2

Text proposed by the Commission

Amendment

In order to carry out its tasks under this Directive, the competent authority shall have access to any document in any form held by statutory auditors or audit firms and to receive and retain a copy thereof. It shall also have the right to demand information from any person and if necessary to summon and question a person with a view to obtaining information.

(Does not affect English version.)

Or. de

Justification

(Does not affect English version.)

Amendment 132
Alexandra Thein

Proposal for a directive
Article 1 – point 15 – point e
Directive 2006/43/EC
Article 32 – paragraph 6

Text proposed by the Commission

Amendment

(e) paragraph 6 is replaced by the following: ***deleted***

‘6. The competent authority shall be transparent. This shall include the publication of annual work programmes and activity reports’.

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed changes to Article 1(15) are largely redundant because the legal status quo regarding the supervisory system is to be maintained.

Amendment 133
Alexandra Thein

Proposal for a directive
Article 1 – point 16
Directive 2006/43/EC
Article 32 a

Text proposed by the Commission

Amendment

16. The following Article 32a is inserted: ***deleted***

‘Article 32a

Delegation of tasks

Member States may allow the competent authority referred to in Article 32 to delegate tasks to other authorities or bodies designated by law only as regards the approval and registration of statutory auditors and audit firms. Any execution of tasks by other authorities or bodies shall be expressly delegated by the competent authority. The delegation shall specify the delegated tasks and the conditions under which they are to be carried out. The

authorities or bodies shall be organized in such a manner that there are no conflicts of interest. The ultimate responsibility for supervising compliance with this Directive and the implementing measures adopted pursuant thereto shall lie with the delegating competent authority.

Member States shall inform the Commission and the competent authorities of the other Member States of any arrangement entered into with regard to the delegation of tasks, including the precise conditions for regulating the delegations.'

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed change to Article 1(16) is entirely redundant as the Member States must be free to determine the authorities responsible for audit supervision.

Amendment 134
Angelika Niebler

Proposal for a directive
Article 1 – point 16
Directive 2006/43/EC
Article 32 a

Text proposed by the Commission

Amendment

16. The following Article 32a is inserted: **deleted**

'Article 32a

Delegation of tasks

Member States may allow the competent authority referred to in Article 32 to delegate tasks to other authorities or bodies designated by law only as regards the approval and registration of statutory auditors and audit firms. Any execution of tasks by other authorities or bodies shall be expressly delegated by the competent

authority. The delegation shall specify the delegated tasks and the conditions under which they are to be carried out. The authorities or bodies shall be organized in such a manner that there are no conflicts of interest. The ultimate responsibility for supervising compliance with this Directive and the implementing measures adopted pursuant thereto shall lie with the delegating competent authority.

Member States shall inform the Commission and the competent authorities of the other Member States of any arrangement entered into with regard to the delegation of tasks, including the precise conditions for regulating the delegations.'

Or. de

Justification

The principle of subsidiarity requires that determining the authorities responsible for audit supervision should continue to be the task of the Member States. Article 32a (new) is rendered redundant by the deletion of Article 1(2)(b).

Amendment 135 **Jim Higgins**

Proposal for a directive
Article 1 – point 16
Directive 2006/43/EC
Article 32 a – paragraph 1

Text proposed by the Commission

Member States may allow the competent authority referred to in Article 32 to delegate tasks to other authorities or bodies designated by law only as regards the approval and registration of statutory auditors and audit firms. ***Any execution of tasks by other authorities or bodies shall be expressly delegated by the competent authority. The delegation shall specify the***

Amendment

Member States may allow the competent authority referred to in Article 32 to delegate tasks to other authorities or bodies designated by law only as regards:

delegated tasks and the conditions under which they are to be carried out. The authorities or bodies shall be organized in such a manner that there are no conflicts of interest. The ultimate responsibility for supervising compliance with this Directive and the implementing measures adopted pursuant thereto shall lie with the delegating competent authority.

(a) the approval and registration of statutory auditors and audit firms,

(b) the education and qualification of statutory auditors,

(c) the organization of the public register of statutory auditors and audit firms and

(d) quality assurance reviews of statutory auditors and audit firms that undertake only non-public-interest entity engagements.

(e) investigative and disciplinary systems for statutory auditors or audit firms that undertake only non-public-interest entity engagements,

Any execution of tasks by other authorities or bodies shall be expressly delegated by the competent authority.

Or. en

Justification

Point (d): Some auditors/audit firms may carry out audits both of public-interest and non-public-interest entities. The amendment as worded by the Rapporteur would potentially mean that such auditor/audit firms were subject to quality assurance reviews both in respect of their public-interest entity and non-public interest entity audits. The proposed revised wording has the effect of avoiding this. Point (e) The proposed amendment would enable Member States to allow the competent authority governing the system of public oversight to delegate to other bodies designated by law, oversight functions of "investigative and disciplinary systems" in respect of statutory auditors and audit firms that undertake only non-public-interest entity engagements. These would, generally, be of a relatively routine nature and this proposal would allow the public oversight authority to concentrate on oversight functions of investigative and disciplinary systems in respect of statutory auditors and audit firms that undertake only public-interest entity engagements.

Amendment 136
Evelyn Regner

Proposal for a directive

Article 1 – point 16

Directive 2006/43/EC

Article 32 a – paragraph 1

Text proposed by the Commission

Member States may allow the competent authority referred to in Article 32 to delegate tasks to other authorities or bodies designated by law only as regards the approval and registration of statutory auditors and audit firms. Any execution of tasks by other authorities or bodies shall be expressly delegated by the competent authority. The delegation shall specify the delegated tasks and the conditions under which they are to be carried out. The authorities or bodies shall be *organized* in such a manner that there are no conflicts of interest. The ultimate responsibility for supervising compliance with this Directive and the implementing measures adopted pursuant thereto shall lie with the delegating competent authority.

Amendment

Member States may allow the competent authority referred to in Article 32 to delegate tasks to other authorities or bodies designated by law only as regards the approval and registration of statutory auditors and audit firms. Any execution of tasks by other authorities or bodies shall be expressly delegated by the competent authority. The delegation shall specify the delegated tasks and the conditions under which they are to be carried out. The authorities or bodies shall be *organised* in such a manner that there are no conflicts of interest, ***and they must be selected in accordance with an independent and transparent nomination procedure. Practitioners may not be involved in the governance of the public oversight system. The conditions of independence set out in Article 36 of Regulation [...] on specific requirements regarding statutory audit of public-interest entities shall apply mutatis mutandis.*** The ultimate responsibility for supervising compliance with this Directive and the implementing measures adopted pursuant thereto shall lie with the delegating competent authority.

Or. de

Justification

Clarification is needed so that the strict conditions of independence set out in Articles 32 and 36 of the Regulation of Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities shall remain applicable where tasks pursuant to this

Article are delegated.

Amendment 137
Eva Lichtenberger

Proposal for a directive
Article 1 – point 16
Directive 2006/43/EC
Article 32 a – paragraph 1

Text proposed by the Commission

Member States may allow the competent authority referred to in Article 32 to delegate tasks to other authorities *or bodies* designated by law only as regards the approval and registration of statutory auditors and audit firms. Any execution of tasks by other authorities or bodies shall be expressly delegated by the competent authority. The delegation shall specify the delegated tasks and the conditions under which they are to be carried out. The authorities *or bodies* shall be organized in such a manner that there are no conflicts of interest. The ultimate responsibility for supervising compliance with this Directive and the implementing measures adopted pursuant thereto shall lie with the delegating competent authority.

Amendment

Member States may allow the competent authority referred to in Article 32 to delegate tasks to other authorities designated by law only as regards the approval and registration of statutory auditors and audit firms. Any execution of tasks by other authorities or bodies shall be expressly delegated by the competent authority. The delegation shall specify the delegated tasks and the conditions under which they are to be carried out. The authorities shall be organized in such a manner that there are no conflicts of interest. The ultimate responsibility for supervising compliance with this Directive and the implementing measures adopted pursuant thereto shall lie with the delegating competent authority

Or. en

Amendment 138
Alexandra Thein

Proposal for a directive
Article 1 – point 17 – point a
Directive 2006/43/EC
Article 36 – paragraph 3

Text proposed by the Commission

3. Paragraph 2 shall not prevent

Amendment

3. The obligation of professional secrecy

competent authorities from exchanging confidential information. Information thus exchanged shall be covered by the obligation of professional secrecy, to which persons employed or formerly employed by competent authorities are subject. The obligation of professional secrecy shall also apply to any other person to whom the competent authorities have delegated tasks in relation to the purposes set out in this Directive.

shall also apply to any other person to whom the competent authorities have delegated tasks in relation to the purposes set out in this Directive.

Or. de

Justification

See justification for the amendment to Article 1(2)(b). The proposed provisions are largely redundant, as the existing provision in the Statutory Audits Directive already covers the 'competent authorities'.

Amendment 139 **Angelika Niebler**

Proposal for a directive
Article 1 – point 17 – point a
Directive 2006/43/EC
Article 36 – paragraph 3

Text proposed by the Commission

3. Paragraph 2 shall not prevent competent authorities from exchanging confidential information. Information thus exchanged shall be covered by the obligation of professional secrecy, to which persons employed or formerly employed by competent authorities are subject. The obligation of professional secrecy shall also apply to any other person to whom the competent authorities have delegated tasks in relation to the purposes set out in this Directive.

Amendment

3. The obligation of professional secrecy shall also apply to any other person to whom the competent authorities have delegated tasks in relation to the purposes set out in this Directive.

Or. de

Justification

The deletion of Article 1(2)(b) means that the legal status quo regarding the supervisory system will be maintained. Directive 2006/43/EC, currently in force, already includes provisions in respect of the ‘competent authorities’.

Amendment 140 **Sebastian Valentin Bodu**

Proposal for a directive
Article 1 – point 18
Directive 2006/43/EC
Article 37 – paragraph 3

Text proposed by the Commission

3. Any contractual clause entered into between the audited entity and a third party restricting the choice by the general meeting of shareholders or members of that entity pursuant to paragraph 1 to certain categories or lists of statutory auditors or audit firms regarding the appointment of or restricting the choice of a particular statutory auditor or audit firm to carry out the statutory audit of that entity ***shall be*** null and void.

Amendment

3. Any contractual clause entered into between the audited entity and a third party restricting the choice by the general meeting of shareholders or members of that entity pursuant to paragraph 1 to certain categories or lists of statutory auditors or audit firms regarding the appointment of or restricting the choice of a particular statutory auditor or audit firm to carry out the statutory audit of that entity ***is*** null and void.

Or. en

Amendment 141 **Alexandra Thein**

Proposal for a directive
Article 1 – point 19
Directive 2006/43/EC
Chapter X

Text proposed by the Commission

19. Chapter X is deleted.

Amendment

deleted

Or. de

Justification

Because the proposal for a regulation is to be withdrawn in its entirety, and specific elements of it – e.g. Article 10 – are to be the subject of provisions in the amending Directive and thus in the Statutory Audits Directive, Chapter X of the latter, on ‘Special provisions for the statutory audits of public-interest entities’, must be retained.

Amendment 142
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 19
Directive 2006/43/EC
Chapter X – title

Text proposed by the Commission

Amendment

19. Chapter X is deleted.

deleted

Or. en

Justification

Chapter X on special provisions for the statutory audit of PIEs is reintroduced and modified.

Amendment 143
Sebastian Valentin Bodu

Proposal for a directive
Article 1 – point 19
Directive 2006/43/EC
Chapter X – title

Text proposed by the Commission

Amendment

19. Chapter X is deleted.

deleted

Or. en

Amendment 144
Klaus-Heiner Lehne

Text proposed by the Commission

Amendment

19a. Article 40 is replaced by the following:

1. Member States shall ensure that a statutory auditor or an audit firm that carries out statutory audit(s) of public-interest entities shall make public an annual transparency report at the latest three months after the end of each financial year. The annual transparency report shall be published on the website of the statutory auditor or audit firm and shall remain available on that website for at least five years.

Member States shall ensure that a statutory auditor or audit firm shall be allowed to update its published annual transparency report. In such a case, the auditor or firm shall indicate that it is an updated version of the report and the original version of the report shall continue to remain available on the website.

2. The annual transparency report shall include at least the following:

(a) a description of the legal structure and ownership of the audit firm;

(b) where the statutory auditor or audit firm belongs to a network, a description of the network and the legal and structural arrangements in the network;

(c) a description of the governance structure of the audit firm;

(d) a description of the internal quality control and risk management system of the audit firm and a statement by the administrative or management body on the effectiveness of its functioning;

(e) an indication of when the last quality assurance review referred to in Article 40 of Regulation XX/XX was carried out;

(f) a list of public-interest entities for which the statutory auditor or audit firm has carried out statutory audits during the preceding financial year;

(g) a statement concerning the statutory auditor's or audit firm's independence practices which also confirms that an internal review of independence compliance has been conducted;

(h) a statement on the policy followed by the statutory auditor or audit firm concerning the continuing education of statutory auditors referred to in Article 13;

(i) information concerning the basis for the partners' remuneration in audit firms;

(j) the audited annual financial report and the audited annual income statement with total turnover divided into fees from the statutory audit of annual and consolidated accounts, and fees charged for audit-related and other assurance services and non-audit services other than prohibited non-audit services as defined in Article 10(2) of Regulation XX/XX.

(k) a description of its policy concerning the rotation of key audit partners and staff in accordance with Article 39c;

(l) a declaration on the application of a corporate governance code; if the statutory auditor is not subject to a corporate governance code and does not voluntarily apply one, it shall state so.

The statutory auditor or audit firm may, in exceptional circumstances, decide not to disclose the information required in point (f) of the first subparagraph to the extent necessary to mitigate an imminent and significant threat to the personal security of any person.

The information contained in point (f) shall also be provided to the competent authority supplemented by revenue figures for the individual statutory audits of public interest entities.

3. The transparency report shall be signed by the statutory auditor or audit firm.

Or. en

Justification

Text moved from Article 26-28 of the proposed audit Regulation and merged in the Directive. In particular, information asked for in Article 26-28 is in many cases overlapping etc. so that the texts can be merged.

Amendment 145
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 19 b (new)
Directive 2006/43/EC
Article 41

Text proposed by the Commission

Amendment

19b. Article 41 is replaced by the following:

Each public-interest entity shall have an audit committee which can also form part of the supervisory body. The audit committee shall be composed of non-executive members of the administrative body and/or members of the supervisory body of the audited entity and/or members appointed by the general meeting of shareholders of the audited entity or, for entities without shareholders, by an equivalent body.

At least one member of the audit committee shall have competence in accounting and/or auditing. The committee members as a whole shall have competence relevant to the sector in

which the audited entity is operating.

At least one member of the audit committee shall be independent. The chairman of the audit committee shall be appointed by its members.

2. By derogation from paragraph 1 of this Article, in public-interest entities which meet the criteria set out in points (f) and (t) of Article 2(1) of Directive 2003/71/EC of the European Parliament and of the Council, the functions assigned to the audit committee may be performed by the administrative or supervisory body as a whole, provided at least that where the chairman of such a body is an executive member, he or she is not the chairman of the audit committee.

3. Member States may exempt from the obligation to have an audit committee:

(a) any public-interest entity which is a subsidiary undertaking within the meaning of Article 1 of Directive 83/349/EEC if the entity complies with the requirements in paragraphs 1 to 4 of that Article at group level;

(b) any public-interest entity the sole business of which is to act as issuer of asset backed securities as defined in Article 2(5) of Commission Regulation (EC) No 809/2004;

(c) any credit institution within the meaning of Article 1(1) of Directive 2006/48/EC whose shares are not admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC and which has, in a continuous or repeated manner, issued only debt securities admitted to trading in a regulated market, provided that the total nominal amount of all such debt securities remains below EUR 100 000 000 and that it has not published a prospectus under Directive.

(d) The public-interest entities referred to in points (b) and (c) shall explain to the public the reasons for which it considers it not appropriate to have either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee

4. By derogation from paragraph 1, a public-interest entity that has a body performing equivalent functions to an audit committee, established and functioning according to provisions in place in the Member State in which the entity to be audited is registered, may decide not to have an audit committee. In such a case the entity shall disclose which body carries out those functions and how that body is composed.

5. Without prejudice to the responsibility of the members of the administrative, management or supervisory bodies, or of other members who are appointed by the general meeting of shareholders of the audited entity, the audit committee shall, inter alia:

(a) monitor financial reporting process and submit recommendations or proposals to ensure its integrity;

(b) monitor the effectiveness of the undertaking's internal control, internal audit where applicable, and risk management systems;

(c) monitor the statutory audit of the annual and consolidated financial statements and supervise the completeness and integrity of the draft audit reports in accordance with Articles 22 to 23 of Regulation XX/XX;

(d) review and monitor the independence of the statutory auditors or audit firms in accordance with Articles 5 to 11 of Regulation XX/XX, and in particular the provision of additional services to the audited entity in accordance with Article 10 of Regulation XX/XX.

(e) be responsible for the procedure on the selection of statutory auditor(s) or audit firm(s) and recommend the statutory auditor(s) or audit firm(s) to be appointed in accordance with Articles 39b;

(f) approve the provision by the statutory auditor or audit firm of non-audit services as referred to in Article 10 of Regulation XXXX to the audited entity.

Or. en

Justification

Text moved from Article 31 of the proposed audit Regulation and wording modified. There is no need for special provisions in a Regulation, the current structure of the Directive can be maintained.

Amendment 146

Klaus-Heiner Lehne, Hubert Pirker, Herbert Dorfmann

Proposal for a directive

Article 1 – point 19 c (new)

Directive 2006/43/EC

Articles 42 and 43

Text proposed by the Commission

Amendment

19c. Articles 42 and 43 are replaced by the following:

Article 42

Appointment of the statutory auditors or audited firms

1. Member States shall ensure that for the purposes of the application of Article 37 (1) of this Directive, for the appointment of statutory auditors or audit firms by public-interest entities, the conditions set out in paragraphs 2 to 6 of this Article shall apply.

Where Article 37(2) of Directive 2006/43/EC applies, the public-interest entity shall only inform the competent

authority designated in accordance with Art 35 of Regulation XX/XX of the use of the alternative systems or modalities referred to in that Article. In this case paragraphs 2 to 7 of this Article shall not apply.

2. The audit committee shall submit a recommendation to the administrative or supervisory board of the audited entity for the appointment of statutory auditors or audit firms. The audit committee shall justify the recommendation made.

The audit committee shall state that its recommendation is free from influence by a third party and that no contractual clause as referred to in paragraph 7 has been imposed upon it.

3. The recommendation of the audit committee referred to in paragraph 2 shall be prepared following a selection procedure organised by the audited entity respecting the following criteria:

(a) the audited entity shall be free to invite any statutory auditors or audit firms to submit proposals for the provision of the statutory audit service and shall consider at least one of the invited auditors or firms which does not receive more than 15% of the total audit fees from public-interest entities in the Member State concerned in the previous calendar year;

(b) the audited entity shall be free to choose the method to contact the invited statutory auditor(s) or audit firm(s) and shall not be required to publish a call for tenders in the Official Journal of the European Union and/or in national gazettes or newspapers;

(c) the audited entity shall prepare tender documents for the attention of the invited statutory auditor(s) or audit firm(s). Those tender documents shall allow them to understand the business of the audited entity and the type of statutory audit that is to be carried out. The tender documents

shall contain transparent and non-discriminatory selection criteria that shall be used by the audited entity to evaluate the proposals made by statutory auditors or audit firms.

(d) the audited entity shall be free to define the selection procedure and may conduct direct negotiations with interested tenderers in the course of the procedure where it shall also address audit quality and remuneration aspects;

(e) where, in accordance with national law or Union law, the competent authorities referred to in Article 35 of Regulation XX/XX, require statutory auditors and audit firms to comply with certain quality standards, those standards shall be included in the tender documents;

(f) the audited entity shall evaluate the proposals made by the statutory auditors or audit firms in accordance with the selection criteria predefined in the tender documents. The audited entity shall prepare a report on the conclusions of the selection procedure, which shall be validated by the audit committee.

(g) the audited entity shall be able to demonstrate to the competent authority referred to in Article 35 Regulation XX/XX that the selection procedure was conducted in a fair manner and that audit quality and remuneration aspects were duly taken into account.

The audit committee shall be responsible for the selection procedure referred to in the first subparagraph.

For the purposes of point (a) of the first subparagraph, the competent authority referred to in Article 35(1) of Regulation XX/XX shall make public a list of the auditors and audit firms concerned which shall be updated on an annual basis. The competent authority shall use the information provided by statutory auditors

and audit firms pursuant to Article 28 to make the relevant calculations.

(4) Public-interest entities which meet the criteria set out in points (f) and (t) of Article 2(1) of Directive 2003/71/EC shall not be required to apply the selection procedure referred to in paragraph 3.

(5) The proposal of the administrative or supervisory board to the general meeting of shareholders or members of the audited entity for the appointment of statutory auditors or audit firms shall include the recommendation made by the audit committee.

If the proposal of the administrative or supervisory board departs from the recommendation of the audit committee, the proposal shall justify the reasons for not following the recommendation of the audit committee. However, the auditor or auditors recommended by the administrative or supervisory board must have participated in the selection procedure described in paragraph 3.

(6) In the case of a credit institution or insurance undertaking, the administrative or supervisory board shall submit its draft proposal to the competent authority referred to in Article 35(2) of Regulation XX/XX. The competent authority referred to in Article 35(2) of Regulation XX/XX shall have the right to veto the choice proposed in the recommendation. Any such opposition shall be duly justified.

The absence of a reply by the competent authority within the prescribed time-limit following submission of the audit committee's recommendation shall be considered as constituting an implied consent to the recommendation.

(7) Any contractual clause entered into between a public-interest entity and a third party restricting the choice by the general meeting of shareholders or members of that entity pursuant to Article

37 of Directive 2006/43/EC to certain categories or lists of statutory auditors or audit firms to carry out the statutory audit of that entity shall be null and void.

The public-interest entity shall inform the competent authorities referred to in Article 35 Regulation XX/XX of any attempt by a third party to impose such a contractual clause or to otherwise influence the decision of the general meeting of shareholders on the selection of a statutory auditor or audit firm.

7a. The audit committee or supervisory board/non-executive directors shall issue the audit engagement without delay following the election.

(8) Where the audited entity is exempted from the obligation to have an audit committee, the audited entity shall decide which body or organ of the entity shall perform its functions for the purposes of the obligations set out in this Article.

(9) Member States may decide that a minimum number of statutory auditors or audit firms shall be appointed by public-interest entities in certain circumstances and establish the conditions governing the relations between the auditors or firms appointed.

If a Member State establishes such requirement, it shall inform the Commission thereof.

Or. en

Justification

Text moved from Article 32 of the proposed audit Regulation and wording modified. There is no need for special provisions in a Regulation.

Amendment 147
Alexandra Thein

Proposal for a directive
Article 1 – point 19 d (new)
Directive 2006/43/EC
Article 42 – paragraph 1 – point b

Text proposed by the Commission

Amendment

19d. Point (b) of Article 42(1) is deleted.

Or. de

Justification

The proposed Article 42(a) (see Article 1(19)(b)) on the prohibition of non-audit services will render redundant the provision requiring that the audit committee be informed on an annual basis about additional services provided to audited undertakings.

Amendment 148
Sebastian Valentin Bodu

Proposal for a directive
Article 1 – point 19 e (new)
Directive 2006/43/EC
Article 42 – paragraph 4

Text proposed by the Commission

Amendment

19e. In Article 42 the following paragraph 4 is added:

Where an audit firm generates more than one third of its annual audit revenues from large public-interest entities and belongs to a network whose members have combined annual audit revenues which exceed EUR 1 500 million within the European Union, the audit firm can provide non-audit services to public interest entities if complies with the following cumulative conditions:

(a) during the first year of application of the present paragraph:

(i) the non-audit services value provided to each public interest entity can not exceed 90% of the annual total audit fees

paid by the public interest entity to the audit firm;

(ii) the non-audit services value provided to public interest entities can not exceed 65% of the annual total income value for the audit firm, originated in payments from public interest entities;

(b) during the second year of application of the present paragraph:

(i) the non-audit services value provided to each public interest entity can not exceed 80% of the annual total audit fees paid by the public interest entity to the audit firm;

(ii) the non-audit services value provided to public interest entities can not exceed 55% of the annual total income value for the audit firm, originated in payments from public interest entities;

(c) during the third year of application of the present paragraph:

(i) the non-audit services value provided to each public interest entity can not exceed 70% of the annual total audit fees paid by the public interest entity to the audit firm;

(ii) the non-audit services value provided to public interest entities can not exceed 45% of the annual total income value for the audit firm, originated in payments from public interest entities;

Or. en

Amendment 149
Alexandra Thein, Jürgen Creutzmann

Proposal for a directive
Article 1 – point 19 f (new)
Directive 2006/43/EC
Article 42 a

19f. The following Article 42a is inserted:

‘Article 42a

Prohibition of the provision of non-audit services

1. In addition to the provisions of Articles 22 and 24, Member States shall ensure the application of the provisions set out in the following paragraphs.

2. A statutory auditor or an audit firm carrying out statutory audit of public-interest entities may provide to the audited entity, to its parent undertaking and to its controlled undertakings statutory audit services, audit-related and other assurance services subject to prior approval of the audit committee and as long as these do not pose a threat to independence that cannot be reduced to an acceptable level by the application of safeguards.

Where the statutory auditor belongs to a network, a member of such network may provide to the audited entity, to its parent undertaking and to its controlled undertakings statutory audit services, audit-related and other assurance services subject to prior approval of the audit committee and as long as these do not pose a threat to independence that cannot be reduced to an acceptable level by the application of safeguards.

3. For the purposes of this Article, audit-related and other assurance services shall mean in particular:

- (a) the audit or review of interim financial statements;**
- (b) providing assurance on corporate governance statements;**
- (c) providing assurance on corporate social responsibility matters;**

(d) providing assurance on or attestation of regulatory reporting to regulators of financial institutions beyond the scope of the statutory audit and designed to assist regulators in fulfilling their role, such as on capital requirements or specific solvency ratios determining how likely an undertaking will be to continue meeting its debt obligations;

(e) providing certification on compliance with tax requirements, preparation of tax declarations, advice on indirect taxes, payroll tax, transfer prices, customs duties and public support measures, support regarding tax inspections and tax authority enquiries;

(f) the audit of technology systems, internal control or risk management procedure related to the preparation and/or control of financing information included in the financial statements, and advice on risk;

(g) providing assurance on the implementation and further development of electronic data processing systems;

(h) the audit of occupational pension schemes and pension obligations;

(i) any other statutory duty related to audit work imposed by Union and/or national legislation to the statutory auditor or audit firm;

(j) providing comfort letters for investors in the context of the issuance of an undertaking's securities, and fairness opinions or contribution-in-kind reports.

4. A statutory auditor or an audit firm carrying out statutory audit of public-interest entities shall not directly or indirectly provide to the audited entity, to its parent undertaking and to its controlled undertakings non-audit services.

Where the statutory auditor belongs to a network, no member of such network

shall provide to the audited entity, to its parent undertaking and to its controlled undertakings within the Union any non-audit services.

For the purposes of this Article, ‘non-audit services’ entailing conflict of interest in all cases shall mean:

(i) consultancy services unrelated to the statutory audit; tax consultancy and legal services that go beyond the identification of structural options and have a more than indirect or insignificant impact on how the asset, financial and income situation is represented in the annual financial statement; legal services, including those for the settlement of disputes; general management and other advisory services;

(ii) book keeping and preparing accounting records and financial statements;

(iii) designing or implementing technology systems, internal control or risk management procedure related to the preparation and/or control of financing information included in the financial statements and advice on risk;

(iv) valuation services;

(v) actuarial services;

(vi) designing or implementing financial information technology systems;

(vii) participating in the audit client’s internal audit and the provision of services related to the internal audit function;

(viii) broker or dealer, investment advice, or investment banking services.

(ix) human resources services, including recruiting senior management;

(x) legal and tax services that go beyond the presentation of alternatives; tax services for natural persons;

5. Where a member of the network to which the statutory auditor or audit firm of a public-interest entity belongs provides non-audit services to a third-country-based enterprise controlled by the audited entity, the statutory auditor/ audit firm shall assess whether his, her or its independence is affected thereby.

If his, her or its independence is affected, the statutory auditor or the audit firm shall apply safeguards in order to mitigate the threats caused by such provision of services in a third country. The statutory auditor or the audit firm may continue to carry out the statutory audit of the public-interest entity only if he, she or it can prove that such provision of services does not affect his, her or its professional judgement and the audit report.

Being involved in the decision-taking of the audited entity and the provision of non-audit services shall be considered as affecting such independence in all cases.

The statutory auditor or the audit firm may consult the competent authority for an opinion on this issue.

6. Competent authorities may give notice of further services and/or activities which it considers impart a conflict of interest and shall notify ESMA, EIOPA, EBA and, where appropriate, the ESRB.'

Or. de

Justification

Der Regelungsvorschlag zum Verbot der Erbringung prüfungsfremder Leistungen in Artikel 10 des Verordnungsvorschlages wird grundsätzlich begrüßt. Er stellt grundsätzlich ein wirksames Instrument dar, die Unabhängigkeit der Abschlussprüfer und Prüfungsgesellschaften von Unternehmen von öffentlichem Interesse zu sichern. Da der Entwurf der Verordnung insgesamt aufgehoben wird, muss eine Regelung zum Verbot der Erbringung prüfungsfremder Leistungen in der Änderungsrichtlinie (neuer Artikel 42a Abschlussprüferrichtlinie) geregelt werden. Folgende Modifikationen sind jedoch bezüglich des ursprünglichen Artikels 10 des Verordnungsvorschlags erforderlich, um das Ziel, eine bestmögliche Unabhängigkeit von Abschlussprüfern/ Prüfungsgesellschaften von

Unternehmen von öffentlichem Interesse, zu erreichen: Die Gestaltung und Umsetzung von Finanzinformationssystemen ist einheitlich nicht genehmigungsfähig. Steuerberatende und juristische Dienstleistungen bleiben hingegen nur insoweit im Katalog der nicht genehmigungsfähigen Leistungen, als sie über das Aufzeigen von Gestaltungsmöglichkeiten hinausgehen und sich auf die Darstellung der Vermögens-, Finanz- und Ertragslage in dem zu prüfenden Jahresabschluss unmittelbar und nicht nur unwesentlich auswirken. Genehmigungsfähige prüfungsfremde Leistungen unterliegen ausschließlich dem Genehmigungsvorbehalt des Prüfungsausschusses. Die vorgesehene Genehmigung bestimmter prüfungsfremder Leistungen durch eine neue Behörde ist weder erforderlich noch praktikabel. Das von der EU-Kommission für die großen Netzwerke vorgesehene Verbot jeglicher prüfungsfremder Leistungen (ehemals Artikel 10 Absatz 5 des Verordnungsvorschlags) ist eine Extremposition, die nicht verhältnismäßig ist.

Amendment 150

Evelyn Regner

Proposal for a directive

Article 1 – point 20

Directive 2006/43/EC

Chapter X a

Text proposed by the Commission

Amendment

[...]

deleted

Or. de

Justification

Simplification of the audit standards is not deemed necessary because the checks required are already less complex in the case of SMEs, and this automatically means less expenditure on auditing.

Amendment 151

Klaus-Heiner Lehne

Proposal for a directive

Article 1 – point 20

Directive 2006/43/EC

Article 43 a – paragraph 1

Text proposed by the Commission

Amendment

Member States shall ***ensure that the***

Member States shall ***require the competent***

application of the auditing standards to the statutory audit of annual or consolidated financial statements *of medium-sized undertakings* is proportionate to the scale and complexity of the business of *those undertakings*.

authorities in their jurisdiction to recognize, when overseeing the profession and in particular in relation to inspections, that the auditing standards *adopted in accordance with Article 26 are applied* to the statutory audit of annual or consolidated financial statements *in a manner that* is proportionate to the scale and complexity of the business of *the entity*.

Or. en

Justification

Proportionate application of ISAs as proposed by the Commission is essential.

Amendment 152
Alexandra Thein, Jürgen Creutzmann

Proposal for a directive
Article 1 – point 20
Directive 2006/43/EC
Article 43 a – paragraph 2

Text proposed by the Commission

When undertaking quality assurance reviews, the competent authorities shall take account of the proportionate application of the auditing standards.

Amendment

(Does not affect the English version.)

Or. de

Justification

(Does not affect the English version.)

Amendment 153
Angelika Niebler

Proposal for a directive
Article 1 – point 20

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Directive 2006/43/EC
Article 43 a – paragraph 2

Text proposed by the Commission

When undertaking quality assurance reviews, the competent authorities shall take account of the proportionate application of the auditing standards.

Amendment

(Does not affect the English version.)

Or. de

Justification

(Does not affect the English version.)

Amendment 154
Marielle Gallo

Proposal for a directive
Article 1 – point 20
Directive 2006/43/EC
Article 43 b – subparagraph 2

Text proposed by the Commission

Where a Member State has established rules on the carrying out of a limited review *of* the accounts of small undertakings *as an alternative to statutory audit*, such Member State shall not be obliged to adapt the audit standards to the statutory audit of those undertakings.

Amendment

Where a Member State has established rules on the carrying out of a limited review *task relating to* the accounts of *some of its* small undertakings, such Member State shall not be obliged to adapt the audit standards to the statutory audit of those undertakings. *However, Member States which have established such rules shall be required to replace this limited review task in these small undertakings with a proportionate statutory audit task within five years.*

Or. fr

Amendment 155
Frédéric Daerden, Antonio Masip Hidalgo

Proposal for a directive

Article 1 – point 20

Directive 2006/43/EC

Article 43 b– paragraph 3

Text proposed by the Commission

For the purposes of this Article, a “limited *review*” means a procedure undertaken by a *statutory auditor or audit firm* with a view to detecting misstatements due to error or fraud in the financial statements of an entity and which provides a lower level of assurance than statutory audit.

Amendment

For the purposes of this Article, a “limited *assurance engagement*” means a procedure undertaken by a *professional or firm that has the qualifications as defined and recognised by Member states*, with a view to detecting misstatements due to error or fraud in the financial statements of an entity and which provides a lower level of assurance than statutory audit.

Or. en

Amendment 156

Sajjad Karim

Proposal for a directive

Article 1 – point 20

Directive 2006/43/EC

Article 43 b – paragraph 3

Text proposed by the Commission

For the purposes of this Article, a “limited *review*” means *a procedure* undertaken by a statutory auditor or audit firm *with a view to detecting misstatements due to error or fraud in the financial statements of an entity and* which *provides* a lower level of assurance *than* statutory audit.

Amendment

For the purposes of this Article, a “limited *assurance engagement*” means *an engagement* undertaken by a statutory auditor or audit firm *in* which a lower level of assurance *is obtained than in a* statutory audit *engagement*.

Or. en

Amendment 157

Alexandra Thein, Jürgen Creutzmann

Proposal for a directive

Article 1 – point 21 – point a

Directive 2006/43/EC

Article 45 – paragraph 1 – introductory wording

Text proposed by the Commission

Amendment

1. The competent authorities of a Member State shall, in accordance with Article 15, 16 and 17, register every third-country auditor and audit entity that provides an audit report concerning the annual or consolidated accounts of an undertaking incorporated outside the Union whose transferable securities are admitted to trading on a regulated market of that Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC, except when the undertaking is an issuer exclusively of outstanding debt securities for which one of the following applies:

(Does not affect the English version.)

Or. de

Justification

(Does not affect the English version.)

Amendment 158

Angelika Niebler

Proposal for a directive

Article 1 – point 21 – point a

Directive 2006/43/EC

Article 45 – paragraph 1 – introductory wording

Text proposed by the Commission

Amendment

1. The competent authorities of a Member State shall, in accordance with Article 15, 16 and 17, register every third-country auditor and audit entity that provides an audit report concerning the annual or consolidated accounts of an undertaking incorporated outside the Union whose

(Does not affect the English version.)

transferable securities are admitted to trading on a regulated market of that Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC, except when the undertaking is an issuer exclusively of outstanding debt securities for which one of the following applies:

Or. de

Justification

(Does not affect the English version.)

Amendment 159
Bernhard Rapkay

Proposal for a directive
Article 1 – point 21 – point d
Directive 2006/43/EC
Article 45 – paragraph 6 – subparagraph 2

Text proposed by the Commission

Amendment

‘The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of establishing the general equivalence criteria to be used when assessing whether the audits of the financial statements referred to in paragraph 1 of this Article are carried out in accordance with international auditing standards as referred to in Article 26 and the requirements laid down in Articles 22, 24 and 25. Such criteria which are applicable to all third countries shall be used by Member States when assessing equivalence at national level.’

deleted

Or. de

Amendment 160
Bernhard Rapkay

Proposal for a directive

Article 1 – point 22

Directive 2006/43/EC

Article 46 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

‘The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of establishing the general equivalence criteria, based on the requirements laid down in Articles 29, 30 and 32, which shall be used when assessing whether the public oversight, quality assurance, investigation and penalties systems of a third country are equivalent to those of the Union. Such general criteria shall be used by Member States when assessing equivalence at national level in the absence of a Commission decision in respect of the third country concerned.’

deleted

Or. de

Amendment 161

Françoise Castex, Frédéric Daerden

Proposal for a directive

Article 1 – point 23 – point -a (new)

Directive 2006/43/EC

Article 47 – paragraph 1 – point b

Text proposed by the Commission

Amendment

***(-a) in paragraph 1, point (b) is replaced by the following:
(b) the transfer takes place via the home competent authorities to the competent authorities of that third country and upon their reasoned request;***

Or. fr

Amendment 162
Françoise Castex, Frédéric Daerden

Proposal for a directive
Article 1 – point 23 – point aa (new)
Directive 2006/43/EC
Article 47 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(aa) in paragraph 2, point (d) is replaced by the following:

(d) the request from a competent authority of a third country for audit working papers or other documents held by a statutory auditor or audit firm can be refused:

– where the provision of those working papers or documents would adversely affect the sovereignty, security or public order of the Community or of the requested Member State, or

– where the guarantees offered by the competent authorities of the third country in order to protect the business secrecy and commercial interests, including the industrial and intellectual property rights, of the audited entities are deemed insufficient by the competent authorities of the Member State, or

– where judicial proceedings have already been initiated in respect of the same actions and against the same persons before the authorities of the requested Member State.

Or. fr

Amendment 163
Bernhard Rapkay

Proposal for a directive
Article 1 – point 23 – point b
Directive 2006/43/EC
Article 47 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

‘The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of establishing the general adequacy criteria in accordance with which the Commission shall assess whether the competent authorities of third countries may be recognized as adequate to cooperate with the competent authorities of Member States on the exchange of audit working papers or other documents held by statutory auditors and audit firms. The general adequacy criteria shall be based on the requirements of Article 36 or essentially equivalent functional results to a direct exchange of audit working papers or other documents held by statutory auditors or audit firms.’

deleted

Or. de

**Amendment 164
Bernhard Rapkay**

**Proposal for a directive
Article 1 – point 23 – point c
Directive 2006/43/EC
Article 47 – paragraph 5**

Text proposed by the Commission

Amendment

‘5. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of defining the exceptional cases referred to in paragraph 4 of this Article in order to facilitate cooperation between competent authorities.’

deleted

Or. de

Amendment 165
Alexandra Thein, Jürgen Creutzmann

Proposal for a directive
Article 1 – point 23 – point c
Directive 2006/43/EC
Article 47 – paragraph 5

Text proposed by the Commission

Amendment

‘5. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of defining the exceptional cases referred to in paragraph 4 of this Article in order to facilitate cooperation between competent authorities.’

(Does not affect the English version.)

Or. de

Justification

(Does not affect the English version.)

Amendment 166
Angelika Niebler

Proposal for a directive
Article 1 – point 23 – point c
Directive 2006/43/EC
Article 47 – paragraph 5

Text proposed by the Commission

Amendment

‘5. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a for the purpose of defining the exceptional cases referred to in paragraph 4 of this Article in order to facilitate cooperation between competent authorities.’

(Does not affect the English version.)

Or. de

Justification

(Does not affect the English version.)

Amendment 167

Françoise Castex, Frédéric Daerden

Proposal for a directive

Article 1 – point 23 – point ca (new)

Directive 2006/43/EC

Article 47 – paragraph 6

Text proposed by the Commission

Amendment

*(ca) paragraph 6 is replaced by the following:
Member States shall communicate to the Commission the working arrangements referred to in paragraphs 1 and 4. The Commission shall ensure, in particular, the conformity thereof with the provisions of Directive 95/46/EC.*

Or. fr

Amendment 168

Klaus-Heiner Lehne

Proposal for a directive

Article 1 – point 23 a (new)

Directive 2006/43/EC

Chapter XI a (new) – title

Text proposed by the Commission

Amendment

23a. The following Chapter XIa is inserted:

ADMINISTRATIVE SANCTIONS AND MEASURES

Or. en

Justification

Whole Title V of the proposed audit Regulation can be moved to the Directive. Member States need to decide on appropriate sanctions to be put in place in case of breach of relevant provisions for any audit.

Amendment 169
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 23 a (new)
Directive 2006/43/EC
Article 47 a (new)

Text proposed by the Commission

Amendment

Article 47a

Administrative sanctions and measures

Member States shall ensure, in conformity with their national law, that at least the appropriate administrative sanctions and/or measures applicable may be taken in cases of breaches of the provisions of this Directive to the persons responsible for those breaches. Member States shall ensure that those sanctions and measures are effective, proportionate and dissuasive.

Or. en

Amendment 170
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 23 c (new)
Directive 2006/43/EC
Article 47 b (new)

Text proposed by the Commission

Amendment

Article 47b

Publication of sanctions and measures

Member States shall provide that every administrative measure or sanction imposed for breach of this Directive shall be published without undue delay, unless such publication would seriously jeopardise the stability of financial markets. Where publication would cause disproportionate damage to the parties involved, competent authorities shall publish the measures and sanctions on an anonymous basis.

The publication of sanctions shall respect fundamental rights as laid down in the EU Charter of Fundamental Rights, in particular the right to respect for private and family life and the right to the protection of personal data.

Or. en

Amendment 171
Klaus-Heiner Lehne

Proposal for a directive
Article 1 – point 23 d (new)
2006/43/EC
Article 47c (new)

Text proposed by the Commission

Amendment

Article 47c

Appeal

Member States shall ensure that decisions taken by the competent authorities in accordance with this Regulation are subject to the right of appeal.

Or. en

Amendment 172
Bernhard Rapkay

Proposal for a directive
Article 1 – point 25

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Text proposed by the Commission

5. A delegated act adopted pursuant to Articles 8(3), 22(4), 26(3), 29(2), 36(7), 45(6), 46(2), 47(3) and 47(5) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of **[two months]** of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by **[two months]** at the initiative of the European Parliament or of the Council.'

Amendment

5. A delegated act adopted pursuant to Articles 8(3), 22(4), 26(3), 29(2), 36(7), 45(6), 46(2), 47(3) and 47(5) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of **four months** of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Or. de

Amendment 173
Jean-Pierre Audy

Proposal for a directive
Article 3

Text proposed by the Commission

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Amendment

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union **and shall be codified, with the Directive amended by it, within three months of its entry into force.**

Or. fr