

**Grand-ducal Regulation of 14 December 2018 determining the requirements for the professional qualification of *réviseurs d'entreprises* (statutory auditors) and *réviseurs d'entreprises agréés* (approved statutory auditors)**

(Mém. A 2018, No 1148)

**Article 1. Required professional qualification**

The professional qualification of *réviseurs d'entreprises* (statutory auditors) shall be recognised by the Commission de Surveillance du Secteur Financier (hereinafter the "CSSF") in respect of the following persons:

1. those who:

- a) present one or more Master's degrees or diplomas corresponding to equivalent training establishing the theoretical qualification provided for in Article 2;
- b) present a certificate of complementary training fulfilling the requirements of Article 3 relating to the applicable Luxembourg legislation on:
  - i) accounting law;
  - ii) commercial law and company law;
  - iii) tax law;
  - iv) law and accounting of financial sector and insurance sector professionals;
  - v) labour law and social security law;
  - vi) legal requirements and professional standards relating to statutory audit and statutory auditors; and
  - vii) professional ethics and independence of the *réviseur d'entreprises* (statutory auditor);
- c) demonstrate the completion of a professional training meeting the conditions of Article 4; and
- d) provide a diploma certifying successful completion of the examination of professional competence as defined in Article 5; or

2. those who:

- a) are approved or fulfil the authorisation requirements within the meaning of Article 3 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (hereinafter "Directive 2006/43/EC"), in another EU or EEA Member State; and
- b) present a certificate of complementary training fulfilling the requirements of Article 3 relating to the applicable Luxembourg legislation on:
  - i) commercial law and company law;
  - ii) tax law; and
  - iii) law and accounting of financial sector and insurance sector professionals; or

3. those who:

- a) hold an approval in a third country imposing the same conditions as or equivalent conditions to those provided for in Articles 4 and 6 to 10 of Directive 2006/43/EC and guaranteeing reciprocity to Luxembourg *réviseurs d'entreprises* (statutory auditors); and
- b) present a certificate of complementary training fulfilling the requirements of Article 3 relating to the applicable Luxembourg legislation on:
  - i) commercial law and company law;

- ii) tax law; and
- iii) law and accounting of financial sector and insurance sector professionals.

The CSSF shall establish, upon the opinion of a consultative commission designated by the CSSF, a list of the approvals which meet the conditions of point (3).

**Article 2. Theoretical qualification**

(1) The diploma(s) referred to in point (1)(a) of Article 1 must be recognised by the competent authorities of the State in which they have been awarded, and shall not preclude the right of access to the profession of statutory auditor as defined by Directive 2006/43/EC.

(2) The diploma(s) referred to in point (1)(a) of Article 1 shall cover the following subjects in which the holder of the diploma must have completed an examination and the study of which corresponds to the minimum number of ECTS (European Credit Transfer and Accumulation System) credits (hereinafter “ECTS credits”) or equivalent credits as indicated below:

<b>Subjects</b>	<b>Minimum number of ECTS</b>
1. General accounting theory and principles	10
2. International accounting standards	6
3. Financial analysis	6
4. Cost and management accounting	6
5a. Risk management	2
5b. Internal control	4

The diploma(s) shall also cover at least the following subjects insofar as they are relevant to statutory auditing and to the duties entrusted to *réviseurs d'entreprises* (statutory auditors) by law:

<b>Subjects</b>	<b>Minimum number of ECTS</b>
6. Corporate governance	2
7. Law of insolvency and similar procedures	3
8a. Civil law	1
8b. Commercial law	1
9. Information technology and computer systems	8
10. Business, general and financial economics	8
11a. Mathematics	3
11b. Statistics	3
12. Basic principles of the financial management of undertakings	6

(3) The CSSF shall establish, upon the opinion of a consultative commission designated by the CSSF, a list of Master's degrees or diplomas corresponding to equivalent training which fully or partially meet the conditions referred to in paragraphs 1 and 2.

(4) Insofar as the Master's degree or diploma corresponding to equivalent training only partially meets the conditions referred to in paragraph 2, the list of diplomas provided for in paragraph 3 shall include the subjects which shall be supplemented by one or several certificates attesting that the holder has successfully passed an examination or tests on the subjects in question.

(5) The holder of a Master's degree or diploma corresponding to equivalent training which is not included in the list of Master's degrees or diplomas corresponding to an equivalent training provided for in paragraph 3, shall add to his/her application for admission to the professional training of *réviseur d'entreprises* (statutory auditor) an administrative certificate issued by the higher education institution which awarded the diploma, setting out the subjects in which s/he has taken an examination as well as the number of ECTS credits or equivalent credits corresponding to the courses s/he attended in the subjects in question.

(6) If the holder of a Master's degree or diploma corresponding to an equivalent training received his/her higher education at several institutions, s/he shall provide, for each of those institutions, an administrative certificate specifying the corresponding part of his/her studies.

(7) In order to be taken into account, the administrative certificate shall:

1. be filed in original;
2. have been issued in the name of the holder who must be mentioned;
3. while following the scheme of the subjects referred to in paragraph 2, indicate in which subjects the holder has taken an examination and indicate the number of ECTS credits or equivalent credits per course. Where a single course covers several subjects, the administrative certificate shall indicate the total number of ECTS credits or equivalent credits for this course and the breakdown between the different subjects;
4. bear the name and the seal of the higher education institution which issued the certificate, be dated and signed in handwriting by a person authorised to bind the higher education institution, while mentioning the name and the position of that person;
5. if it refers to credit unit equivalences of the "Diplôme de comptabilité et de gestion" (DCG) or the "Diplôme supérieur de comptabilité et de gestion" (DSCG), be accompanied by a statement of the higher education institution, which issued the certificate, certifying that these equivalences are granted to the institution in question by the Ministry of National Education of the French Republic.

(8) As long as the administrative certificate referred to in paragraph 5 is not attached to the application for admission to training in accordance with the provisions of Article 4(5), or the administrative certificate does not take the form as described in paragraph 7, the application for admission to training shall be considered as incomplete.

(9) Insofar as the diploma(s) of the Master's degree or of an equivalent training do not cover all the subjects referred to in paragraph 2, they may be supplemented by one or several certificates attesting that the holder has successfully passed an examination or tests on the subjects in question. The candidate, who has completed at least eight subjects out of the twelve referred to in paragraph 2, shall be admitted to the training and the certificate(s) awarded on completion of the missing subject(s) shall be provided prior to the registration for the examination of professional competence.

### **Article 3. Complementary training certificate**

(1) The certificate of complementary training referred to in points (1)(b), (2)(b) and (3)(b) of Article 1 shall be awarded by the rector of the University of Luxembourg based on the assessment of the test results by a college of professors appointed by the rector of the University of Luxembourg. This certificate shall be signed by the CSSF.

The exam courses shall be organised by the University of Luxembourg.

The setting of the detailed curriculum shall be entrusted by the CSSF to a steering committee within the University of Luxembourg.

The administrative and technical arrangements necessary for the practical implementation of the first to the third subparagraphs shall be determined through an agreement between the State, the CSSF and the University of Luxembourg.

(2) The registration for the tests shall be authorised upon the CSSF's decision. For this registration to be authorised:

1. the persons referred to in point (1) of Article 1 must, in accordance with Article 4, have been approved and have confirmed their registration for the professional training and be on professional training at the time of the tests, or be exempted from the professional training in accordance with Article 9(3)(b) of the Law of 23 July 2016 concerning the audit profession, as amended;
2. the persons referred to in point (2) or (3) of Article 1 must have been informed by the CSSF that they meet the conditions referred to in point (2)(a) or (3)(a) of Article 1;
3. the candidate must demonstrate an attendance rate of at least 66.67% in the courses of the complementary training subject of which s/he would like to sit the test.

(3) The organisation of the tests shall be set out by the college of professors referred to in the first subparagraph of paragraph 1.

(4) The language of the tests shall be French. Upon the candidate's express request and the agreement of the professor(s) concerned, the candidate may write the tests in Luxembourgish, German or English.

(5) For each subject, the number of attempted tests is limited to six, bearing in mind that the ordinary test and the re-test are considered individually. After six failures in one subject, the candidate must re-take all the exams of the subjects passed until that date. The candidate's unjustified absence at a session in which s/he was registered shall be considered as failure.

(6) In order to be granted the certificate, it is necessary to obtain at least half of the marks on the different tests for each subject, as defined and taught by the college of professors implementing the detailed curriculum referred to in the third subparagraph of paragraph 1.

(7) The candidates having followed and passed the tests on the same subjects in the context of the "Master en Comptabilité et Audit" organised by the University of Luxembourg before their admission to the professional training are exempted from taking the corresponding tests for the complementary training certificate.

(8) The complementary training shall be suspended when the candidate interrupts his/her training in accordance with Article 4(11). The CSSF may authorise the suspension of the complementary training for other valid reasons to be justified in writing.

#### **Article 4. Professional training**

(1) The professional training referred to in point (1)(c) of Article 1 shall focus, in particular, on the audit of the annual accounts, consolidated accounts or similar financial statements.

(2) Without prejudice to paragraph 3, the training period shall last three years at least and seven years at the most. The actual duration of the training shall be determined on the basis of a full-time period. In case of part-time work or occupation, the actual duration of the training shall be calculated in proportion to the part-time work or occupation. However, to be considered in this respect, the part-time work or occupation may not be less than 50% of the normal working time.

Subject to prior written notification to the CSSF, the training duration may be extended for a period equal to the total amount of sick leave of a continuous period of two months or more, maternity leave, including breastfeeding leave and parental leave.

The training must be completed in an EU or EEA Member State with a natural or legal person approved in that Member State as a statutory auditor within the meaning of Directive 2006/43/EC and authorised in that Member State to train trainees during at least two years. One of these two years shall be completed with a *réviseur d'entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm) in Luxembourg fulfilling the requirements of paragraph 4. The CSSF must be informed beforehand of any part of the training completed outside Luxembourg.

Upon authorisation granted by the CSSF and completion of the two first years of the training, the last part of the training may be carried out with any natural or legal person established in Luxembourg, provided that this person provides sufficient guarantees as to the training of the trainee, and that the latter is accompanied by a natural person acting as a *maître de stage* (person responsible for the training).

(3) A reduction of the training time may be granted by the CSSF to the persons where it finds:

1. that they have the status of accountant trainee (*stagiaire expert-comptable*), or the status of accountant (*expert-comptable*), without prejudice to the requirements for theoretical knowledge referred to in point (1)(a) and (b) of Article 1;
2. that they have completed their training, entirely or partially, in another EU Member State or in a third country.

(4) Throughout the training, the candidate must be closely accompanied by a *maître de stage* (person responsible for the training) who, in Luxembourg, shall be a *réviseur d'entreprises agréé* (approved statutory auditor) with over three years of professional experience or a *cabinet de révision agréé* (approved audit firm) established for over three years, except in the case referred to in the fourth subparagraph of paragraph 2.

(5) To be admitted to the training, the candidate shall submit an application to the CSSF attaching, for the purposes of assessing his/her theoretical qualification, a certified copy or, in the cases referred to in the Law of 29 May 2009 abolishing the obligation to provide a certified copy of an original document, a copy of the diplomas referred to in point (1)(a) of Article 1.

(6) Admission to training shall be subject to a decision of the CSSF, within the following periods as from the submission of the candidate's complete application file:

1. within one month, if the diploma held by the candidate is on the list established by the CSSF in accordance with Article 2(3) as fully fulfilling the requirements of Article 2(1) and (2);

2. within three months, if the diploma held by the candidate is not on the list established by the CSSF in accordance with Article 2(3) or if it is on the list but does not fully fulfil the requirements of Article 2(1) and (2), and provided that the CSSF determined that it could issue a final opinion based on the documents in the application file.

(7) For the purposes of issuing a final opinion on the higher education diploma(s) submitted by a candidate, the CSSF may be assisted by experts.

(8) Admission to training gives right to register for training. The candidate must confirm his/her registration for training to the CSSF via mail or any other communication means accepted by the CSSF and countersigned by the *maître de stage* (person responsible for the training) within one month as from the notification of the decision of admission to training. In this case, the training starts at the date of notification of admission to training by the CSSF.

By way of derogation from the first subparagraph and upon express request of the candidate, the CSSF may consider that the training started up to six months prior to the date of the decision of admission to training where the candidate has already been employed or occupied by a *réviseur d'entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm) during that period.

(9) Where registration for training is not confirmed within the required period, the actual start date of the training shall be delayed until the date of receipt of the confirmation.

(10) The candidate must inform the CSSF, within one month at the latest, of any change of *maître de stage* (person responsible for the training) by mail signed by the candidate and countersigned by the new *maître de stage*, or by any other communication means accepted by the CSSF. After this deadline, the training period shall be automatically interrupted until the mail or communication is received.

(11) Any interruption and resumption of training must be notified to the CSSF within one month at the latest by mail signed by the candidate and countersigned by the *maître de stage* (person responsible for the training), or by any other communication means accepted by the CSSF. Where a training interruption has not been communicated, the training period shall be automatically extended for a duration twice as long as the interruption period.

(12) The training shall end:

1. with the decision of the examination jury to issue the diploma attesting that the candidate has passed the examination of professional competence in accordance with Article 5(6);
2. with the resignation of the trainee;
3. with the expiry of the deadline laid down in paragraph 2; or
4. following final exclusion of the candidate in accordance with the third subparagraph of Article 5(8).

## **Article 5. Examination of professional competence**

(1) The examination of professional competence referred to in point (1)(d) of Article 1 (hereinafter the "examination") aims to verify the candidate's capacity to apply in practice the theoretical knowledge referred to in Articles 2 and 3 to the legal duties of the *réviseur d'entreprises* (statutory auditor).

(2) The examination shall include one session per year organised between 1 September and 30 November. The examination shall be broken down into two separate tests, namely a written test and an oral test. The written and oral tests shall be independent from each other and may be taken during the same session or in two different sessions.

(3) The written test of the examination shall be composed of one or several practical questions relating to one or several subjects with regard to the legal duties of the *réviseurs d'entreprises* (statutory auditors) with the aim to verify the candidate's ability of normative reasoning.

(4) The purpose of the oral test is to ensure the candidate's ability to answer questions in relation to the professional practice, legal duties and responsibilities of the *réviseur d'entreprises* (statutory auditor).

(5) In order to guarantee the objectivity when marking the written test copies, they shall be deposited anonymously by the candidate at the end of the test. In this respect, a code shall be assigned to the candidate before the written test. The anonymity shall be lifted only after the copies have been corrected and the examination jury (hereinafter the "jury") has deliberated.

(6) The language of the tests shall be French.

Upon express request by the candidate and the jury's approval, the candidate may express him/herself in written and oral tests in Luxembourgish, German or English.

(7) The opening and closing dates for registration to examination shall be set by the CSSF. The candidates shall be informed of the opening and closing dates through the press and on the CSSF's website.

The candidate shall request an authorisation to take part in the examination from the CSSF. Except where candidates are authorised to take the examination in accordance with Article 9(3)(a) of the Law of 23 July 2016 concerning the audit profession, as amended, the candidate shall attach to his/her request:

1. a copy of the complementary training certificate referred to in Article 3(1), with the exception of the case referred to in Article 3(7);
2. where appropriate, the original certificates referred to in Article 2(9) and the original diploma of the "Master en Comptabilité et Audit" referred to in Article 3(7), or the examination results or the report if the candidate has not completed this Master's degree; and
3. a letter informing of the nature of the duties carried on during the training and the business sectors concerned.

These documents shall be submitted only when filing the request for registration to the first test. The requests related to subsequent tests shall be subject to a simple mail.

Except where candidates are exempted from the professional training in accordance with Article 9(3) of the Law of 23 July 2016 concerning the audit profession, as amended, and without prejudice to Article 4(3), the candidate must have been on professional training for at least three years at the date of the first test.

Registration for each test is authorised upon decision of the CSSF. The registered candidate shall receive by mail a notification of the dates and times of the exam.

(8) The candidate who does not attend the test, failed, except if s/he provides in writing a valid reason for his/her absence. The jury shall assess the validity of the reason given by the candidate during its deliberation.

The candidate must obtain at least 40% of the marks to validate the test. S/he may retain the benefit of this passing of the exam for six years or decide to re-take it, in which case s/he loses the benefit of the previous mark received.

The candidate may have up to four attempts per test. After four failures to the same test, s/he is definitely excluded from the examination.

In order to pass the examination, the candidate must have obtained at least 40% of the marks in each test and 50% of the marks overall.

In case of admission, the candidate shall be rewarded a diploma which shall read as follows:

"The jury for the admission of *réviseurs d'entreprises* (statutory auditors) candidates, upon submission of the required documents and based on the test result, delivers to:

Mr/Ms \_\_\_\_\_

born on \_\_\_\_\_ in \_\_\_\_\_

the diploma certifying the successful completion of the examination of professional competence required to request the authorisation to practice the profession of *réviseur d'entreprises* (statutory auditor)."

The grade awarded to the candidate in accordance with the percentage of marks obtained in the tests shall be indicated on the diploma as follows:

1. between 65% and less than 75% of the marks: grade "*cum laude*";
2. between 75% and less than 85% of the marks: grade "*magna cum laude*";
3. as from 85% of the marks: grade "*summa cume laude*".

The diploma shall be signed by the president of the jury and stamped by the CSSF.

#### **Article 6. Examination jury**

(1) The examination shall take place before a jury consisting of *réviseurs d'entreprises agréés* (approved statutory auditors) proposed by the Institut des réviseurs d'entreprises and persons having specific knowledge or qualifications in the economic, legal, tax, accounting or financial fields.

(2) The jury shall be composed of at least eight members, four of which at least shall be *réviseurs d'entreprises agréés* (approved statutory auditors). They shall be appointed by the CSSF which determines the duration of their term.

(3) The chairman of the jury, who shall not be from the profession of *réviseur d'entreprises* (statutory auditor), shall be designated by the CSSF from among the jury's members. S/he shall ensure the sound examination process. In the event of a tie vote during the deliberations of the jury, the chairman shall have a casting vote.

An agent of the CSSF shall act as the secretary of the jury. S/he shall attend the tests and the deliberations of the jury but shall not participate in the vote.

The remuneration of the jury members and the secretary are set and paid by the CSSF.

(4) The jury shall deliberate only if the majority of the members are present.

(5) No one may take part, as a member of the jury, in the deliberations with respect to a candidate who is a relative or a relative by marriage up to or including the fourth degree or with whom s/he has another conflict of interest.

Moreover, no one may take part, as a member of the jury, in the deliberations with respect to a candidate who is attached to the same *cabinet de révision* (audit firm) as the candidate or if his/her independence may be challenged for another reason set out in the Code of Ethics governing the profession.

Prior to the date of the tests, the members of the jury shall verify in the final list of registered candidates, who among them is considered incompatible pursuant to the first and second subparagraphs.



(6) The written and oral tests shall be assessed by two members of the jury, among whom one *réviseur d'entreprises agréé* (approved statutory auditor).

(7) At the end of each test, the jury shall notify the candidate of the result of his/her test. The jury shall also decide, where appropriate, on the candidate's admission to or exclusion from the examination.

(8) The jury shall communicate the overall results of the examination to the CSSF.

(9) Internal rules to be drawn up by the jury and to be approved by the CSSF shall establish the general guidelines of the written and oral tests, as well as the subjects to be included in the written test and the content of the oral test.

#### **Article 7. Repealing provision**

Grand-ducal Regulation of 9 July 2013 determining the requirements for the professional qualification of *réviseurs d'entreprises* (statutory auditors) and *réviseurs d'entreprises agréés* (approved statutory auditors) shall be repealed.

#### **Article 8. Transitional provisions**

(1) The candidates who started their professional training period before the entry into force of this regulation must attend the examination of professional competence within the maximum period provided for in Article 4(2).

(2) The candidates who already attended the examination of professional competence and who have partially failed one or several exams in the framework of the Grand-ducal Regulation of 9 July 2013 determining the requirements for the professional qualification of *réviseurs d'entreprises* (statutory auditors) and *réviseurs d'entreprises agréés* (approved statutory auditors), as amended, may attend the examination of professional competence as defined in this regulation. These candidates must attend and pass the two tests of the examination of professional competence in accordance with the provisions of Article 5(8).

#### **Article 9. Entry into force**

This regulation shall enter into force on 1 January 2019.

#### **Article 10. Enforcement order**

Our Minister of Finance shall execute this regulation, which shall be published in the Journal officiel du Grand-Duché de Luxembourg.