

In case of discrepancies between the French and the English text, the French text shall prevail.

Law of 18 December 2009 concerning the audit profession and:

- **transposing 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,**
- **organising the audit profession,**
- **amending certain other legal provisions, and**
- **repealing the amended Law of 28 June 1984 organising the profession of *réviseur d'entreprises* (statutory auditor).**

(Mém. A 2010, No. 22)

as amended by:

- by the law of 27 October 2010
 - enhancing the anti-money laundering and counter terrorist financing legal framework;
 - organising the controls of physical transport of cash entering, transiting through or leaving the Grand Duchy of Luxembourg;
 - implementing United Nations Security Council resolutions as well as acts adopted by the European Union concerning prohibitions and restrictive measures in financial matters in respect of certain persons, entities and groups in the context of the combat against terrorist financing;
- amending:
1. the Penal Code;
 2. the Code of Criminal Procedure;
 3. the law of 7 March 1980 on the organisation of the judicial system, as amended;
 4. the law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended;
 5. the law of 19 February 1973 on the sale of medicinal substances and the fight against drug addiction, as amended;
 6. the law of 11 April 1985 approving the Convention on the Physical Protection of Nuclear Material, opened for signature at Vienna and New York on 3 March 1980, as amended;
 7. the law of 31 January 1948 on the regulation of air navigation, as amended;
 8. the law of 20 June 2001 on extradition;
 9. the law of 17 March 2004 on the European arrest warrant and surrender procedures between Member States of the European Union;
 10. the law of 8 August 2000 concerning mutual legal assistance in criminal matters;
 11. the law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
 12. the law of 5 April 1993 on the financial sector, as amended;
 13. the law of 6 December 1991 on the insurance sector, as amended;
 14. the law of 9 December 1976 on the organisation of the profession of notary, as amended;
 15. the law of 10 August 1991 on the legal profession, as amended;
 16. the law of 10 June 1999 on the organisation of the accounting profession, as amended;
 17. the law of 18 December 2009 concerning the audit profession;
 18. the law of 20 April 1977 on gaming and betting on sporting events, as amended;
 19. the law of 17 March 1992 approving the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances signed in Vienna on 20 December 1988, as amended;
 20. the law of 14 June 2001 approving the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, signed in Strasbourg on 8 November 1990, as amended;

(Mém. A 2010, No. 193)

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TITLE I

Transposition of the 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 and amending Council Directives 78/660/EEC and 83/349/EEC, and repealing Council Directive 84/253/EEC, and organising the audit profession.

Chapter I. Definitions

Article 1. Definitions

For the purposes of this Law, the following terms shall be understood as having the following meanings:

- (1) "key audit partner(s)" mean(s):
 - a) the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) designated by a *cabinet de révision agréé* (approved audit firm) for a particular audit engagement as being primarily responsible for carrying out the audit on behalf of the *cabinet de révision agréé* (approved audit firm); or
 - b) in the case of a group audit, the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) designated by a *cabinet de révision agréé* (approved audit firm) as being primarily responsible for carrying out the audit at the level of the group and the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) designated as being primarily responsible for carrying out the audit at the level of material subsidiaries; or
 - c) the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)), who sign(s) the audit report;
- (2) "competent authorities" means the authorities or bodies designated by law that are in charge of the regulation and/or oversight of statutory auditors and audit firms or third-country auditors and audit entities or of specific aspects thereof; the reference to "competent authority" in a specific Article means a reference to the authority or body(ies) responsible for the functions referred to in that Article;
- (3) "audit firm" means a legal person or any other entity, regardless of its legal form, that is approved in accordance with Directive 2006/43/EC by the competent authorities of another Member State to carry out statutory audits of annual accounts or consolidated accounts;
- (4) "*cabinet de révision* (audit firm)" means a legal person or any other entity, regardless of its legal form, fulfilling the requirements set out in Article 3(4);
- (5) "*cabinet de révision agréé* (approved audit firm)" means a legal person or any other entity, regardless of its legal form, which is a member of the IRE and has been approved in accordance with Article 5 of this Law;
- (6) "statutory audit" means an audit of annual accounts or consolidated accounts – insofar as required by law;
- (7) "third-country auditor" means a natural person who carries out audits of the annual or consolidated accounts of companies having their registered offices in a country outside a Member State;
- (8) "group auditor" means the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) or the *cabinet(s) de révision agréé(s)* (approved audit firm(s)) carrying out statutory audits of consolidated accounts;
- (9) "statutory auditor" means a natural person who is approved in accordance with Directive 2006/43/EC by the competent authorities of another Member State to carry out statutory audits of annual accounts or consolidated accounts;
- (10) "CSSF" means the *Commission de surveillance du secteur financier*;
- (11) "Directive 78/660/EEC" means the Fourth Council Directive 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies;
- (12) "Directive 83/349/EEC" means the Seventh Council Directive 83/349/EEC of 13 June 1983 based on Article 54(3)(g) of the Treaty on consolidated accounts, as amended;
- (13) "Directive 2003/71/EC" means Directive 2003/71/EC of the European Parliament and of the

Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, and amending Directive 2001/34/CE;

- (14)“Directive 2004/39/EC” means Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, amending Council Directives 85/611/EEC and 93/61/CEE and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC;
- (15)“Directive 2004/109/EC” means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC;
- (16)“Directive 2006/43/EC” means 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 and amending Council Directives 78/660/EEC and 83/349/EEC;
- (17)“Directive 2006/48/EC” means Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast);
- (18)“third-country audit entity” means an entity, regardless of its legal form, which carries out audits of the annual or consolidated accounts of companies having their registered office outside a Member State;
- (19)“public-interest entities” means entities governed by Luxembourg law whose transferable securities are admitted to trading on a regulated market of a Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC, credit institutions as defined in point 12 of Article 1 of the amended Law of 5 April 1993 on the financial sector, Luxembourg insurance undertakings as defined in Article 25(1)(h) of the amended Law of 6 December 1991 on the insurance sector, excluding the undertakings and bodies referred to in Article 26(4) of the amended Law of 6 December 1991 on the insurance sector, pension funds referred to in Article 25(1)(hh) of the amended Law of 6 December 1991 on the insurance sector and the Luxembourg reinsurance undertakings referred to in Article 25(1)(nn) of the amended Law of 6 December 1991 on the insurance sector. A Grand-Ducal regulation may designate other entities as public-interest entities, by reason of the nature of their business, their size or the number of their employees;
- (20)“affiliate of a *cabinet de révision agréé* (approved audit firm)” means any undertaking, regardless of its legal form, which is connected to a *cabinet de révision agréé* (approved audit firm) by means of common ownership, control or management;
- (21)“Member State” means a Member State of the European Union. States that are party to the Agreement on the European Economic Area (“EEA”) other than the Member States of the European Union shall be assimilated to Member States of the European Union, within the limits defined in that agreement and the acts relating thereto;
- (22)“IRE” means the *Institut des Réviseurs d’Entreprises*;
- (23)“non-practitioner” means any natural person who, for at least three months before his involvement in the governance of a public oversight system, has not carried out statutory audits, has not held voting rights in a *cabinet de révision agréé* (approved audit firm), an audit firm or a third-country audit entity, has not been a member of the administrative or management body of a *cabinet de révision agréé* (approved audit firm), an audit firm or a third-country audit entity and has not been employed by, or otherwise associated with, a *cabinet de révision agréé* (approved audit firm), an audit firm or a third-country audit entity;
- (24)“international auditing standards” means International Standards on Auditing (ISA) and related Statements and Standards, insofar as relevant to the statutory audit;
- (25)“international accounting standards” means International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and related Interpretations (SIC-IFRIC interpretations), subsequent amendments to those standards and related interpretations, and future standards and related interpretations issued or adopted by the International Accounting Standards Board (IASB);
- (26)“audit report” means the report referred to in Article 51a of Directive 78/660/EEC and Article 37 of Directive 83/349/EEC, issued by the *réviseur d’entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) following the statutory auditing of annual

accounts or consolidated accounts;

(27) “network” means the larger structure:

- which is aimed at cooperation and to which a *réviseur d’entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm) belongs; and
- which is clearly aimed at profit- or cost-sharing or shares common ownership, control or management, common quality-control policies and procedures, a common business strategy, the use of a common brand-name or a significant part of professional resources;

(28) “*réviseur d’entreprises* (statutory auditor)” means a natural person, who is a member of the IRE and has the professional qualification referred to in Article 3 of this Law and may exercise the activities referred to in point (29) of this Article, excluding the activities referred to in a) and b);

(29) “*réviseur d’entreprises agréé* (approved statutory auditor)” means a *réviseur d’entreprises* (statutory auditor), who is a member of the IRE and has been approved in accordance with this Law in order to carry out:

- a) the statutory audit of accounts and
- b) all such other tasks as are conferred upon him by law on an exclusive basis.

Without prejudice to the provisions of Articles 18 and 19, the exercise of the functions provided for in a) and b) of this point is not incompatible with the exercise of other activities, such as domiciliation, contractual auditing, giving fiscal advice, organising and carrying out accounting and analysing using accounting techniques the situation and functioning of undertakings from their various economic, legal and financial aspects.

Chapter II. Approval, professional qualification and continuing education

Article 2. Protection of titles

No one may bear the title of “*réviseur d’entreprises* (statutory auditor)”, “*réviseur d’entreprises agréé* (approved statutory auditor)”, “*cabinet de révision* (audit firm)” or “*cabinet de révision agréé* (approved audit firm)” or any similar name and no one may exercise, not even on an ancillary or occasional basis, the activities referred to in Article 1(29) a) and b), unless he is authorised to do so on the conditions laid down in Articles 3 and 4 of this Law.

The wrongful use of the title of “*réviseur d’entreprises* (statutory auditor)”, “*réviseur d’entreprises agréé* (approved statutory auditor)”, “*cabinet de révision* (audit firm)” or “*cabinet de révision agréé* (approved audit firm)” or any similar name, or the unauthorised exercise, even on an ancillary or occasional basis, of the activities referred to in Article 1(29) a) and b) shall be liable to the criminal sanctions set out in Article 70 of this Law.

Article 3. Conditions for obtaining the title of “*réviseur d’entreprises* (statutory auditor)” or “*cabinet de révision* (audit firm)” and for exercising the activities referred to in Article 1(29)(2)

(1) The titles of “*réviseur d’entreprises* (statutory auditor)” and “*cabinet de révision* (audit firm)” shall be attributed by the CSSF in accordance with paragraphs (2), (3) and (4) of this Article.

(2) To obtain the title of “*réviseur d’entreprises* (statutory auditor)”, natural persons must:

- a) provide proof of good repute and professional qualification. The conditions of professional qualification shall be determined by Grand-Ducal regulation in accordance with Article 8 of this Law;
- b) register as a member of the IRE.

(3) To be able to exercise the activities referred to Article 1(29)(2), the *réviseur d’entreprises* (statutory auditor) must:

- a) have a professional establishment in Luxembourg; or
- b) exercise the activity as an employee of a *cabinet de révision* (audit firm).

(4) To obtain the title of “*cabinet de révision* (audit firm)”, legal persons must satisfy the following conditions:

- a) natural persons exercising the activities referred to in Article 1(29)(2) in the name of the legal person must satisfy the conditions set out in paragraphs (2) and (3) of this Article and be

empowered to bind the legal person;

- b) a majority of the voting rights in an entity must be held by *réviseurs d'entreprises* (statutory auditors), *réviseurs d'entreprises agréés* (approved statutory auditors), *cabinets de révision* (audit firms), *cabinets de révision agréés* (approved audit firms), statutory auditors or audit firms;
- c) a majority of the members of the administrative or management body of the entity must consist of *réviseurs d'entreprises* (statutory auditors), *réviseurs d'entreprises agréés* (approved statutory auditors) or statutory auditors. Where that body has no more than two members, one of them at least must fulfil the conditions set out in this letter c);
- d) the legal person shall satisfy the required conditions of good repute;
- e) have a professional establishment in Luxembourg;
- f) register as a member of the IRE.

(5) The decision of the CSSF granting the title of "*réviseur d'entreprises* (statutory auditor)" or "*cabinet de révision* (audit firm)" or refusing to grant the title of "*réviseur d'entreprises* (statutory auditor)" or "*cabinet de révision* (audit firm)" may be challenged in accordance with Article 69 of this Law.

Article 4. Withdrawal of the title of "*réviseur d'entreprises* (statutory auditor)" or "*cabinet de révision* (audit firm)"

(1) The CSSF shall withdraw the title of "*réviseur d'entreprises* (statutory auditor)" from a natural person if any one of the conditions referred to in Article 3(2) of this Law ceases to be fulfilled or in the event of non-compliance with Article 3(3).

(2) The CSSF shall withdraw the title of "*cabinet de révision* (audit firm)" from the legal person if any one of the conditions set out in Article 3(4) of this Law ceases to be fulfilled.

(3) The CSSF may grant a "*cabinet de révision* (audit firm)" that no longer complies with any one of the conditions referred to in Article 3(4) b) and c) a period of one year to regularise its situation.

(4) The decision of the CSSF to withdraw the title of "*réviseur d'entreprises* (statutory auditor)" or "*cabinet de révision* (audit firm)" may be challenged in accordance with Article 69 of this Law.

(5) The CSSF shall inform the President of the IRE of withdrawals pronounced by virtue of this Article.

Article 5. Approval as a "*réviseur d'entreprises agréé* (approved statutory auditor)" or "*cabinet de révision agréé* (approved audit firm)"

(1) To be able to exercise the activities referred to in Article 1(29) a) and b) of this Law, approval must be granted by the CSSF in accordance with paragraphs (2) and (3) of this Article.

(2) To obtain the approval referred to in paragraph (1), natural persons must have a professional establishment in Luxembourg and satisfy one of the following conditions:

- a) be the holder of the title "*réviseur d'entreprises* (statutory auditor)", granted in accordance with Article 3 of this Law;
- b) be a statutory auditor and pass an aptitude test in one of the administrative languages of Luxembourg, relating to an adequate knowledge of a statutory auditor with regard to the laws and regulations of Luxembourg. The Grand-Ducal regulation provided for in Article 3 shall organise the aptitude test;
- c) subject to reciprocity, be a third-country auditor, under the proviso of providing evidence of good repute and professional qualifications deemed equivalent to those required under Article 8 of this Law and of passing the aptitude test provided for in letter b) of this paragraph.

A Grand-Ducal regulation shall lay down the criteria for equivalence, taking into account the minimum duration of higher education, the nature and the extent of the subjects having to be covered by the theoretical and practical education and the conditions for the practical training period and continuing education.

(3) To obtain the approval referred to in paragraph (1), legal persons must satisfy the following conditions:

- a) natural persons exercising the activities referred to in Article 1(29) a) and b) in the name of a legal person must be *réviseurs d'entreprises agréés* (approved statutory auditors);

- b) a majority of the voting rights in an entity must be held by *réviseurs d'entreprises agréés* (approved statutory auditors), *cabinets de révision agréés* (approved audit firms), statutory auditors or audit firms;
- c) a majority of the members of the administrative or management body of the entity must consist of *réviseurs d'entreprises agréés* (approved statutory auditors) or statutory auditors. Where that body has no more than two members, one of them at least must fulfil the conditions set out in this letter c);
- d) the legal person shall satisfy the required conditions of good repute;
- e) have a professional establishment in Luxembourg.

(4) Approved natural persons shall be granted the title of “*réviseur d'entreprises agréé* (approved statutory auditor)”.

Approved legal persons shall be granted the title of “*cabinet de révision agréé* (approved audit firm)”.

(5) The decision of the CSSF granting approval or refusing to grant approval may be challenged in accordance with Article 69 of this Law.

Article 6. Withdrawal of approval as a “*réviseur d'entreprises agréé* (approved statutory auditor)” or a “*cabinet de révision agréé* (approved audit firm)”

(1) The CSSF shall withdraw the approval as *réviseur d'entreprises agréé* (approved statutory auditor) if any one of the conditions referred to in Article 5(2) of this Law ceases to be fulfilled.

(2) The CSSF shall withdraw the approval as *cabinet de révision agréé* (approved audit firm) if any one of the conditions referred to in Article 5(3) of this Law ceases to be fulfilled.

(3) The CSSF may, before proceeding to withdraw approval, grant *cabinets de révision agréés* (approved audit firms) that no longer satisfy any one of the conditions referred to in Article 5(3) b) and c), a period of one year in which to regularise their situation.

(4) Withdrawal of approval shall imply that those persons may no longer use the title of “*réviseur d'entreprises agréé* (approved statutory auditor)” or “*cabinet de révision agréé* (approved audit firm)”, respectively.

(5) In the event of the withdrawal of the approval of a *réviseur d'entreprises agréé* (approved statutory auditor) or of a *cabinet de révision agréé* (approved audit firm) for any reason whatsoever and which cannot be challenged in the *tribunal administratif* (Administrative Court), the CSSF shall notify the withdrawal and the reasons therefor to the President of the IRE. The CSSF shall also notify this withdrawal and the reasons for said withdrawal to the competent authorities concerned of the Member States in which the person concerned is also approved, which competent authorities are mentioned in the public register in accordance with Articles 12(1) c) and 13(1) i) of this Law.

Article 7. Recognition of service providers from other Member States

Notwithstanding Article 5, and pursuant to Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market, the activities referred to in Article 1(29) b) may be performed by a service provider from a Member State by way of the free provision of services, provided that, pursuant to Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications, the following provisions are complied with in case of the movement of the service provider for the first time:

- a) he makes a declaration prior to the first provision of services;
- b) he provides, upon the first provision of services, proof of nationality and an attestation certifying that its bearer is legally established in another Member State to exercise the activities in question, and that, at the time when the attestation was issued, the holder was not subject to any ban, even temporary, on providing services;
- c) he provides proof of professional qualifications;
- d) and he takes an aptitude test in the event of there being a substantial difference in the professional qualifications required. A Grand-Ducal regulation shall organise the aptitude test.

The CSSF shall ensure that service providers comply with the requirements set out in this Article.

Article 8. Professional qualification

(1) The Grand-Ducal regulation provided for in Article 3(2) of this Law requires a minimum of a Master's degree or equivalent training and a training period of at least three years in the field of the auditing of annual accounts, consolidated accounts or similar financial statements, endorsed by a professional qualification examination.

(2) (a) The diplomas recognised, the training period arrangements and the organisation of the aptitude examination shall be specified by a Grand-Ducal regulation. The diplomas shall mandatorily include certificates attesting to the possession of sufficient knowledge in particular of tax law, company law and professional ethics of the audit profession in Luxembourg.

(b) At least two thirds of the training period shall take place with a *réviseur d'entreprises agréé* (approved statutory auditor), a *cabinet de révision agréé* (approved audit firm), a statutory auditor or an audit firm.

(c) The aptitude examination shall consist of a theoretical part and a practical part and shall cover the subjects of which knowledge is relevant for carrying out a statutory audit.

(d) The practical part shall relate to the candidate's capacity to apply the theoretical knowledge in practice.

(3) A derogation may be made from the provisions of paragraphs (1) and (2) of this Article in favour of a person who shows:

(a) either that he has, for fifteen years, engaged in professional activities which have enabled him to acquire sufficient experience in the fields of finance, law and accounting and has passed the professional aptitude examination;

(b) or that he has, for seven years, engaged in professional activities in those fields and has, in addition, undergone the practical training and passed the professional aptitude examination.

(4) The CSSF shall issue a diploma of professional aptitude attesting that the requirements of this Article are satisfied for the person who wishes to accede to the audit profession.

Article 9. Continuing education

Réviseurs d'entreprises (statutory auditors) and *réviseurs d'entreprises agréés* (approved statutory auditors) are required to take part in appropriate programmes of continuing education in order to maintain their theoretical knowledge, professional skills and values at a sufficiently high level.

A Grand-Ducal regulation shall specify the criteria that the programmes of continuing education must satisfy in order to be taken into account for the purposes of the implementation of this Law.

Failure to respect the continuing education requirements shall constitute a disciplinary offence, which may give rise to the sanctions mentioned in Articles 47 and 67 of this Law.

Article 10. Obligation to practise the audit profession under one's own name and limitation periods for civil and professional liability actions

Réviseurs d'entreprises agréés (approved statutory auditors) practising their profession as sole practitioners may do so only under their own name, to the exclusion of any pseudonym or impersonal title.

Civil professional liability actions brought against a *réviseur d'entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm) shall lapse after five years starting from the date of the audit report.

Chapter III. Registration of *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms)**Article 11. Public register**

(1) *Réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) shall be registered in a public register kept by the CSSF in accordance with Articles 12 and 13.

(2) Each *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) shall be identified in the public register by a personal number.

(3) The information required in accordance with Articles 12 and 13 of this Law shall be registered in electronic form and shall be accessible to the public electronically.

(4) The public register shall contain the name and address of the CSSF as the competent authority for the public oversight of the audit profession within the meaning of Chapter VIII of Title I of this Law.

Article 12. Information to be provided by the *réviseurs d'entreprises agréés* (approved statutory auditors)

(1) Insofar as the *réviseurs d'entreprises agréés* (approved statutory auditors) are concerned, the public register shall contain at least the following information that the *réviseurs d'entreprises agréés* (approved statutory auditors) must provide the CSSF with:

- (a) name, address and registration number;
- (b) if applicable, name, address, website address and registration number of the *cabinet de révision agréé* (approved audit firm) that employs the *réviseur d'entreprises agréé* (approved statutory auditor) or with which the *réviseur d'entreprises agréé* (approved statutory auditor) is associated as a partner or otherwise;
- (c) all other registration(s) as statutory auditor with the competent authorities of other Member States and as third-country auditor, including the name(s) of the registration authority (authorities) and, if applicable, the registration number(s).

(2) Third-country auditors registered in accordance with Article 79 shall be clearly indicated as such in the register and not as *réviseurs d'entreprises agréés* (approved statutory auditors).

Article 13. Information to be provided by the *cabinets de révision agréés* (approved audit firms)

(1) Insofar as the *cabinets de révision agréés* (approved audit firms) are concerned, the public register shall contain at least the following information, which the *cabinets de révision agréés* (approved audit firms) must provide the CSSF with:

- (a) name, address and registration number;
- (b) legal form;
- (c) contact details of the first person to be contacted and, if applicable, a website address;
- (d) address of each office in Luxembourg;
- (e) name and registration number of all the *réviseurs d'entreprises agréés* (approved statutory auditors) employed by or associated as partners or otherwise with the legal person;
- (f) names and business addresses of all the owners or shareholders;
- (g) names and business addresses of all the members of the administrative or management body;
- (h) if applicable, membership of a network and a list of the names and addresses of the firms belonging to that network and affiliates, or the indication of the place where such information is accessible to the public;
- (i) all other registration(s) as an audit firm with the competent authorities of other Member States and as an audit entity with third countries, including the name(s) of the registration authority (authorities) and, if applicable, the registration number(s).

(2) Third-country audit entities registered in accordance with Article 79 shall be clearly indicated as such in the register and not as *cabinets de révision agréés* (approved audit firms).

Article 14. Notification of changes

The *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) shall notify the CSSF of any change of information contained in the public register without undue delay from the moment the change occurred. The register shall be updated without undue delay after notification.

Article 15. Responsibility for the information provided

The information supplied to the CSSF in accordance with Articles 12, 13 and 14 shall be signed by the *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm), as the case may be. In the case of a *cabinet de révision agréé* (approved audit firm), the

information provided shall be signed by a *réviseur d'entreprises agréé* (approved statutory auditor) who is a member of the *cabinet de révision agréé* (approved audit firm).

Article 16. Authorised languages

The information provided to the CSSF in accordance with Articles 12, 13 and 14 shall be drawn up in Luxembourgish, French, German or English.

In the event of translation of the information provided into one of these languages, the register shall indicate whether the translation is certified or not.

Chapter IV. Professional code of ethics, independence, objectivity, professional secrecy and professional obligations

Article 17. Professional code of ethics

All *réviseurs d'entreprises* (statutory auditors), *réviseurs d'entreprises agréés* (approved statutory auditors), *cabinets de révision* (audit firms) and *cabinets de révision agréés* (approved audit firms) shall be bound to respect principles of professional ethics, covering their integrity, objectivity, competence, due care and professional independence.

Article 18. Independence of *réviseurs d'entreprises* (statutory auditors), *réviseurs d'entreprises agréés* (approved statutory auditors), *cabinets de révision* (audit firms) and *cabinets de révision agréés* (approved audit firms)

(1) The exercise of one of the activities referred to in Article 1(29) by the *réviseur d'entreprises* (statutory auditor), the *réviseur d'entreprises agréé* (approved statutory auditor), the *cabinet de révision* (audit firm) or the *cabinet de révision agréé* (approved audit firm) shall be incompatible with any activity liable to detract from the principles of independence of the profession.

(2) Where he exercises the activities referred to in the first paragraph of this Article, the *réviseur d'entreprises* (statutory auditor) or the *réviseur d'entreprises agréé* (approved statutory auditor), respectively, may not enter gainful employment unless it is with a *cabinet de révision* (audit firm) or a *cabinet de révision agréé* (approved audit firm).

Article 19. Independence of *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) with regard to the statutory auditing of accounts

(1) *Réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) must be independent of the audited entity. They may not be involved in the decision-making process of the audited entity.

(2) *Réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) may not carry out a statutory audit if there is any direct or indirect financial, business, employment or any other relationship, including the provision of additional non-audit services, between the *réviseur d'entreprises agréé* (approved statutory auditor), the *cabinet de révision agréé* (approved audit firm) or network and the audited entity, from which an objective, reasonable and informed third party would conclude that the independence of the *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) is compromised.

If the independence of the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) is affected by threats, such as self-review, self-interest, advocacy, familiarity or trust or intimidation, the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved 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 his or its independence is compromised, the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) shall not carry out the statutory audit.

In addition, where statutory audits of public-interest entities are concerned and where appropriate to safeguard the independence of the *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm), a *réviseur d'entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm) may not carry out a statutory audit in cases of self-review or self-interest.

(3) The *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) shall document in the audit working papers all significant threats to his or its

independence as well as the safeguards applied to mitigate those threats.

Article 20. Independence and objectivity of *réviseurs d'entreprises agréés* (approved statutory auditors) who carry out a statutory audit on behalf of a *cabinet de révision agréé* (approved audit firm)

Neither the owners or the shareholders of a *cabinet de révision agréé* (approved audit firm) nor the members of the administrative, management and supervisory bodies of that *cabinet de révision agréé* (approved audit firm), or of an affiliated firm, shall intervene in the execution of a statutory audit in any way which jeopardises the independence and objectivity of the *réviseur d'entreprises agréé* (approved statutory auditor) who carries out the statutory audit on behalf of the *cabinet de révision agréé* (approved audit firm).

Article 21. Audit fees

The fees fixed for carrying out statutory audits and any other assignments conferred on the *réviseur d'entreprises agréé* (approved statutory auditor) exclusively:

- may not be determined or influenced by the provision of additional services to the audited entity and
- may not be based on any form of contingency.

Article 22. Professional secrecy

(1) The *réviseurs d'entreprises* (statutory auditors), *réviseurs d'entreprises agréés* (approved statutory auditors), *cabinets de révision* (audit firms) and *cabinets de révision agréés* (approved audit firms) and persons in their service shall be obliged to maintain secret the information entrusted to them in the course of their professional activity. The divulgation of such information shall be punished by the penalties laid down in Article 458 of the Criminal Code. The obligation of secrecy shall cease where the divulgation of information is authorised or required by or by virtue of a legislative provision, even one preceding this Law.

(2) Paragraph (1) shall not impede a *réviseur d'entreprises* (statutory auditor) or a *cabinet de révision* (audit firm) from communicating information to the CSSF, the IRE or their representatives where they are acting within the confines of the powers conferred on them by this Law.

(3) Paragraph 1 shall not obstruct a *réviseur d'entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm) from communicating information:

- to the CSSF, the IRE and their representatives where they are acting within the confines of the powers conferred upon them by this Law;
- to the *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) replacing another *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) in the context of the statutory audit of the entity concerned;
- to the group auditor responsible for the statutory audit of the consolidated accounts of a group of undertakings.

(4) Any *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) having ceased to participate in a specific audit assignment and any former *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) shall remain subject to professional secrecy as far as said audit assignment is concerned.

(5) Where a civil procedure or criminal investigation action is carried out with or with regard to a *réviseur d'entreprises* (statutory auditor), a *réviseur d'entreprises agréé* (approved statutory auditor), a *cabinet de révision* (audit firm) or a *cabinet de révision agréé* (approved audit firm) in cases provided for by law, it may not be carried out except in the presence of the President of the IRE or his representative or the latter having been duly notified.

The President of the IRE or his representative may address the authorities having ordered such actions with any observations concerning the safeguarding of professional secrecy. Acts of seizure and records of search shall mention under penalty of being null and void the presence of the President of the IRE or his representative or the fact that they were duly notified, as well as any observations which the President of the IRE or his representative thought fit to make.

Article 23. Cooperation with the authorities

The *réviseurs d'entreprises* (statutory auditors), *réviseurs d'entreprises agréés* (approved statutory auditors), *cabinets de révision* (audit firms) and *cabinets de révision agréés* (approved audit firms) shall be obliged to respond and cooperate as fully as possible with any legal request made to them by the authorities responsible for the application of the laws in the exercise of their powers.

Article 24. Professional obligations

The *réviseurs d'entreprises* (statutory auditors), *réviseurs d'entreprises agréés* (approved statutory auditors), *cabinets de révision* (audit firms) and *cabinets de révision agréés* (approved audit firms) shall be subject to the following professional obligations as defined by the amended Law of 12 November 2004 relating to the fight against money laundering and the financing of terrorism:

- the obligations of vigilance with regard to clients in accordance with Articles 3, 3-1, 3-2 and 3-3 of said Law;
- the obligations of adequate internal organisation in accordance with Article 4 of said Law; and
- the obligations of cooperation with the authorities in accordance with Article 5 of said Law.

Chapter V. Appointment, dismissal and resignation of *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms)**Article 25. Appointment of *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms)**

The *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) shall be appointed by the general meeting of shareholders or the members of the audited entity, without prejudice to the provisions laid down in other laws.

Article 26. Dismissal and resignation of *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms)

The *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) may be dismissed only on proper grounds. A divergence of opinion as to an accounting treatment or an auditing procedure shall not constitute a proper ground for dismissal.

The audited entity and the *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) shall inform the CSSF of the dismissal or resignation of the *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) during the term of appointment and shall provide an adequate explanation.

Chapter VI. Auditing standards and audit report**Article 27. Auditing standards and audit report**

Statutory audits of accounts shall be carried out in accordance with the international auditing standards as adopted by the European Commission.

The CSSF may issue standards in the field of the statutory auditing of accounts for matters that are not covered by the auditing standards referred to in the first paragraph.

Article 28. Statutory audits of consolidated accounts

In the event of a statutory audit of the consolidated accounts of a group of undertakings:

- (1) the group auditor shall bear the full and complete responsibility for the audit report with regard to the consolidated accounts;
- (2) the group auditor shall carry out a review and document his review of the audit work performed by a *réviseur d'entreprises agréé* (approved statutory auditor), a *cabinet de révision agréé* (approved audit firm), a statutory auditor, an audit firm, a third-country auditor or third-country audit entity for the purposes of the group audit. The documents retained by the group auditor must enable the CSSF to review the work of the group auditor properly;
- (3) where a component of a group of undertakings is audited by an auditor or an audit entity from a third country in which there are no agreements on the working methods referred to in Article 82(1) d), the group auditor shall be responsible for ensuring that the audit documents drawn up by the auditor or

audit entity of the third country, including the working documents relating to the auditing of the group, are duly provided to the CSSF on request.

To this end, the group auditor shall retain a copy of the documents or shall agree with the auditor or audit entity of the third country that he shall have access thereto or shall take every other appropriate measure to obtain them without restriction upon request.

If legal or other impediments prevent the transmission of the audit documents of a third country to the group auditor, the documents retained by the group auditor shall include evidence that he has followed the appropriate procedures for obtaining access to the audit documents and that, in the case of impediments other than legal impediments resulting from the legislation of the country concerned, evidence supporting such an impediment.

Article 29. Audit report

Where a *cabinet de révision agréé* (approved audit firm) is charged with the statutory audit of accounts, the audit report shall be signed at least by the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) carrying out the statutory audit on behalf of said *cabinet*.

Chapter VII. The *Institut des Réviseurs d'Entreprises*

Article 30. The IRE

The IRE shall be a legal entity.

The IRE shall consist of *réviseurs d'entreprises* (statutory auditors), *réviseurs d'entreprises agréés* (approved statutory auditors), *cabinets de révision* (audit firms) and *cabinets de révision agréés* (approved audit firms).

Article 31. Competences of the IRE

The IRE shall have the following competences:

- (a) to defend the rights and interests of the profession;
- (b) to issue standards for the fields of activity referred to in Article 1(29)(2);
- (c) to ensure respect for professional standards and duties, with the exception of those applicable to the activities referred to in Article 1(29) a) and b);
- (d) to ensure respect by its members of their professional obligations arising from the legislation relating to the fight against money laundering and the financing of terrorism;
- (e) to forestall and conciliate any disputes between its members, on the one hand, and between its members and third parties, on the other hand;
- (f) to perform certain tasks entrusted to it by the CSSF;
- (g) to make any proposals in the interest of the profession to the CSSF.

Article 32. Powers of the IRE

The IRE shall have the power to carry out checks and to require any such information as it shall deem necessary from its members in the fields attributed to it by this Law.

The checks shall be carried out in accordance with procedures decided upon by the general assembly upon proposal of the Council of the IRE.

Article 33. Bodies of the IRE

The bodies of the IRE shall be the Council, the general assembly and the Disciplinary Council.

Article 34. Council of the IRE

(1) The Council of the IRE shall be composed of seven members elected by the general assembly from among the members who are natural persons. A majority must consist of *réviseurs d'entreprises agréés* (approved statutory auditors).

Elections shall take place by secret ballot by a relative majority of the votes unless there are as many candidates as there are posts to fill. In such case, the candidates shall be declared elected and there

shall be no need to hold a vote.

The Council of the IRE shall have all the powers that are not reserved to the general assembly or to the Disciplinary Council.

(2) The members of the Council are elected for a term of three years. Their term of office, however, shall not come to an end until a new Council has been elected. All terms of office shall expire on the same day, i.e. every three years, at the annual general assembly. Terms of office are renewable.

In the event of a vacancy of a post within the Council, the remaining members shall ensure a replacement until the next general assembly.

In the event of a simultaneous vacancy of three posts, the remaining members or, failing that, the President of the Disciplinary Council shall convene a general assembly in order to fill the vacant posts.

The members thus designated or elected shall complete the term of office of the members whom they replace.

Article 35. Election of a President, a Secretary and a Treasurer

The members of the Council shall, at their first meeting, elect from among them a President, a Secretary and a Treasurer.

Article 36. Rights and obligations of the President, the Secretary and the Treasurer

The President shall represent the IRE in judicial and extra-judicial proceedings. He shall have a casting vote in the event of a tied vote within the Council. He shall convene the Council when he deems it necessary or at the request of two other members of the Council, submitted at least eight days in advance, except in cases of urgency.

In the event that the President is absent or prevented from acting, his function shall be assumed by a representative designated in accordance with the rules defined by the Council.

The Secretary shall draw up the minutes of the Council, which shall be countersigned by the President of the meeting.

The minutes shall mention the names of the members present or represented at the meeting.

The Treasurer shall be responsible for the receipts and disbursements authorised by the Council; he shall present the accounts at the end of each year to the Council, which shall adopt them and submit them to the annual general assembly along with the budget.

Article 37. Decision-making conditions of the Council of the IRE

The Council may take decisions validly only if the majority of its members are present or represented. A member may be represented at meetings of the Council by another member. A member may represent only one other majority member at meetings of the Council. The decisions of the Council shall be taken by an absolute majority of the votes of the members present and the members represented.

Article 38. Investigation of cases by the President of the IRE

(1) The President of the IRE shall investigate cases referred to him by the State Prosecutor or the CSSF or by complaint or upon his own motion. If he considers that he is in the presence of one of the situations referred to in Article 46, he may:

- on the advice of the Council of the IRE, issue an injunction in accordance with Article 39 of this Law or make a call to order in accordance with Article 40 of this Law.
- refer the case to the Disciplinary Council. He shall be bound to refer to the Disciplinary Council all cases referred to him upon request of the State Prosecutor or the CSSF.

The President of the IRE may enlist the help of experts in order to carry out his disciplinary investigations.

He may delegate his powers of investigation and referral to another member of the Council of the IRE who is not a member of the Disciplinary Council on the grounds set out in Article 45(1). The Council of the IRE shall assess those grounds without the President having the right to vote.

Without prejudice to the provisions of this Law, the Disciplinary Council shall comply with the forms laid down for the courts.

(2) Before referring a case to the Disciplinary Council, the President of the IRE shall draw up a record of the facts underlying the investigation. To this end, he may address the General State Prosecutor with a view to having officers of the judicial police carry out an investigation.

Article 39. Power of injunction of the President of the IRE

(1) Where a member of the IRE does not respect the provisions of this Law falling under the competences of the IRE, the President of the IRE may, pursuant to Article 38(1), first dash, having heard the opinion of the Council of the IRE, enjoin a member by registered mail to rectify the situation found within such timeframe as is determined in the letter.

(2) If, upon the expiry of the timeframe determined pursuant to the preceding paragraph, the member has not complied with or has not sufficiently complied with the injunction referred to in the first paragraph, the President may, having heard the opinion of the Council of the IRE, deliver a call to order or refer the case to the Disciplinary Council.

Article 40. Call to order by the President of the IRE

Pursuant to Article 38(1), first dash, the President of the IRE, having heard the opinion of the Council of the IRE, may call a member to order where he has found that the matters complained of, while being established, constitute a failure to comply with the provisions of this Law, which fall within the competences of the IRE while not warranting any of the sanctions provided for in Article 47 of this Law.

Article 41. General assembly

All natural persons shall be called on to hold a general assembly at least once a year, at the latest during the month of June. Extraordinary general assemblies shall be held each time that the Council of the IRE deems it necessary or upon the written, reasoned request of at least one-fifth of the members who are natural persons.

General assemblies shall be convened by the President of the IRE at least two weeks before the date fixed for the assembly. Notifications, to be sent out by registered mail or an equivalent procedure, shall indicate the place, the date, the time and the agenda of the general assembly.

Article 42. Conditions for deliberation of the general assembly

(1) The general assembly may validly deliberate only if at least half of the members who are natural members are present or represented.

If a first assembly does not meet the required quorum, a second assembly, convened within the month and with the same agenda shall deliberate validly whatever the number of members who are natural persons present or represented.

Each member who is a natural person shall have one vote; he may be represented by virtue of a written proxy given to another member.

(2) The general assembly shall decide by a two-thirds majority vote on the dismissal of one or more members of the Council of the IRE and on the conferral of the title of Honorary President.

In all other cases, it shall decide by an absolute majority vote, without prejudice to the provisions of Article 34 of this Law.

Article 43. Agenda of the general assembly

The agenda of the annual general assembly shall include in particular the presentation of the activity report and the annual accounts for the past financial year, the vote on the approval of the annual accounts, the vote on the discharge of the members of the Council of the IRE, the vote on the budget for the following financial year and on the annual membership fee as well as, where appropriate, the election of the Council of the IRE.

Article 44. Disciplinary Council

A Disciplinary Council shall be established consisting of the President of the *tribunal d'arrondissement de Luxembourg* (District Court of Luxembourg) or such judge as replaces him, as President, and four members of the Council of the IRE.

The full members of the Disciplinary Council shall have as their alternates the other members of the Council of the IRE.

In the event that the full and alternate members are prevented from acting, the President of the Disciplinary Council shall appoint *réviseurs d'entreprises* (statutory auditors) or *réviseurs d'entreprises agréés* (approved statutory auditors) from outside the members of the Council of the IRE.

Article 45. Requirements for the independence of the members of the Disciplinary Council

The following may not sit on the Disciplinary Council: the President of the IRE or the person to whom he has delegated his powers within the meaning of Article 38(1)(3), persons associated with the person prosecuted or blood relations or relations by marriage of that person or his spouse up to and including the sixth degree and persons associated with the complainant or blood relations or relations by marriage of the complainant up to and including the sixth degree.

Members of the Disciplinary Council wishing to abstain for other reasons shall be bound to declare this in writing to the President of the Disciplinary Council within eight days of their convocation. The President of the Disciplinary Council shall decide whether or not an abstention is warranted.

Article 46. Power to adopt sanctions of the Disciplinary Council

Within the framework of the competences of the IRE as provided for in Article 31 of this Law, the Disciplinary Council shall exercise the power to impose sanctions on any of its members on account of:

- (a) infringement of the legal and regulatory requirements;
- (b) professional misconduct and negligence;
- (c) acts contrary to professional meticulousness and dignity and in breach of honour and integrity;
- (d) refusal to provide documents or other information requested;
- (e) provision of documents or other information that prove to be incomplete, inaccurate or false;
- (f) obstruction of the exercise of the IRE's powers of inspection;
- (g) refusal to comply with injunctions or calls to order of the President of the IRE;

the whole without prejudice to the administrative or judicial action that may result from the same facts.

Article 47. Disciplinary sanctions

The disciplinary sanctions in the order of their seriousness shall be:

- (a) a warning;
- (b) a reprimand;
- (c) a fine ranging from EUR 1,250 to 125,000. "In the event of a failure to comply with professional obligations resulting from legislation on the combat against money laundering and terrorist financing, or in the event of any obstacle to the exercise of the authority of the IRE as defined in Article 32 in respect of the powers referred to in Article 31, point (d), the maximum fine is raised to EUR 250,000."¹
- (d) the removal of the right to vote in the general assembly with a prohibition on being a member of the Council of the IRE for a maximum of six years;
- (e) a suspension from exercising one of the activities referred to in Article 1(29)(2) of this Law for a term not exceeding five years;
- (f) a definitive prohibition on exercising one or more activities referred to in Article 1(29)(2) of this Law;
- (g) a suspension of the right to practise the profession for a term not exceeding five years;
- (h) a definitive prohibition on the right to practise the profession.

The CSSF shall temporarily or definitively withdraw the title of '*réviseur d'entreprises* (statutory auditor)' or '*cabinet de révision* (audit firm)' from a person who has had imposed on him the sanctions described in (g) and (h) by virtue of a final decision.

In the event that a sanction is imposed, the costs of the disciplinary proceedings shall be borne by the

¹ Law of 27 October 2010

member against whom the sanction is pronounced. In the opposite case, the costs shall be borne by the IRE.

The costs and, where appropriate, the fine shall be made enforceable by the President of the *tribunal d'arrondissement* (District Court) of the district of the person against whom the sanction is imposed. The fine shall be collected by the *Administration de l'Enregistrement* for the benefit of the State.

Article 48. Information of the CSSF

The IRE shall be obliged to inform the CSSF without undue delay of any breach of professional standards and duties and of the professional obligations referred to in Article 31(c) and (d) by a *réviseur d'entreprises agréé* (approved statutory auditor) or by a *cabinet de révision agréé* (approved audit firm) and of any measure imposed by the IRE against a *réviseur d'entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm) by virtue of Articles 39, 40 and 47 of this Law.

Article 49. Summons before the Disciplinary Council

The member charged shall be summoned before the Disciplinary Council by the President of the IRE at least fifteen days prior to the session. The summons shall contain the complaints made against him. The member charged may inspect the file, without moving it, at the secretariat of the IRE. He may, at his expense, have copies issued to him.

The member charged shall appear in person. He may be assisted by a solicitor. If the person charged does not appear, a decision shall be taken by default against which no appeal will be possible.

Article 50. Session of the Disciplinary Council

(1) At the opening of the session of the Disciplinary Council, the President of the IRE shall set forth the case and read out the documents. The President of the IRE may be represented by a solicitor at the session of the Disciplinary Council.

The Council shall then hear successively the complainant, if any, the witnesses, the experts, who shall withdraw after testifying, the member charged and the findings of the President of the IRE.

The member charged shall speak last.

The minutes of the session shall be drawn up by a member of the Council appointed for that purpose by the President of the Disciplinary Council.

(2) The sessions of the Disciplinary Council shall be public. However, an in camera session may be ordered at the request of the person charged or if facts affecting vital interests of third parties must be raised in the debates. The deliberations shall be secret. The decisions shall be taken by an absolute majority of the votes; they shall be signed by all the members of the Disciplinary Council.

Article 51. Power of investigation and expert assessment of the Disciplinary Council

The Disciplinary Council may order investigations and expert reports. Investigations shall be carried out by the Council, by two of its delegate members, by experts or by officers of the judicial police.

Witnesses and experts appearing before the Council or its delegates shall be heard under oath. Witnesses summoned who refuse to appear or to testify shall be liable to the penalties provided for in Articles 157 and 158 of the Code of Criminal Investigation. Those penalties shall be pronounced by the *tribunal correctionnel* (Criminal Court) on application by the Public Prosecutor. The *tribunal correctionnel* (Criminal Court) may furthermore order the defaulting witness to testify under threat of civil imprisonment.

Perjury and the subornation of witnesses and experts shall be punishable by the penalties laid down in Articles 220, 223 and 224 of the Criminal Code.

Article 52. Signature and sending of letters, writs of summons, certified copies and notifications

Letters and writs of summons to the person charged, witnesses and experts shall be signed by the President of the IRE. Certified copies of the decisions of the Disciplinary Council shall be signed by the President of the Disciplinary Council.

Writs of summons and notifications shall be sent by registered mail or served by a bailiff.

Article 53. Notification and enforcement of decisions of the Disciplinary Council

Without prejudice to the provisions of the last paragraph of Article 47, the decisions of the Disciplinary Council shall be notified to the member against whom the proceedings were brought and enforced at the instance of the President of the IRE. A certified copy thereof shall be forwarded to the General State Prosecutor. The minutes of the decisions shall be lodged and kept at the secretariat of the IRE. A copy thereof may be issued only with the authorisation of the President of the IRE.

Article 54. Remedies

Decisions of the Disciplinary Council may be challenged by way of appeal both by the member found guilty and by the General State Prosecutor. The appeal shall be brought in the civil chamber of the *Cour d'appel* (Court of Appeal), which gives a final judgment. The appeal shall be notified to the registry of the Court within one month, at the risk of forfeiture. Time shall start to run for the member found guilty on the day on which the decision was notified to him, and for the General State Prosecutor on the day on which he received the certified copy of the decision. The case shall be treated as urgent and the debates shall take place at a public hearing. However, a hearing in chambers may be ordered at the request of the person charged or if facts affecting the vital interests of third parties must be raised in the debates. The appeal and the time limit for appealing against the decision shall have suspensive effect.

Article 55. Publication of the sanctions

The sanctions referred to in Article 47 e) to (h) shall be brought to the attention of the public at the instance of the President of the Disciplinary Council through publication of a notice in the *Mémorial* as soon as the decisions pronounced become final.

Article 56. Funding of the IRE

The expenses of the IRE shall be covered by the contributions paid by the *réviseurs d'entreprises* (statutory auditors), the *réviseurs d'entreprises agréés* (approved statutory auditors), the *cabinets de révision* (audit firms) and the *cabinets de révision agréés* (approved audit firms) as well as by trainees carrying out the practical training provided for in Article 8.

Those contributions shall be fixed annually by the general assembly upon proposal from the Council of the IRE.

In the event of non-payment, the President of the IRE may seek enforcement of the contribution by the President of the *tribunal d'arrondissement de et à Luxembourg* (District Court of and at Luxembourg).

Chapter VIII. Public oversight of the audit profession**Article 57. Competences of the CSSF as public oversight authority of the audit profession**

(1) All *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) shall be subject to the public oversight of the audit profession.

(2) The CSSF shall be the competent authority for the public oversight of the audit profession.

(3) The CSSF shall assume responsibility:

- (a) for the granting of the title of '*réviseur d'entreprises* (statutory auditor)' and '*cabinet de révision* (audit firm)' in accordance with Article 3 of this Law;
- (b) for the approval and registration of *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) in accordance with Articles 5 and 11 of this Law;
- (c) for the registration and public oversight of third-country auditors and third-country audit entities in accordance with Articles 79 and 80 of this Law;
- (d) for the adoption of auditing standards in the area of the activities referred to in Article 1(29) a) in accordance with Article 27(2) of this Law;
- (e) for the adoption of standards of professional ethics and standards relating to the internal quality control of *cabinets de révision agréés* (approved audit firms);
- (f) for the adoption of standards in the field of the activities referred to in Article 1(29) b) of this Law;

- (g) for the continuing training, quality assurance and in regard to investigations, injunctions, calls to order and sanctions;
- (h) for the keeping and the publication of the public register in accordance with Article 11 of this Law;
- (i) for cooperation with the competent authorities of the other Member States in accordance with Article 78 of this Law;
- (j) for cooperation with the competent authorities of third countries in accordance with Article 82 of this Law.

(4) The CSSF may ask the IRE or experts acting under its supervision to assist it in the exercise of its functions.

Article 58. Powers of the CSSF

For the purposes of the application of this Law, the CSSF shall be invested with such powers of inspection, investigation, injunction, call to order and sanction as are necessary for the performance of its functions, as specified in Articles 59, 61, 62, 63, 66 and 67 of this Law. The CSSF may require all such information as is necessary for the accomplishment of its tasks.

Article 59. Quality assurance

(1) *Réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) shall be subject to a system of quality assurance for the assignments which they carry out in connection with the fields referred to in Article 1(29) a) and b) of this Law.

(2) The CSSF shall be responsible for the implementation of a quality assurance system governed by the following conditions:

- (a) the persons who carry out quality assurance reviews shall have adequate professional training and experience in statutory audit and financial reporting and in the field of the assignments referred to in Article 1(29) b) combined with specific training on quality assurance reviews;
- (b) the selection of reviewers for specific quality assurance review assignments shall be carried out in accordance with an objective procedure designed to ensure that there are no conflicts of interest between the reviewers and the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) under review;
- (c) the scope of the quality assurance review, supported by adequate testing of selected audit files, shall include an assessment of compliance with the standards referred to in Article 27 of this Law and of adherence to the rules of professional ethics, in particular of independence, referred to in Chapter IV of Title I of this Law, of the quantity and quality of resources spent, of the audit fees charged in connection with the assignments referred to in Article 1(29) a) of this Law and of the internal quality control system of the *cabinet de révision agréé* (approved audit firm) for assignments carried out in connection with the fields referred to in Article 1(29) a) of this Law;
- (d) the scope of the quality assurance review shall also be based on a check of the files produced in connection with the activities referred to in Article 1(29) b) and shall include an evaluation of conformity with the standards referred to in Article 57(3) f) of this Law and of compliance with the rules of professional ethics, in particular of independence, referred to in Chapter IV of Title I of this Law, of the quantity and quality of resources spent and of the audit fees charged;
- (e) the quality assurance review shall be the subject of a report, which shall contain the main conclusions of said review;
- (f) quality assurance reviews shall take place at least every six years.

Article 60. Implementation of the recommendations made by the CSSF at the end of the quality assurance review

The *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) shall implement the recommendations made by the CSSF at the end of the quality assurance review within a reasonable period as from the date of notification of the findings.

If the recommendations provided for in the preceding paragraph are not implemented or if the quality assurance review discloses failures to meet the standards referred to in Articles 17, 27 and 57 d) to g)

of this Law, the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) may, depending on the seriousness, be the subject of an injunction in accordance with Article 62, a call to order in accordance with Article 63 or a disciplinary procedure which may give rise to the appropriate administrative sanctions as mentioned in Article 67 of this Law.

Article 61. Power of investigation of the CSSF

The CSSF may order investigations and expert reports. The investigations shall be carried out either by staff of the CSSF or by experts.

The CSSF's power of investigation shall include the right:

- (a) to have access to any document in any form whatsoever and to receive a copy thereof;
- (b) to ask for information from any person and, if necessary, to summon a person and hear him in order to obtain information;
- (c) to carry out investigations by way of inspection *in situ* of the persons subject to its oversight;
- (d) to instruct experts to carry out checks *in situ* or investigations with persons subject to its oversight;
- (e) to adopt any measure necessary to ensure that the persons subject to its oversight continue to comply with the requirements of this Law and measures taken in implementation thereof.

Article 62. Power of injunction of the CSSF

(a) Where a *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) subject to the oversight of the CSSF does not comply with the provisions of this Law coming under its competences, the CSSF may, pursuant to Article 57 g) enjoin, by registered mail, said person to rectify the situation found within such time as it shall determine.

(b) If, at the expiry of the time limit laid down by the CSSF pursuant to the preceding paragraph, the situation found has not been rectified, the CSSF may issue a call to order in accordance with Article 63 of this Law or adopt administrative sanctions in accordance with Article 67 of this Law.

Article 63. Call to order by the CSSF

Where the CSSF has found that a *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) has committed a proven infringement of the provisions of this Law falling within its competences which does not warrant any of the sanctions provided for in Article 67 of this Law, the CSSF may, pursuant to Article 57 g), call the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) to order.

Article 64. Funding of the system for the public oversight of the audit profession

The funding of the system of public oversight shall be secure and free from any undue influence by the *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) subject to it. A Grand-Ducal regulation shall lay down the bases for the funding of the public oversight of the audit profession.

Article 65. Publication of work programmes and annual activity reports

(1) In order to ensure the transparency of the public oversight of the audit profession, the CSSF shall publish its work programmes and annual activity reports relating to the exercise of its functions with regard to the public oversight of the audit profession.

(2) The CSSF shall publish its global findings of the quality assurance reviews annually.

Article 66. Power of the CSSF to impose sanctions

Within the framework of its competences, the CSSF shall exercise the power to impose sanctions on *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) where an investigation has established that such persons:

- (a) have committed an infringement of the legal and regulatory requirements;
- (b) have committed professional misconduct and negligence;
- (c) have conducted themselves contrary to professional scrupulousness and dignity and in breach

- of honour and integrity;
- (d) have refused to provide documents or other information requested;
- (e) have provided documents or other information that prove to be incomplete, inaccurate or false;
- (f) have impeded the exercise of the CSSF's powers of inspection and investigation;
- (g) have not published on their website within three months of the end of each accounting year the transparency report prescribed by Article 73 of this draft law;
- (h) have not complied with the injunctions or calls to order of the CSSF.

Article 67. Administrative sanctions

The CSSF shall impose administrative sanctions. These are, in the order of their seriousness:

- (a) a warning;
- (b) a reprimand;
- (c) an administrative fine of EUR 125 to 125,000;
- (d) suspension of the approval referred to in Article 5 and of the inscription in the public register for a period of no more than five years;
- (e) definitive withdrawal of the approval referred to in Article 5 and definitive striking out of the inscription in the public register;
- (f) suspension of the title of *réviseur d'entreprises* (statutory auditor) or *cabinet de révision* (audit firm) for a period of no more than five years;
- (g) definitive withdrawal of the title of *réviseur d'entreprises* (statutory auditor) or *cabinet de révision* (audit firm).

In the event that a sanction is imposed, the costs brought about by the disciplinary procedure shall be charged to the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) upon whom or which the sanction is imposed. In the opposite case, they shall be borne by the CSSF.

Article 68. Information of the President of the IRE

The CSSF shall inform the President of the IRE of any measure taken with regard to a *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) by virtue of Articles 62, 63 and 67 of this Law.

Article 69. Remedies

The *tribunal administratif* (Administrative Court) can undertake a full review of the merits of the decision adopted by the CSSF in implementation of this law (*recours en pleine juridiction*).

Article 70. Criminal sanctions

The wrongful use of the title of *réviseur d'entreprises* (statutory auditor), *réviseur d'entreprises agréé* (approved statutory auditor), *cabinet de révision* (audit firm) or *cabinet de révision agréé* (approved audit firm) or any similar title shall be punishable by a term of imprisonment ranging from eight days to three years and a fine of EUR 500 to 100,000 or only one of these penalties.

A person who, without being a *réviseur d'entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm), carries out, even in an ancillary or occasional manner, in his own name and under his responsibility, directly or through an intermediary, work reserved to *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) in accordance with Article 5(1) or carries out an audit of accounts while referring to international auditing standards shall be punishable by a term of imprisonment ranging from eight days to three years and a fine of EUR 500 to 100,000 or one only of these penalties.

The fact that a *réviseur d'entreprises* (statutory auditor) carries out even in an ancillary or occasional manner, in his own name and under his responsibility, directly or through an intermediary, work reserved to *réviseurs d'entreprises agréés* (approved statutory auditors) in accordance with Article 5(1) or carries out an audit of accounts while referring to international auditing standards shall constitute professional misconduct and negligence within the meaning of Article 46 of this Law.

The provisions of the first book of the Criminal Code and Articles 130-1 to 132-1 of the Code of Criminal Investigation shall apply.

Article 71. Publication of sanctions

Sanctions imposed in accordance with Article 67 of this Law shall be brought to the knowledge of the public through publication of a notice in the *Mémorial*.

Chapter IX. Special provisions relating to the statutory audit of public-interest entities

Article 72. Application of special provisions to public-interest entities

(1) Public-interest entities and *réviseurs d'entreprises agréés* (approved statutory auditors) mandated with the statutory audit of public-interest entities shall be subject to special provisions relating to the statutory audit set out in Articles 73 to 76 of this Law.

(2) Public-interest entities which have not issued transferable securities admitted to trading on a regulated market within the meaning of Article 4(1)(14) of Directive 2004/39/EC and their *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) or *cabinets de révision agréés* (approved audit firms) shall be exempt from the requirements set out in Articles 74, 75 and 76 of this Law.

(3) The exemptions referred to in paragraph (2) of this Article may be amended by Grand-Ducal regulation.

Article 73. Transparency report

The *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) that carry out the statutory audit of public-interest entities shall publish on their websites, within three months of the end of each financial year, an annual transparency report that includes at least the following information:

- (a) a description of the legal structure and ownership;
- (b) where the *cabinet de révision agréé* (approved audit firm) belongs to a network, a description of this network and the legal and structural arrangements organising this network;
- (c) a description of the governance structure of the *cabinet de révision agréé* (approved audit firm);
- (d) a description of the internal quality control system and a statement by the administrative or management body on the effectiveness of its functioning;
- (e) the date of the last quality assurance review referred to in Article 59;
- (f) a list of public-interest entities for which the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) has carried out statutory audits during the preceding financial year;
- (g) a statement concerning the independence practices of the *cabinet de révision agréé* (approved audit firm), which also confirms that an internal review of independence compliance has been carried out;
- (h) a statement on the policy followed by the *cabinet de révision agréé* (approved audit firm) concerning the continuing training of statutory auditors referred to in Article 9;
- (i) financial information showing the importance of the *cabinet de révision agréé* (approved audit firm), such as the total turnover divided into fees from the statutory audit of annual and consolidated accounts, and fees charged for other assurance services, tax advisory services and other non-audit services;
- (j) information concerning the basis for the partners' remuneration.

The transparency report shall be signed by the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm), as the case may be. In the case of a *cabinet de révision agréé* (approved audit firm), the transparency report shall be signed by a *réviseur d'entreprises agréé* (approved statutory auditor) who is a member of the *cabinet de révision agréé* (approved audit firm).

Article 74. Audit committee

(1) Each public-interest entity must have an audit committee. At least one member of the audit committee shall be independent and shall have competence in accounting and/or auditing. The CSSF may specify the detailed rules relating to the composition of the audit committees.

In public-interest entities which meet the criteria of Article 2(1) f) of Directive 2003/71/EC, the functions assigned to the audit committee may be performed by the administrative or supervisory body as a whole, provided at least that when the chairman of such a body is an executive member, he is not the chairman of the audit committee.

(2) Without prejudice to the responsibilities of the members of the administrative, management or supervisory bodies, or of other members appointed by the general meeting of shareholders of the audited entity, the audit committee shall in particular:

- (a) monitor the financial reporting process;
- (b) monitor the effectiveness of the company's internal control, internal audit and, where applicable, risk management systems;
- (c) monitor the statutory audit of the annual and consolidated accounts;
- (d) review and monitor the independence of the *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm), in particular in relation to the provision of additional services to the audited entity.

The CSSF may specify the detailed rules pertaining to points a) to d) of this paragraph.

(3) The proposal of the administrative or supervisory body of a public-interest entity for the appointment of a *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) shall be based on a recommendation made by the audit committee.

(4) The *réviseur d'entreprises agréé* (approved statutory auditor) or *cabinet de révision agréé* (approved audit firm) shall report to the audit committee on key matters arising from the statutory audit, and in particular on material weaknesses in internal control in relation to the financial reporting process.

(5) A public-interest entity that has a body performing equivalent functions to an audit committee may derogate from paragraphs (1) to (4) on the conditions laid down by the CSSF.

(6) The following shall be 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 this Article at group level;
- (b) any public-interest entity which is a Luxembourg collective investment undertaking as defined in Article 2(2) of the amended Law of 20 December 2002 concerning collective investment undertakings. Public-interest entities the sole object of which is the collective investment of capital provided by the public, which operate on the principle of risk spreading and which do not seek to take legal or management control over any of the issuers of its underlying investments shall also be exempted, provided that those collective investment undertakings are authorised and subject to supervision by the CSSF and that they have a depositary exercising functions equivalent to those under the amended Law of 20 December 2002 concerning collective investment undertakings;
- (c) public-interest entities the sole business of which is to act as issuer of asset-backed securities as defined in Article 2(5) of Regulation (EC) No 809/2004. In this case, the entity shall explain 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;
- (d) Luxembourg credit institutions within the meaning of Article 1(12) of the amended Law of 5 April 1993 on the financial sector whose shares are not admitted to trading on a regulated market of any Member State within the meaning of Article 4(1)(14) of Directive 2004/39/EC and which have, in a continuous or repeated manner, issued only debt securities, 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 2003/71/EC.

Article 75. Independence

(1) In addition to the provisions laid down in Articles 18, 19 and 20, *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) of public-interest entities shall:

- (a) confirm annually in writing to the audit committee their independence with regard to the audited public-interest entity;
- (b) disclose annually to the audit committee any additional services provided to the audited entity; and
- (c) discuss with the audit committee the threats to their independence and the safeguards applied to mitigate those threats as documented by them pursuant to Article 19(3) of this Law.

(2) The key audit partner(s) responsible for carrying out a statutory audit shall rotate from the audit engagement within a maximum period of seven years from the date of appointment and shall not be authorised to participate in the audit of the audited entity again until after a period of at least two years.

(3) The *réviseur d'entreprises agréé* (approved statutory auditor) or the key audit partner who carries out a statutory audit on behalf of a *cabinet de révision agréé* (approved audit firm) shall not be allowed to take up a key management position in the audited entity before a period of at least two years has elapsed since he resigned as a *réviseur d'entreprises agréé* (approved statutory auditor) or key audit partner from the audit engagement.

Article 76. Periodicity of the quality assurance review

The quality assurance review referred to in Chapter VIII of Title I of this Law shall be carried out at least every three years for *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) that carry out statutory audits of public-interest entities.

Chapter X. Mutual recognition of regulatory provisions and cooperation with the competent authorities of the other Member States**Article 77. Principle of the competence of the home Member State**

In the matter of regulatory arrangements and public oversight, statutory auditors and audit firms shall be subject to the competence of the home Member State in which they are approved and in which the audited entity has its registered office.

In the case of a statutory audit of the consolidated accounts of a company which has its registered office in Luxembourg, the statutory auditor or audit firm carrying out the statutory audit of the accounts of a subsidiary which has its registered office in another Member State shall be subject to the law of that Member State with regard to registration, quality assurance review, auditing standards, professional ethics and independence.

Where the securities of a company having its registered office in another Member State are traded on a regulated market in Luxembourg, the statutory auditor or the audit firm carrying out the statutory audit of the annual or consolidated accounts of that company shall be subject to the law of the Member State of the registered office of the company as regards registration, quality assurance review, auditing standards, professional ethics and independence.

Article 78. Cooperation with the competent authorities of other Member States

(1) The CSSF may exchange confidential information with the authorities of other Member States responsible for approval, registration, quality assurance and inspection and in matters of investigations and sanctions. The information thus exchanged shall be covered by professional secrecy.

(2) The communication of information by the CSSF to an authority of another Member State shall be subject to the following requirements:

- (a) the information communicated must be necessary for the performance of the function of the authorities receiving it;
- (b) the information communicated must be covered by the professional secrecy of the authorities, bodies and persons receiving it and the professional secrecy of those authorities, bodies and persons must afford guarantees at least equivalent to the professional secrecy to which persons exercising or having exercised an activity for the CSSF are subject;

- (c) the authorities, bodies and persons receiving information from the CSSF may not use it for purposes other than those for which it was communicated and must be in a position to ensure that no other use is made of it.

(3) The CSSF may disclose information received from competent authorities of Member States only with the express agreement of those authorities and, where appropriate, solely for the purposes for which those authorities have signified their agreement, unless the circumstances justify it.

(4) The CSSF may refuse to grant a request for information where:

- (a) its communication might adversely affect the sovereignty, security or public order of Luxembourg or breach Luxembourg security rules; or
- (b) judicial proceedings have already been initiated in respect of the same actions and against the same *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) in Luxembourg; or
- (c) final judgment has already been given in Luxembourg in respect of the same actions and against the same *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms).

(5) Without prejudice to the obligations to which it is subject in judicial proceedings, the CSSF which receives confidential information pursuant to this Article may use it only for the exercise of its functions as defined in this draft law and in the context of administrative or judicial proceedings specifically related to the exercise of those functions.

(6) Information requested pursuant to this Article shall be provided without delay. Where appropriate, the CSSF shall take without undue delay such measures as are required to collect the information requested. If the CSSF is unable to supply the information requested without delay, it shall notify the reasons for this inability to the authority making the request.

(7) Where the CSSF concludes that activities contrary to the provisions of this Law are being or have been carried out on the territory of another Member State, it shall notify the competent authority of the other Member State of that conclusion in as specific a manner as possible.

(8) Where the competent authority of another Member State notifies the CSSF of its conclusions that activities contrary to the provisions of Directive 2006/43/EC are being or have been carried out in Luxembourg, the CSSF shall take appropriate action. It shall inform the notifying authority of the outcome and, to the extent possible, of significant interim developments.

(9) The CSSF may request that an investigation be carried out by the competent authority of another Member State on the latter's territory. It may request that some of its own personnel be authorised to accompany the personnel of the competent authority of that other Member State in the course of the investigation.

A competent authority of another Member State may likewise request the CSSF to carry out an investigation in Luxembourg. It may also request that some of its own personnel be authorised to accompany the personnel of the CSSF in the course of the investigation. The investigation shall be subject throughout to the overall control of the CSSF.

(10) The CSSF may refuse to act on a request for an investigation to be carried out or on a request for its personnel to be accompanied where:

- (a) such an investigation might adversely affect the sovereignty, security or public order of Luxembourg; or
- (b) judicial proceedings have already been initiated in respect of the same actions and against the same *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) before the Luxembourg authorities; or
- (c) final judgment has already been given in respect of the same actions against the same *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) by the Luxembourg authorities.

Chapter XI. Registration and public oversight of third-country auditors and audit entities and cooperation with the competent authorities of third countries

Article 79. Registration of third-country auditors and audit entities

(1) The CSSF shall, in accordance with Articles 11 to 13, register every third-country auditor and audit

entity that provides an audit report concerning the annual or consolidated accounts of a company incorporated outside a Member State whose transferable securities are admitted to trading on a regulated market in Luxembourg within the meaning of Article 1(11) of the Law on markets in financial instruments, except when the company is an issuer exclusively of debt securities admitted to trading on a regulated market within the meaning of Article 2(1) b) of Directive 2004/109/EC, the denomination per unit of which is at least EUR 50,000 or, in case of debt securities denominated in a currency other than the euro, equivalent, at the date of issue, to at least EUR 50,000.

(2) Articles 14 and 15 of this Law shall apply.

(3) A third-country audit entity may be registered only in so far as:

- (a) it satisfies requirements of good repute and professional qualification equivalent to those required by virtue of Article 5(3) of this Law;
- (b) the majority of the members of the administrative or management body of the third-country audit entity satisfy requirements of good repute and professional qualification equivalent to those required by virtue of Article 5(3) of this Law;
- (c) the third-country auditor who carries out the audit in the name of the third-country audit entity satisfies requirements of good repute and professional qualification equivalent to those required by virtue of Article 5(2) c) of this Law;
- (d) the audit of the annual accounts or consolidated accounts referred to in Article 79(1) is carried out in accordance with the international auditing standards referred to in Article 27 and with the requirements set out in Chapter IV of Title I of this Law;
- (e) it publishes on its website an annual transparency report, which includes the information provided for in Article 73 or complies with equivalent disclosure requirements.

(4) The audit reports relating to annual accounts or consolidated accounts as referred to in Article 79(1), which are issued by third-country auditors or audit entities which have not been registered in Luxembourg shall have no legal value there.

Article 80. Public oversight of third-country auditors and audit entities

Registered third-country auditors and audit entities shall be subject to the provisions of Chapter VIII of Title I of this Law.

Third-country auditors and audit entities registered in accordance with Article 79(1) may, on a basis of reciprocity, be exempted from the obligation to submit themselves to the system of quality assurance referred to in Article 59, if another Member State, or a system of quality assurance of a third country deemed to be equivalent in accordance with Article 46 of Directive 2006/43/EC, has subjected the third-country auditor or audit entity concerned to a quality review during the preceding three years.

Article 81. Equivalence of third countries

The CSSF may, on a basis of reciprocity, modify or not apply the provisions of Article 79(1) and Article 80 to auditors and audit entities of a third country deemed to be equivalent in accordance with Article 46 of Directive 2006/43/EC.

Article 82. Cooperation with competent authorities of third countries

(1) Transfer to the competent authorities of a third country of audit working papers or other documents held by *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) shall be authorised only in so far as:

- (a) those audit working papers or other documents relate to audits of companies which have issued securities on the capital markets of that third country or which form part of a group issuing statutory consolidated accounts in that third country;
- (b) the transfer takes place via the CSSF to the competent authorities of that third country and at their request;
- (c) the competent authorities of the third country concerned meet the requirements of Article 78 of this Law and, where appropriate, the European Commission's criteria as to adequacy in this matter;
- (d) there are working arrangements on the basis of reciprocity agreed between the CSSF and the competent authorities of the third country ensuring that:

- i. justification as to the purpose of the request for audit working papers and other documents is provided by the competent authorities;
 - ii. the persons employed or formerly employed by the competent authorities of the third country that receive the information are subject to obligations of professional secrecy;
 - iii. the competent authorities of the third country, bodies and persons receiving information from the CSSF may use it only for the exercise of their functions of public oversight, quality assurance and investigation that meet requirements equivalent to those of Articles 29, 30 and 32 of Directive 2006/43/EC;
 - iv. the request from a competent authority of a third country for audit working papers or other documents held by *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) may be refused:
 - where the provision of such working papers or documents would adversely affect the sovereignty, security or public order of the European Community or of Luxembourg, or
 - where judicial proceedings have already been initiated in respect of the same actions and against the same persons before the Luxembourg authorities;
 - where a final judgment has already been given against the same *réviseurs d'entreprises agréés* (approved statutory auditors) or *cabinets de révision agréés* (approved audit firms) for the same actions by the Luxembourg authorities.
- (e) the transfer of personal data to the third country shall be made in accordance with Chapter IV of the Law of 2 August 2002 on the protection of individuals with regard to the processing of personal data, as amended.
- (2) In exceptional cases and by way of derogation from paragraph (1), the CSSF may authorise a *réviseur d'entreprises agréé* (approved statutory auditor) or a *cabinet de révision agréé* (approved audit firm) to transfer audit working papers and other documents directly to the competent authorities of a third country, provided that:
- (a) investigations have been initiated by the competent authorities in that third country;
 - (b) the transfer of documents does not conflict with the obligations with which *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) are required to comply in relation to the transfer of audit working papers and other documents to their home competent authority;
 - (c) there are working arrangements with the competent authorities of said third country that allow the CSSF reciprocal direct access to audit working papers and other documents of that third-country's auditors and audit entities;
 - (d) the requesting competent authority of the third country informs the CSSF in advance of each direct request for information, indicating the reasons therefor;
 - (e) the conditions referred to in paragraph (1) d), points i to iv, are respected.
- (3) These provisions are without prejudice to the application of other legal texts providing for supplementary restrictions on the transmission of information covered by professional secrecy.

TITLE II

Amending, transitional, repeals and sundry provisions

Chapter I. Amending provisions transposing Directive 2006/43/EC

Article 83. Amendments of the amended Law of 15 August 1915 on commercial companies

In Article 337, the following point shall be added:

“14) separately, the total fees for the financial year charged by the *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) or the statutory auditor or audit firm for the statutory audit of annual accounts, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services.”

Article 84. Amendments of the amended Law of 19 December 2002 on the trade and companies register as well as the accounting and annual accounts of companies

(1) In Article 65, paragraph (1), the following point shall be added:

“16° separately, the total fees for the financial year charged by the *réviseur d'entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) for the statutory audit of annual accounts, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services. This requirement shall not apply where the company is included within the consolidated accounts required to be drawn up under Article 1 of Directive 83/349/EEC, provided that such information is given in the notes to the consolidated accounts.”

(2) In Article 66, the first sub-paragraph shall be replaced by the following:

“The companies referred to in Article 35 are authorised to draw up abridged notes on their accounts without the information required in Article 65, paragraph (1), 5° to 12° and 16°. However, the notes must disclose the information specified in Article 65, paragraph (1), 6° in total for all the items concerned.”

(3) In Article 67, paragraph (2) shall be replaced with the following:

“(2) Paragraph (1), letter b), shall also apply to the information specified in Article 65, paragraph (1), 8°.

The companies referred to in Article 47 are authorised to omit disclosure of the information specified in Article 65, paragraph (1), 8°.

The companies referred to in Article 47 are also authorised to omit disclosure of the information specified in Article 65, paragraph (1), 16°, provided that such information is supplied to the CSSF when requested by the latter.”

Article 85. Amendments of the amended Law of 23 December 1998 establishing a financial sector supervisory commission

(1) A new Article 3-1 shall be inserted, which reads as follows:

“The Commission shall be the competent authority for the public oversight of the audit profession.”

(2) A new section 6b shall be inserted, entitled:

“Section 6b: Advisory committee of the audit profession”

(3) A new Article 15-2 shall be inserted, which reads as follows:

“(1) A consultative committee of the audit profession shall be established within the Commission, which may be called upon by the Government to provide an opinion on any draft law or Grand-Ducal regulation as regards requirements in the area of statutory audits and the audit profession falling within the competence of the Commission.

(2) A member of the consultative committee for the audit profession may refer the implementation or the application of the legislation regarding the oversight of the audit profession in its whole or for specific issues to said committee.

(3) The consultative committee for the audit profession shall consist of the following members:

- (a) the Minister of Justice or a representative appointed by him;
- (b) the Minister of Finance or a representative appointed by him;
- (c) two members of the executive board of the Commission appointed by said executive board or one or two representative(s) appointed by it;
- (d) a member of the executive board of the *Commissariat aux assurances* appointed by said executive board or a representative appointed by it;
- (e) three members of the *Institut des réviseurs d'entreprises* appointed by the latter;
- (f) a member of the *Association des banques et banquiers, Luxembourg* (ABBL) appointed by the latter;
- (g) a member of the *Association luxembourgeoise des fonds d'investissement* (ALFI) appointed by the latter;

(h) a member of the *Chambre de Commerce* appointed by the latter.

(4) The term of office of a member referred to in letters e) to g) of paragraph (3) shall be four years and shall be renewable.

(5) The consultative committee for the audit profession shall draw up rules and regulations and choose a CSSF agent as its Secretary upon proposal by the executive board.”

(4) In Article 24, paragraph (1), a fourth sub-paragraph shall be added, which reads as follows:

“The Commission shall be authorised to collect the sums required to meet its personnel costs, its financial costs and its operating costs resulting from the public oversight of the audit profession, through fees payable by the persons subject to this public oversight.”

Chapter II. Amending provisions relating to the title of “*réviseur d’entreprises* (statutory auditor)” and “*réviseur d’entreprises agréé* (approved statutory auditor)”

Article 86. Amendments of the amended Law of 23 December 1998 establishing a financial sector supervisory commission

(1) In Article 5, letter b) shall be amended as follows:

“b) It shall make a proposal to the Government concerning the appointment of a *réviseur d’entreprises agréé* (approved statutory auditor) for the Commission.”

(2) In Article 16, the first sub-paragraph shall be amended as follows:

“Save for the exceptions provided for by law or by virtue of a law, the members of the administrative structures, the *réviseur d’entreprises agréé* (approved statutory auditor), and all persons performing, or having performed, a duty for the Commission, shall be required to maintain secrecy relative to any confidential information received while, or on account of, performing such duties, failing which they shall incur the penalties referred to in Article 458 of the Penal Code.”

(3) In Article 22, the first paragraph (1) shall be amended as follows:

“(1) By 31 March each year, the executive board shall submit the balance sheet and profit and loss account adopted on 31 December of the previous year to the board for approval, together with the executive board’s management report and the report of the *réviseur d’entreprises agréé* (approved statutory auditor).”

(4) In Article 23, the first paragraph (1) shall be amended as follows:

“(1) The Government shall appoint a *réviseur d’entreprises agréé* (approved statutory auditor) upon proposal from the board of the Commission.”

(5) In Article 23, the first sentence of paragraph (2) shall be amended as follows:

“(2) The *réviseur d’entreprises* (statutory auditor) must fulfil the requirements to carry out the profession of *réviseur d’entreprises agréé* (approved statutory auditor).”

(6) In Article 23, the first sentence of paragraph (3) shall be amended as follows:

“(3) The *réviseur d’entreprises agréé* (approved statutory auditor) shall be responsible for verifying and certifying the accuracy and completeness of the Commission’s accounts.”

(7) In Article 23, paragraph (4) shall be amended as follows:

“(4) The fees of the *réviseur d’entreprises agréé* (approved statutory auditor) shall be paid by the Commission.”

Article 87. Amendments of the Law of 13 July 2007 on markets in financial instruments

(1) In Article 3, paragraph (8) shall be amended as follows:

“(8) Authorisation may only be granted on the condition that the market operator entrusts verification of its annual accounts to one or more *réviseurs d’entreprises agréés* (approved statutory auditors) having proven adequate experience. Such *réviseurs d’entreprises agréés* (approved statutory auditors) are appointed by the body responsible for the market operator’s administration.”

(2) In Article 3, the first sentence of paragraph (8), sub-paragraph 2 shall be amended as follows:

“Any changes with regard to the *réviseurs d’entreprises agréés* (approved statutory auditors) must be authorised in advance by the Commission.”

(3) In Article 31, the eighth dash shall be amended as follows:

“- to require information from the *réviseurs d'entreprises agréés* (approved statutory auditors) of credit institutions, of investment firms, of market operators, of regulated markets and of MTFs;”

(4) In Article 31, the thirteenth dash shall be amended as follows:

“- to request *réviseurs d'entreprises agréés* (approved statutory auditors) or experts to conduct on-site inspections or investigations with persons subject to its prudential supervision, market operators, regulated markets and MTFs.”

(5) In Article 32, the first sentence of paragraph (1) shall be amended as follows:

“All persons performing or having performed activities for the Commission, in addition to *réviseurs d'entreprises agréés* (approved statutory auditors) or experts mandated by the Commission, are bound by the obligation of professional secrecy, such as stated in Article 16 of the amended Law of 23 December 1998 establishing a supervisory commission of the financial sector.”

(6) In Article 32, paragraph (2) shall be amended as follows:

“(2) When the operator of a regulated market authorised in Luxembourg or the regulated market itself is subject to clearing measures or to a liquidation procedure, the Commission, as well as the *réviseurs d'entreprises agréés* (approved statutory auditors) or experts mandated by the Commission, may divulge confidential information not involving third parties, in the context of civil or commercial proceedings, on condition that this information is necessary for carrying out said proceedings.”

(7) In Article 33, paragraph (6), sub-paragraph 2 shall be amended as follows:

“Where the Commission receives a request from a competent authority of another Member State with respect to an on-the-spot verification or an investigation, it shall respond, within the framework of its powers, either by carrying out the on-the-spot verification or the investigation itself, or by having this on-the-spot verification or this investigation carried out by a *réviseur d'entreprises agréé* (approved statutory auditor) or by an expert, or by allowing the requesting authority to carry out the verification or investigation itself.”

(8) In Article 33, the first sentence of paragraph (6), sub-paragraph 3 shall be amended as follows:

“Where the Commission receives a request from a competent authority of a third country with respect to an on-the-spot verification or an investigation, it may respond, within the framework of its powers, either by carrying out the on-the-spot verification or the investigation itself, or by having this on-the-spot verification or this investigation carried out by a *réviseur d'entreprises agréé* (approved statutory auditor) or by an expert.”

(9) Article 38 shall be amended as follows:

“(1) The individual or consolidated annual accounts of companies under Luxembourg law, whose shares or units are admitted to trading on a regulated market authorised in Luxembourg, must undergo verification by a *réviseur d'entreprises agréé* (approved statutory auditor). This *réviseur d'entreprises agréé* (approved statutory auditor) shall prove his professional qualification to the Commission, in addition to adequate professional experience.

Any change in the *réviseur d'entreprises agréé* (approved statutory auditor) must first be authorised by the Commission.

(2) The Commission may request the *réviseur d'entreprises agréé* (approved statutory auditor) to provide it with a written report on the individual or consolidated annual accounts. The Commission may fix the minimum contents of this report. It may ask the *réviseur d'entreprises agréé* (approved statutory auditor) for any other information necessary to carry out its supervisory mission with regard to markets in financial instruments.

The Commission may instruct the *réviseur d'entreprises agréé* (approved statutory auditor) to conduct specific verification tasks, each one at the cost of the company.”

Article 88. Amendments of the amended Law of 5 April 1993 on the financial sector

(1) In Article 10, paragraph (1) shall be amended as follows:

“(1) Authorisation shall be conditional on the institution having its annual accounts audited by one or more *réviseurs d'entreprises agréés* (approved statutory auditors) who can show that they possess adequate professional experience. Those *réviseurs d'entreprises agréés* (approved statutory auditors) shall be appointed by the body responsible for managing the credit institution.”

(2) In Article 10, paragraph (2) shall be amended as follows:

“(2) Any change in the *réviseurs d’entreprises agréés* (approved statutory auditors) must be authorised in advance by the CSSF in accordance with Article 7, paragraph (3).”

(3) The heading of Article 12-7 on the financial sector shall be amended as follows:

“Art. 12-7 Special *réviseur d’entreprises agréé* (approved statutory auditor)”

(4) Article 12-7 shall be amended as follows:

“(1) All mortgage banks must have a special *réviseur d’entreprises agréé* (approved statutory auditor), being a qualified *réviseur d’entreprises agréé* (approved statutory auditor), who is distinct from the *réviseur d’entreprises agréé* (approved statutory auditor) who audits its accounts. That special *réviseur d’entreprises agréé* (approved statutory auditor) shall be appointed by the Commission on a proposal by the credit institution concerned. The special *réviseur d’entreprises agréé* (approved statutory auditor) shall be required to report to the supervisory authority on the findings and observations made by him in performing his duties.

The special *réviseur d’entreprises agréé* (approved statutory auditor) may be removed from office by the Commission at any time.

(2) The special *réviseur d’entreprises agréé* (approved statutory auditor) shall be under a duty to ensure that the collateral to be provided under this Law by mortgage banks is duly furnished and registered in the mortgage bond register, that the value thereof is in the prescribed amount and that it continues to exist.

The special *réviseur d’entreprises agréé* (approved statutory auditor) shall also be required to ascertain whether the estimated value of the items of immoveable property serving as guarantees in rem has been determined in accordance with the valuation rules to be drawn up to that end by the credit institution with the approval of the Commission, and whether the maximum rate of cover in respect of which the immoveable property in question may serve as guarantee has been respected.

The special *réviseur d’entreprises agréé* (approved statutory auditor) shall not be required to ascertain whether the estimated value of the immoveable property in question corresponds to its actual value.

(3) The collateral entered in the mortgage bond register may not be deleted therefrom without the written consent of the special *réviseur d’entreprises agréé* (approved statutory auditor).

The special *réviseur d’entreprises agréé* (approved statutory auditor), acting jointly with the mortgage bank, shall be required to ensure the safe-keeping of the collateral entered in the mortgage bond register and of the deeds and documents relating to such collateral. At the request of the mortgage bank, he shall release said collateral, deeds and documents unto that bank and shall consent to the removal from the mortgage bond register of the entries relating thereto, in so far as the other items of collateral entered therein are sufficient fully to cover the mortgage bonds in circulation.

(4) In the performance of his duties, the special *réviseur d’entreprises agréé* (approved statutory auditor) shall remain wholly independent of the credit institution, the mortgage bond holders and the supervisory authority.

(5) The special *réviseur d’entreprises agréé* (approved statutory auditor) shall not represent the mortgage bond holders.

(6) Before mortgage bonds are issued, each of them shall be endorsed with a certificate of the special *réviseur d’entreprises agréé* (approved statutory auditor) certifying the existence of the cover required by law and the entry thereof in the mortgage bond register. The signature of the certificate by the special *réviseur d’entreprises agréé* (approved statutory auditor) may be in manuscript, printed or in the form of a stamp.

(7) All disputes between the special *réviseur d’entreprises agréé* (approved statutory auditor) and the mortgage bank shall be determined by the Commission.”

(5) In Article 12-9, the second sentence shall be amended as follows:

“The Commission may commission the *réviseur d’entreprises agréé* (approved statutory auditor) of the institution concerned or another *réviseur d’entreprises agréé* (approved statutory auditor) chosen by the Commission, whose remuneration shall be payable by that institution, to carry out a complete or partial review of the collateral.”

(6) In Article 22, paragraph (1) shall be amended as follows:

“(1) Authorisation shall be conditional on the PFS having its annual accounts audited by one or more *réviseurs d’entreprises agréés* (approved statutory auditors) who can show that they possess adequate professional experience. Those *réviseurs d’entreprises agréés* (approved statutory auditors) shall be appointed by the body responsible for managing the PFS.”

(7) In Article 22, paragraph (2) shall be amended as follows:

“(2) Any change in the *réviseurs d’entreprises agréés* (approved statutory auditors) must be authorised in advance by the Commission in accordance with Article 19, paragraph (4).”

(8) In Article 44, the first sentence of paragraph (1) shall be amended as follows:

“(1) All persons who work or have worked for the Commission, as well as *réviseurs d’entreprises agréés* (approved statutory auditors) or experts instructed by the CSSF, are bound by the obligation of professional secrecy referred to in Article 16 of the Law of 23 December 1998 establishing a financial sector supervisory commission (“*Commission de surveillance du secteur financier*”).”

(9) In Article 44, paragraph (2) shall be amended as follows:

“(2) Where a credit institution or investment firm undergoing a financial reconstruction or liquidation procedure, the Commission, as well as the *réviseurs d’entreprises agréés* (approved statutory auditors) or experts instructed by the Commission, may divulge confidential information which does not concern third parties in civil or commercial proceedings if necessary for carrying out those proceedings.”

(10) In Article 44-1, paragraph (4), sub-paragraph 2 shall be amended as follows:

“Where the Commission receives such a request with respect to an on-the-spot verification or investigation from such an authority, the Commission shall, within the framework of its competences, act upon that request either by carrying out the request itself or by having a *réviseur d’entreprises agréé* (approved statutory auditor) or expert carrying it out, or by allowing the authority which made the request to carry it out itself.”

(11) In Article 44-3, the first sentence of paragraph (2), sub-paragraph 2 shall be amended as follows:

“Where the Commission receives such a request with respect to an on-the-spot verification or investigation from such an authority, the Commission may, within the framework of its competences and provided that the requesting authority grants the same right to the Commission, act upon that request either by carrying out the request itself or by having a *réviseur d’entreprises agréé* (approved statutory auditor) or expert carry it out.”

(12) In Article 45, the last sentence of paragraph (7), sub-paragraph 2 shall be amended as follows:

“The Commission must, within the framework of its powers, carry out the verification itself, or appoint to this end and chargeable to the credit institution a *réviseur d’entreprises agréé* (approved statutory auditor) or expert.”

(13) In Article 45, the last sentence of paragraph (9), sub-paragraph 2 shall be amended as follows:

“The Commission must, within the framework of its powers, carry out the verification itself, or appoint to this end and chargeable to the investment firm a *réviseur d’entreprises agréé* (approved statutory auditor) or expert.”

(14) In Article 51-1, paragraph (3), letter b), sub-paragraph 2 shall be amended as follows:

“Where it receives such a request for verification from the competent authority of another “Member State”, the Commission must, within the framework of its competences, act upon that request either by carrying out the request itself or by having a *réviseur d’entreprises agréé* (approved statutory auditor) or expert carrying it out, or by allowing the authority which made the request to carry it out itself.”

(15) In Article 51-6, paragraph (3), letter b), sub-paragraph 2 shall be amended as follows:

“Where it receives such a request for verification from the competent authority of another “Member State”, the Commission must, within the framework of its competences, act upon that request either by carrying out the request itself or by having a *réviseur d’entreprises agréé* (approved statutory auditor) or expert carrying it out, or by allowing the authority which made the request to carry it out itself.”

(16) In Article 51-22, sub-paragraph 2 shall be amended as follows:

“Where the Commission receives such a request from another competent authority in the capacity of coordinator, it must, within the framework of its competences, act upon it either by carrying out the

verification itself, by allowing a *réviseur d'entreprises agréé* (approved statutory auditor) or expert to carry it out, or by allowing the authority which made the request to carry it out itself.”

(17) In Article 53, the eighth dash of paragraph (1) sub-paragraph 2 shall be amended as follows:

“- require *réviseurs d'entreprises agréés* (approved statutory auditors) of the persons subject to its prudential supervision to provide information;”

(18) In Article 53, the eleventh dash of paragraph (1), sub-paragraph 2 shall be amended as follows:

“- require *réviseurs d'entreprises agréés* (approved statutory auditors) or experts to carry out on-the-spot verifications or investigations of persons subject to its prudential supervision.”

(19) Article 54 shall be amended as follows:

“(1) Every professional of the financial sector who is subject to supervision by the Commission and whose accounts are subject to audit by a *réviseur d'entreprises agréé* (approved statutory auditors) shall be required of his own volition to communicate to the CSSF all written reports, analyses and commentaries produced by that *réviseur d'entreprises agréé* (approved statutory auditor) in the context of the latter’s audit of the annual accounting documents.

(2) The Commission may request a *réviseur d'entreprises agréé* (approved statutory auditor) to carry out an audit in relation to one or more specific aspects of the activities and operations of such a professional of the financial sector. Such audits shall be carried out at the expense of the professional concerned.

(3) The *réviseur d'entreprises agréé* (approved statutory auditor) shall be required promptly to report to the Commission any fact or decision of which he becomes aware while performing the task of auditing the annual accounting documents of a professional of the financial sector or any other statutory task, where that fact or decision:

- concerns that professional of the financial sector and
 - is liable to:
 - constitute a material breach of the provisions of this Law or
 - affect the continuous functioning of the professional of the financial sector
- or
- lead to refusal to certify the accounts or to the expression of reservations relating thereto.

The *réviseur d'entreprises agréé* (approved statutory auditor), in completing for a professional of the financial sector the tasks referred to in the preceding sub-paragraph, shall likewise be required promptly to inform the Commission of any fact or decision concerning that professional, and fulfilling the criteria enumerated in the preceding sub-paragraph, of which he becomes aware while auditing the annual accounting documents or performing any other statutory task within an undertaking which is linked to that professional of the financial sector by a close link.

(4) The disclosure in good faith to the Commission by a *réviseur d'entreprises agréé* (approved statutory auditor) of any fact or decision as referred to in paragraph (3) shall not constitute a violation of the obligation of professional secrecy or a breach of any restriction on disclosure of information imposed by contract, and shall not expose that auditor to liability of any kind.”

Article 89. Amendment of the amended Law of 31 May 1999 on the domiciliation of companies

(1) In Article 1, paragraph (1), sub-paragraph 2 shall be amended as follows:

“Only a registered member of one of the following regulated professions established in the Grand-Duchy of Luxembourg may act as a domiciliation agent of companies: a credit institution or another professional of the financial sector and the insurance sector, an attorney-at-law (*avocat à la Cour*) included in list I and a European lawyer practising under his home-title professional title included in list IV referred to in Article 8, paragraph (3) of the amended Law of 10 August 1991 on the profession of *avocat*, *réviseur d'entreprises* (statutory auditor), *réviseur d'entreprises agréé* (approved statutory auditor) or accountant.”

Article 90. Amendments of the amended Law of 17 June 1992 relating to the accounts of credit institutions

(1) In Article 68, paragraph (12) shall be amended as follows:

“Separately, the total fees paid during the financial year to the *réviseur d’entreprises agréé* (approved statutory auditor) or the *cabinet de révision agréé* (approved audit firm) for the statutory audit of annual accounts, the total fees paid for other assurance services, the total fees paid for tax consulting services and the total fees paid for other services.”

(2) In Article 71, paragraph (1) shall be amended as follows:

“The duly approved annual accounts of credit institutions together with the management reports and the reports by the person(s) responsible for auditing the accounts (hereinafter: *réviseurs d’entreprises agréés* (approved statutory auditors)) must be filed within one month of their approval, and not later than seven months after the end of the financial year, pursuant to Article 79, paragraph (1) of the Law of 19 December 2002 concerning the trade and companies register, as well as the accounting and annual accounts of companies.”

(3) In Article 73, sub-paragraph 2 shall be amended as follows:

“Where such filing has not yet been carried out, the fact must be disclosed. The report of the *réviseur(s) d’entreprises agréé(s)* (approved statutory auditor(s)) shall not accompany this publication, but it shall be disclosed whether an unqualified, qualified or adverse audit opinion was expressed, or whether the *réviseurs d’entreprises agréés* (approved statutory auditors) were unable to express an audit opinion. It shall also be disclosed whether the report of the *réviseurs d’entreprises agréés* (approved statutory auditors) included a reference to any matters to which the *réviseurs d’entreprises agréés* (approved statutory auditors) drew attention by way of emphasis without qualifying the audit opinion.”

(4) Article 75 shall be amended as follows:

“The *réviseurs d’entreprises agréés* (approved statutory auditors) responsible for auditing the annual accounts, pursuant to Article 10, paragraph (1) of the Law of 5 April 1993 on the financial sector, as amended, shall also express an opinion concerning the consistency or otherwise of the management report with the annual accounts for the same financial year.”

(5) Article 75a shall be amended as follows:

“(1) The report of the *réviseurs d’entreprises agréés* (approved statutory auditors) shall include the following:

- (a) an introduction which shall at least identify the annual accounts that are the subject of the statutory audit, together with the financial reporting framework that has been applied in their preparation;
- (b) a description of the scope of the statutory audit which shall at least identify the auditing standards in accordance with which the statutory audit was conducted;
- (c) an audit opinion which shall state clearly the opinion of the *réviseurs d’entreprises agréés* (approved statutory auditors) as to whether the annual accounts give a true and fair view in accordance with the relevant financial reporting framework and, where appropriate, whether the annual accounts comply with statutory requirements. The audit opinion shall be either unqualified, qualified, an adverse opinion or, if the *réviseurs d’entreprises agréés* (approved statutory auditors) are unable to express an audit opinion, a disclaimer of opinion;
- (d) a reference to any matters to which the *réviseurs d’entreprises agréés* (approved statutory auditors) draw attention by way of emphasis without qualifying the audit opinion;
- (e) an opinion concerning the consistency or otherwise of the management report with the annual accounts for the same financial year.

(2) The report shall be signed and dated by the *réviseurs d’entreprises agréés* (approved statutory auditors).”

(6) In Article 107, point 15) shall be amended as follows:

“Separately, the total fees paid during the financial year to the *réviseurs d’entreprises agréés* (approved statutory auditors) or the *cabinet de révision agréé* (approved audit firm) for the statutory audit of consolidated accounts, the total fees paid for other assurance services, the total fees paid for tax consulting services and the total fees paid for other services.”

(7) In Article 111, paragraph (1) shall be amended as follows:

“(1) The credit institution which prepares the consolidated accounts must have them audited by the *réviseur(s) d’entreprises agréé(s)* (approved statutory auditor(s)) to whom the audit of the annual

accounting documents has been entrusted.

The *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) responsible for auditing the consolidated accounts shall also express an opinion concerning the consistency or otherwise of the consolidated management report with the consolidated accounts for the same financial year."

(8) In Article 111, paragraph (2) shall be amended as follows:

"(2) The report of the *réviseurs d'entreprises agréés* (approved statutory auditors) shall include the following:

- (a) an introduction that shall at least identify the consolidated accounts that are the subject of the statutory audit, together with the financial reporting framework that has been applied in their preparation;
- (b) a description of the scope of the statutory audit that shall at least identify the auditing standards in accordance with which the statutory audit was conducted;
- (c) an audit opinion which shall state clearly the opinion of the *réviseurs d'entreprises agréés* (approved statutory auditors) as to whether the consolidated accounts give a true and fair view in accordance with the relevant financial reporting framework and, where appropriate, whether the consolidated accounts comply with statutory requirements; the audit opinion shall be either unqualified, qualified, an adverse opinion or, if the *réviseurs d'entreprises agréés* (approved statutory auditors) are unable to express an audit opinion, a disclaimer of opinion;
- (d) a reference to any matters to which the *réviseurs d'entreprises agréés* (approved statutory auditors) draw attention by way of emphasis without qualifying the audit opinion;
- (e) an opinion concerning the consistency or otherwise of the consolidated management report with the consolidated accounts for the same financial year."

(9) In Article 111, paragraph (3) shall be amended as follows:

"(3) The report shall be signed and dated by the *réviseurs d'entreprises agréés* (approved statutory auditors)."

(10) In Article 111, paragraph (4) shall be amended as follows:

"(4) Where the annual accounts of the parent undertaking are attached to the consolidated accounts, the report of the *réviseurs d'entreprises agréés* (approved statutory auditors) required by this Article may be combined with any report of the *réviseurs d'entreprises agréés* (approved statutory auditors) on the annual accounts of the parent undertaking required by Article 75 of this Law."

(11) In Article 112, paragraph (1) shall be amended as follows:

"(1) Consolidated accounts of credit institutions, duly approved, and the management reports, together with the opinion submitted by the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) shall be published for the credit institution which drew up the consolidated accounts as laid down in Article 341, paragraphs (1) and (2) of the amended Law of 10 August 1915 on commercial companies."

Article 91. Amendments of the Law of 13 February 2007 relating to specialised investment funds

(1) In Article 55, paragraph (1), sub-paragraph 2 shall be amended as follows:

"The report of the *réviseur d'entreprises agréé* (approved statutory auditor) and his qualifications, if any, shall be set out in full in each annual report."

(2) In Article 55, paragraph (1), sub-paragraph 3 shall be amended as follows:

"The *réviseur d'entreprises agréé* (approved statutory auditor) must prove adequate professional experience."

(3) In Article 55, paragraph (2) shall be amended as follows:

"(2) The *réviseur d'entreprises agréé* (approved statutory auditor) shall be appointed and remunerated by the specialised investment fund."

(4) In Article 55, paragraph (3), sub-paragraph 1 shall be amended as follows:

"(3) The *réviseur d'entreprises agréé* (approved statutory auditor) must report promptly to the CSSF any fact or decision of which he has become aware while carrying out the audit of the accounting

information contained in the annual report of a specialised investment fund or any other legal task concerning a specialised investment fund, where such fact or decision is liable to constitute a material breach of this Law or the regulations adopted for its execution, or

- affect the continuous functioning of the specialised investment fund, or
- lead to a refusal to certify the accounts or to the expression of qualifications thereon.”

(5) In Article 55, paragraph (3), sub-paragraph 2 shall be amended as follows:

“The *réviseur d'entreprises agréé* (approved statutory auditor) shall likewise have a duty to promptly report to the CSSF, in the accomplishment of his duties referred to in the preceding sub-paragraph in respect of a specialised investment fund, any fact or decision concerning the specialised investment fund and meeting the criteria referred to in the preceding sub-paragraph of which he has become aware while carrying out the audit of the accounting information contained in the annual report of another undertaking having close links resulting from a control relationship with the specialised investment fund or while carrying any other legal tasks concerning such other undertaking.”

(6) In Article 55, paragraph (3), sub-paragraph 4 shall be amended as follows:

“If, in the discharge of his duties, the *réviseur d'entreprises agréé* (approved statutory auditor) ascertains that the information provided to investors or to the CSSF in the reports or other documents of the specialised investment fund does not truly describe the financial situation and the assets and liabilities of the specialised investment fund, he shall be obliged to inform the CSSF forthwith.”

(7) In Article 55, paragraph (3), sub-paragraph 5 shall be amended as follows:

“The *réviseur d'entreprises agréé* (approved statutory auditor) shall moreover be obliged to provide the CSSF with all information or certificates required by the latter on any matters of which the *réviseur d'entreprises agréé* (approved statutory auditor) has or ought to have knowledge in connection with the discharge of his duties. The same applies if the *réviseur d'entreprises agréé* (approved statutory auditor) ascertains that the assets of the specialised investment fund are not or have not been invested according to the regulations set out by law or the offering document.”

(8) In Article 55, paragraph (3), sub-paragraph 6 shall be amended as follows:

“The disclosure in good faith to the CSSF by a *réviseur d'entreprises agréé* (approved statutory auditor) of any fact or decision referred to in this paragraph shall not constitute a breach of professional secrecy or of any restriction on disclosure of information imposed by contract and shall not result in liability of any kind of the *réviseur d'entreprises agréé* (approved statutory auditor).”

(9) In Article 55, the first sentence of paragraph (3), sub-paragraph 8 shall be amended as follows:

“The CSSF may request a *réviseur d'entreprises agréé* (approved statutory auditor) to perform a check on one or several particular aspects of the activities and operations of a specialised investment fund.”

(10) In Article 55, paragraph (4) shall be amended as follows:

“(4) The CSSF shall refuse or withdraw the entry on the list of specialised investment fund whose *réviseur d'entreprises agréé* (approved statutory auditor) does not satisfy the conditions or does not discharge the obligations prescribed in this Article.”

(11) In Article 55, the second sentence of paragraph (5), sub-paragraph 2 shall be amended as follows:

“Upon completion of the liquidation, a report on the liquidation shall be drawn up by the *réviseur d'entreprises agréé* (approved statutory auditor).”

Article 92. Amendments of the amended Law of 20 December 2002 relating to undertakings for collective investment

(1) In Article 80, paragraph (1) shall be amended as follows:

“(1) The authorisation of a management company is subject to the condition that the audit of its annual accounting documents is entrusted to one or more *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) who can show that they possess adequate professional experience.”

(2) In Article 80, paragraph (2) shall be amended as follows:

“(2) Any change of external *réviseurs d'entreprises agréés* (approved statutory auditors) must be previously approved by the CSSF.”

(3) The first sentence of paragraph (1) shall be amended as follows:

“(1) Any person who works or who has worked for the CSSF, as well as the *réviseurs d’entreprises agréés* (approved statutory auditors) or experts instructed by the CSSF, shall be bound by the obligation of professional secrecy provided for by Article 16 of the Law of 23 December 1998 establishing a financial sector supervisory commission, as amended.”

(4) In Article 102, the last sentence of paragraph (2) shall be amended as follows:

“Within the scope of its powers, the CSSF must act upon such requests by carrying out the verifications itself, by either allowing the authorities who have requested them to carry them out or by allowing a *réviseur d’entreprises agréé* (approved statutory auditor) or expert to do so.”

(5) In Article 113, paragraph (1), sub-paragraph 2 shall be amended as follows:

“The report of the *réviseur d’entreprises agréé* (approved statutory auditor) and its qualifications (if any) shall be set out in full in each annual report.”

(6) In Article 113, paragraph (1), sub-paragraph 3 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) must show that he possesses adequate professional experience.”

(7) In Article 113, paragraph (2) shall be amended as follows:

“(2) The *réviseur d’entreprises agréé* (approved statutory auditor) shall be appointed and remunerated by the UCI.”

(8) In Article 113, paragraph (3) shall be amended as follows:

“(3) The *réviseur d’entreprises agréé* (approved statutory auditor) must report promptly to the CSSF any fact or decision of which he has become aware while carrying out the audit of the accounting information contained in the annual report of a UCI or any other legal task concerning a UCI, where such fact or decision is liable to:

- constitute a material breach of this Law or the regulations adopted for its execution, or
- affect the continuous functioning of the UCI, or
- lead to a refusal to certify the accounts or to the expression of qualifications thereon.”

(9) In Article 113, paragraph (3), sub-paragraph 2 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) shall likewise have a duty promptly to report to the CSSF, in the accomplishment of the duties referred to in the preceding sub-paragraph in respect of a UCI, any fact or decisions concerning the UCI and meeting the criteria referred to in the preceding sub-paragraph of which he has become aware while carrying out the audit of the accounting information contained in the annual report of another undertaking having close links resulting from a control relationship with the UCI or while carrying out any other legal task concerning such other undertaking.”

(10) In Article 113, paragraph (3), sub-paragraph 4 shall be amended as follows:

“If, in the discharge of his duties, the *réviseur d’entreprises agréé* (approved statutory auditor) ascertains that the information provided to investors or to the CSSF in the reports or other documents of the UCI does not truly describe the financial situation and the assets and liabilities of the UCI, he shall be obliged to inform the CSSF forthwith.”

(11) In Article 113, paragraph (3), sub-paragraph 5 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) shall moreover be obliged to provide the CSSF with all information or certificates required by the latter on any matters of which the *réviseur d’entreprises agréé* (approved statutory auditor) has or ought to have knowledge in connection with the discharge of his duties. The same applies if the *réviseur d’entreprises agréé* (approved statutory auditor) ascertains that the assets of the UCI are not or have not been invested according to the regulations set out by law or the prospectus.”

(12) In Article 113, paragraph (3), sub-paragraph 6 shall be amended as follows:

“The disclosure in good faith to the CSSF by the *réviseur d’entreprises agréé* (approved statutory auditor) of any fact or decision referred to in this paragraph shall not constitute a breach of professional secrecy or of any restriction on disclosure of information imposed by contract and shall not result in liability of any kind of the *réviseur d’entreprises agréé* (approved statutory auditor).”

(13) In Article 113, paragraph (3), sub-paragraph 8 shall be amended as follows:

“The CSSF may request a *réviseur d’entreprises agréé* (approved statutory auditor) to perform a check on one or several particular aspects of the activities and operations of an UCI. This control is performed at the expense of the UCI concerned.”

(14) In Article 113, paragraph (4) shall be amended as follows:

“(4) The CSSF shall refuse or withdraw the entry on the list of UCIs whose *réviseur d’entreprises agréé* (approved statutory auditor) does not satisfy the conditions or does not discharge the obligations prescribed in this Article.”

(15) In Article 113, the second sentence of paragraph (5), sub-paragraph 2 shall be amended as follows:

“Upon completion of the liquidation, a report on the liquidation shall be drawn up by the *réviseur d’entreprises agréé* (approved statutory auditor).”

Article 93. Amendments of the amended Law of 13 July 2005 on institutions for occupational retirement provisions in the form of SEPCAV and ASSEP

(1) In Article 10, paragraph (3), sub-paragraph 2 shall be amended as follows:

“Notwithstanding Articles 26-1 and 26-2 of the Law of 10 August 1915 on commercial companies, as amended, contributions other than cash contributions shall be the subject of a report drawn up by a *réviseur d’entreprises agréé* (approved statutory auditor) independent of the SEPCAV who is appointed by the founders or the board of directors from among the members of the *Institut des réviseurs d’entreprises*.”

(2) In Article 10, the last sentence of paragraph (3), sub-paragraph 4 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) shall be appointed by the board of directors.”

(3) In Article 26, paragraph (5), sub-paragraph 1 shall be amended as follows:

“(5) The contributors’ contributions other than cash contributions shall be the subject of a report drawn up by a *réviseur d’entreprises agréé* (approved statutory auditor) independent of the ASSEP appointed by the founders or the board of directors from among the members of the *Institut des réviseurs d’entreprises*.”

(4) In Article 26, the last sentence of paragraph (5), sub-paragraph 3 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) shall be appointed by the board of directors.”

(5) In Article 59, the first sentence of paragraph (1) shall be amended as follows:

“(1) All persons acting, or having acted, on behalf of the Commission, as well as the *réviseurs d’entreprises agréés* (approved statutory auditors) or experts appointed by the Commission, are bound by the professional secrecy referred to in Article 16 of the Law of 23 December 1998 establishing a financial sector supervisory commission.”

(6) In Article 72, the last sentence of paragraph (4), sub-paragraph 2 shall be amended as follows:

“In this case, the calculation of the technical provisions shall be verified and certified by a *réviseur d’entreprises agréé* (approved statutory auditor) who then draws up a specific report to this end, the content of which may be determined by the Commission in accordance with the last sub-paragraph of Article 90, paragraph (3).”

(7) In Article 72, the last sentence of paragraph (4), sub-paragraph 3 shall be amended as follows:

“Each pension fund must forward the Commission the actuarial report issued annually by the liability manager, or the specific report issued by the *réviseur d’entreprises agréé* (approved statutory auditor).”

(8) The heading of Chapter 7 shall be amended as follows:

“Chapter 7: Auditing by a *réviseur d’entreprises agréé* (approved statutory auditor).”

(9) In Article 90, paragraph (1), sub-paragraph 2 shall be amended as follows:

“The report of the *réviseur d’entreprises agréé* (approved statutory auditor) and any possible

qualifications made therein shall be reproduced in full in every annual report.”

(10) In Article 90, paragraph (1), sub-paragraph 3 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) must show that he possesses adequate professional experience.”

(11) In Article 90, paragraph (2) shall be amended as follows:

“(2) The *réviseur d’entreprises agréé* (approved statutory auditor) shall be appointed by the pension fund’s board of directors and paid by the pension fund.”

(12) In Article 90, paragraph (3) shall be amended as follows:

“(3) The *réviseur d’entreprises agréé* (approved statutory auditor) shall be required to inform the CSSF promptly of any fact or decision which he has become aware of through verifying the accounting information in a pension fund’s annual report or in performing any other statutory duty relating to a pension fund, if that fact or that decision is liable to:

- constitute a serious violation of the provisions of this Law or the provisions of its implementing legislation, or
- jeopardise the pension fund’s continued operation, or
- result in refusal to certify the accounts or the issuing of reservations concerning them.”

(13) In Article 90, paragraph (3), sub-paragraph 2 shall be amended as follows:

“In performing his duties for a pension fund as described in the preceding sub-paragraph, the *réviseur d’entreprises agréé* (approved statutory auditor) shall also be required to inform the CSSF promptly of any fact or decision concerning the pension fund relative to the criteria enumerated in said sub-paragraph which he has become aware of through having audited the accounting information in its annual report or in performing another statutory duty concerning an undertaking linked to that pension fund by a controlling interest.”

(14) In Article 90, paragraph (3), sub-paragraph 4 shall be amended as follows:

“If, in the performance of his duties, the *réviseur d’entreprises agréé* (approved statutory auditor) discovers that the information provided to the members and beneficiaries or to the Commission in the pension fund’s reports or other documents does not present a true and fair image of the pension fund’s financial situation and the status of its assets, he shall be obliged to inform the Commission thereof. The same applies if the *réviseur d’entreprises agréé* (approved statutory auditor) learns that the pension fund’s assets are not, or were not, invested in accordance with the rules laid down or that the valuation of the pension fund’s liabilities does not conform to the standard actuarial valuation rules stipulated in the technical note.”

(15) In Article 90, paragraph (3), sub-paragraph 5 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) shall also be required to provide the Commission with all the information or certificates which it requires concerning the points which the *réviseur d’entreprises agréé* (approved statutory auditor) has, or ought to have, knowledge of in order to carry out his duties.”

(16) In Article 90, paragraph (3), sub-paragraph 6 shall be amended as follows:

“A disclosure made in good faith to the Commission by a *réviseur d’entreprises agréé* (approved statutory auditor) concerning facts or decisions referred to in this paragraph does not constitute a violation of professional secrecy or a violation of any contractually imposed restriction on the disclosure of information and does not incur liability of any kind for the *réviseur d’entreprises agréé* (approved statutory auditor).”

(17) In Article 90, paragraph (3), sub-paragraph 7 shall be amended as follows:

“Each pension fund shall promptly send the Commission the annual reports of the *réviseur d’entreprises agréé* (approved statutory auditor), including analytical reports, and written comments issued in the context of his audit of the annual accounting documents.”

(18) In Article 90, the first sentence of paragraph (3), sub-paragraph 9 shall be amended as follows:

“The Commission may ask the *réviseur d’entreprises agréé* (approved statutory auditor) to carry out an audit on one or more specific aspects of a pension fund’s activities and transactions.”

(19) In Article 90, paragraph (4) shall be amended as follows:

“(4) The Commission shall refuse or withdraw the registration on the list of any pension fund whose *réviseur d’entreprises agréé* (approved statutory auditor) fails to meet the conditions, or the obligations, imposed by this Article.”

(20) In Article 90, the second sentence of paragraph (5), sub-paragraph 2 shall be amended as follows:

“Upon completion of the liquidation procedure, the *réviseur d’entreprises agréé* (approved statutory auditor) shall draw up a liquidation report.”

Article 94. Amendments of the amended Law of 15 June 2004 relating to the investment company in risk capital (SICAR)

(1) In Article 15, paragraph (1) shall be amended as follows:

“(1) Any person who works or who has worked for the CSSF, as well as the *réviseurs d’entreprises agréés* (approved statutory auditors) or experts instructed by the CSSF, shall be bound by the obligation of professional secrecy provided for by Article 16 of the amended Law of 23 December 1998 establishing a financial sector supervisory commission.

Such secrecy implies that no confidential information which they may receive in the course of their professional duties may be divulged to any person or authority whatsoever, save in summary or aggregate form such that SICARs and depositaries cannot be individually identified, without prejudice to cases covered by criminal law.”

(2) In Article 27, paragraph (1), sub-paragraph 2 shall be amended as follows:

“The report of the *réviseur d’entreprises agréé* (approved statutory auditor) and its qualifications, if any, are set out in full in each annual report.”

(3) In Article 27, paragraph (1), sub-paragraph 3 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) must show that he possesses adequate professional experience.”

(4) In Article 27, paragraph (2) shall be amended as follows:

“(2) The *réviseur d’entreprises agréé* (approved statutory auditor) shall be appointed and remunerated by the SICAR.”

(5) In Article 27, paragraph (3), sub-paragraph 1 shall be amended as follows:

“(3) The *réviseur d’entreprises agréé* (approved statutory auditor) must report promptly to the CSSF any fact or decision of which he has become aware while carrying out the audit of the accounting information contained in the annual report of a SICAR or any other legal task concerning a SICAR, where such fact or decision is liable to:

- constitute a material breach of this Law or the regulations adopted for its execution, or
- affect the continuous functioning of the SICAR, or
- lead to a refusal to certify the accounts or to the expression of reservations thereon.”

(6) In Article 27, paragraph (3), sub-paragraph 2 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) shall likewise have a duty promptly to report to the CSSF, in the accomplishment of the duties referred to in the preceding sub-paragraph in respect of a SICAR, any fact or decisions concerning the SICAR and meeting the criteria referred to in the preceding sub-paragraph of which he has become aware while carrying out the audit of the accounting information contained in the annual report of another undertaking having close links resulting from a control relationship with the SICAR or while carrying out any other legal task concerning such other undertaking.”

(7) In Article 27, paragraph (3), sub-paragraph 4 shall be amended as follows:

“If, in the discharge of his duties, the *réviseur d’entreprises agréé* (approved statutory auditor) ascertains that the information provided to investors or to the CSSF in the reports or other documents of the SICAR does not truly describe the financial situation and the assets and liabilities of the SICAR, he shall be obliged to inform the CSSF forthwith.”

(8) In Article 27, paragraph (3), sub-paragraph 5 shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) shall moreover be obliged to provide the CSSF with all information or certificates required by the latter on any matters of which the *réviseur d’entreprises agréé* (approved statutory auditor) has or ought to have knowledge in connection with the discharge of his duties. The same applies if the *réviseur d’entreprises agréé* (approved statutory auditor) ascertains that the assets of the SICAR are not or have not been invested according to the regulations set out by law or the prospectus.”

(9) In Article 27, paragraph (3), sub-paragraph 6 shall be amended as follows:

“The disclosure in good faith to the CSSF by the *réviseur d’entreprises agréé* (approved statutory auditor) of any fact or decision referred to in this paragraph shall not constitute a breach of professional secrecy or of any restriction on disclosure of information imposed by contract and shall not result in liability of any kind for the *réviseur d’entreprises agréé* (approved statutory auditor).”

(10) In Article 27, paragraph (3), sub-paragraph 8 shall be amended as follows:

“The CSSF may request a *réviseur d’entreprises agréé* (approved statutory auditor) to perform a control on one or several particular aspects of the activities and operations of a SICAR. This control shall be performed at the expense of the SICAR concerned.”

(11) In Article 27, paragraph (4) shall be amended as follows:

“(4) The CSSF shall refuse or withdraw the entry on the list of SICARs whose *réviseur d’entreprises agréé* (approved statutory auditor) does not satisfy the conditions or does not discharge the obligations prescribed in this Article.”

(12) In Article 27, the second sentence of paragraph (5), sub-paragraph 2 shall be amended as follows:

“Upon completion of the liquidation, a report on the liquidation shall be drawn up by the *réviseur d’entreprises agréé* (approved statutory auditor).”

Article 95. Amendments of the Law of 22 March 2004 on securitisation

(1) In Article 45, paragraph (2) shall be amended as follows:

“(2) The Court shall appoint one or more *réviseurs d’entreprises agréés* (approved statutory auditors) to examine the documents. After receipt of the report from the *réviseurs d’entreprises agréés* (approved statutory auditors), it shall render its judgment on the management by the liquidator and on the close of the liquidation.”

(2) Article 48 shall be amended as follows:

“(1) The accounts of a securitisation undertaking shall be audited by one or more *réviseurs d’entreprises agréés* (approved statutory auditors) appointed, as the case may be, by the management body of the securitisation company or by the management company of the securitisation fund.

(2) The *réviseurs d’entreprises agréés* (approved statutory auditors) of an authorised securitisation undertaking must be authorised by the CSSF.

(3) The *réviseurs d’entreprises agréés* (approved statutory auditors) entrusted with the auditing of the accounts of a securitisation undertaking shall inform the management of the securitisation company or of the management company and, as regards authorised securitisation undertakings, also the CSSF and, as the case may be, the representative of the investors, of any irregularities and inaccuracies which they detect during the accomplishment of their duties.”

Article 96. Amendments of the Law of 11 January 2008 relating to the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market

(1) In Article 4, paragraph (5) shall be amended as follows:

“(5) If the half-yearly financial report has been audited, the audit report shall be reproduced in full. The same shall apply in the case of a review by a *réviseur d’entreprises agréé* (approved statutory auditor), a statutory auditor or a third-country auditor. If the half-yearly financial report has not been audited or reviewed by a *réviseur d’entreprises agréé* (approved statutory auditor), a statutory auditor or a third-country auditor, the issuer shall make a statement to that effect in its report.”

(2) In Article 22, paragraph (2), letter a) shall be amended as follows:

“(a) require *réviseurs d’entreprises agréés* (approved statutory auditors), statutory auditors or third-country auditors, issuers, persons who have applied for admission to trading on a regulated market without the issuer's consent, holders of shares or other financial instruments, or persons or entities referred to in Articles 9 or 12, the persons that control them or are controlled by them and OAMs, to provide information and documents;”

- (3) In Article 22, the first sentence of paragraph (3) of the Law of 11 January 2008 relating to the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market shall be amended as follows:

“(3) The Commission may, inter alia, request a *réviseur d’entreprises agréé* (approved statutory auditor), a statutory auditor or a third-country auditor to carry out an inspection of one or several obligations imposed on an issuer or on a person who has applied for admission to trading on a regulated market without the issuer's consent or on an OAM pursuant to this Law.”

- (4) In Article 22, paragraph (4) of the Law of 11 January 2008 relating to the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market shall be amended as follows:

“(4) The disclosure to the Commission by the *réviseurs d’entreprises agréés* (approved statutory auditors), statutory auditors or third-country auditors of any fact or decision related to the requests made by the Commission under paragraph (2), letter a) shall not constitute a breach of any restriction on disclosure of information imposed by contract or by any law, regulation or administrative provision and shall not involve said *réviseur d’entreprises agréé* (approved statutory auditor), statutory auditor or third-country auditor in liability of any kind.”

Article 97. Amendment of the amended Law of 12 November 2004 on the fight against money laundering and terrorist financing

In Article 2, paragraph (1), point 8 shall be amended as follows:

“8. *réviseurs d’entreprises* (statutory auditors), *réviseurs d’entreprises agréés* (approved statutory auditors), *cabinets de révision* (audit firms) and *cabinets de révision agréés* (approved audit firms) within the meaning of the Law of 18 December 2009 on the audit profession;”

Article 98. Amendments of the amended Law of 10 August 1915 on commercial companies

- (1) In Article 26e, the first sentence of sub-paragraph 2 shall be amended as follows:

“For companies subject to Luxembourg law, these experts shall be appointed by the administrative body and must be chosen from among *réviseurs d’entreprises agréés* (approved statutory auditors).”

- (2) In Article 26-1, paragraph (2) shall be amended as follows:

“(2) Contributions other than cash contributions shall be the subject of a report drawn up prior to the company's incorporation by a *réviseur d’entreprises agréé* (approved statutory auditor) appointed by the founders.”

- (3) In Article 26-2, the last sentence of paragraph (1) shall be amended as follows:

“The *réviseur d’entreprises agréé* (approved statutory auditor) shall be appointed by the board of directors or the executive board, as the case may be.”

- (4) In Article 27, paragraph (9) shall be amended as follows:

“the specification of each contribution other than cash contributions, the conditions under which it was carried out, the name of the contributor and the conclusions of the report drawn up by the *réviseur d’entreprises agréé* (approved statutory auditor) as foreseen in Article 26-1;”

- (5) In Article 31-2, paragraph (3) shall be amended as follows:

“(3) Prior to the general meeting referred to in paragraph (4), one or more *réviseurs d’entreprises agréés* (approved statutory auditors) appointed by the administrative body shall attest that the company possesses assets that are at least equivalent to its capital.”

- (6) In Article 31-3, paragraph (3) shall be amended as follows:

“(3) Prior to the general meeting referred to in paragraph (4), one or more *réviseurs d’entreprises agréés* (approved statutory auditors) appointed by the administrative body shall attest that the company possesses net assets that are at least equivalent to its capital plus the reserves that must not be distributed under the law or the statutes.”

(7) In Article 32-1, paragraph (5) shall be amended as follows:

“For contributions other than cash contributions, shares must be fully paid up within five years from the decision to increase the capital. A report shall be drawn up by a *réviseur d’entreprises agréé* (approved statutory auditor) in accordance with Article 26-1; said *réviseur d’entreprises agréé* (approved statutory auditor) shall be appointed by the board of directors or the executive board, as the case may be. The report by the *réviseur d’entreprises agréé* (approved statutory auditor) shall be filed in accordance with Article 9, paragraph (1).”

(8) Article 72-2, letter d) shall be amended as follows:

“in his report to the board of directors or the executive board, as the case may be, the commissioner or the *réviseur d’entreprises agréé* (approved statutory auditor) shall verify that the conditions set out above have been fulfilled.”

(9) In Article 73, points 1° and 5° of sub-paragraph 1 and sub-paragraph 2 shall be amended as follows:

“1. of the annual accounts and the list of administrators or the members of the executive board and the supervisory council, as well as of the list of commissioners or the *réviseur d’entreprises agréé* (approved statutory auditor);”

“5. of the report of the commissioners or the *réviseur d’entreprises agréé* (approved statutory auditor).”

“The annual accounts, as well as the report of the commissioners or the *réviseur d’entreprises agréé* (approved statutory auditor), the management report and the observations of the supervisory council shall be addressed to the shareholders by name, at the same time as the notification.”

(10) In Article 87, paragraph (3), letter 4) shall be amended as follows:

“the members of the board of directors, the executive board, the supervisory council, the commissioners, the *réviseurs d’entreprises agréés* (approved statutory auditors) and the officials of these companies.”

(11) In Article 94-2, the second sentence of sub-paragraph 2 shall be amended as follows:

“In these same cases, as well as in that foreseen in point 4 the assembly may rule only upon provision of a statement verified and certified by the commissioners or the *réviseurs d’entreprises agréés* (approved statutory auditors) summarising the assets and liabilities of the company at a date that must not precede the decision by more than two months and accompanied by a report of the board of directors or the executive board, as the case may be, justifying the proposed measures.”

(12) In Article 101-9, paragraph (3) shall be amended as follows:

“(3) Failing to call the assembly foreseen in the preceding paragraph or, in the case of the latter refusing to accept the proposed amendment, the titles in question shall be repurchased at the price corresponding to their valuation carried out in the proposed transfer and verified by an independent expert appointed by the administrative body and chosen from among the *réviseurs d’entreprises agréés* (approved statutory auditors).”

(13) In Article 116, point 3 shall be amended as follows:

“3° how and by whom the social affairs shall be administered and controlled and, if appropriate, the method of appointing and dismissing managers, administrators, commissioners or *réviseurs d’entreprises agréés* (approved statutory auditors), the scope of their power and the length of their mandate;”

(14) In Article 117, point shall be amended as follows:

“3° the company shall be managed by an administrator and supervised by a commissioner or a *réviseur d’entreprises agréé* (approved statutory auditor), who shall be appointed and dismissed and who shall deliberate in the same manner as in public limited companies (*sociétés anonymes*);”

(15) In Article 118, point 4 shall be amended as follows:

“4° the date of the audits carried out and the names of the commissioners or the *réviseurs d’entreprises agréés* (approved statutory auditors).”

(16) In Article 137, sub-paragraph 1 shall be amended and a new sub-paragraph shall be inserted before sub-paragraph 2, as follows:

“Article 69, paragraphs (1), (2) and (4) of the amended Law of 19 December 2002 on the trade and

companies register and the accounting and the annual accounts of companies shall apply.

The institution of the commissioners in Articles 114, 116 point 3 and 117 point 3 shall be removed in the cooperatives that have their annual accounts audited by a *réviseur d'entreprises agréé* (approved statutory auditor) in accordance with sub-paragraph 1 of this Article."

(17) In Article 151, the third sentence of sub-paragraph 1 shall be amended as follows:

"The qualification of *réviseur d'entreprises agréé* (approved statutory auditor) for the commissioners shall be required only for companies that exceed two of the three criteria set out in Article 35 of the amended Law of 19 December 2002 on the trade and companies register and the accounting and the annual accounts of companies and amending certain other legal provisions and for companies that have exceeded the limits set out in Article 35 in the course of the three previous years preceding the date of liquidation."

(18) In Article 160-7, the second and third sentences of sub-paragraph 2, sub-paragraph 3 and the second sentence of sub-paragraph 5 shall be amended as follows:

"Where the branch exceeds the criteria of a small company, as set out in Article 35 of the amended Law of 19 December 2002 on the trade and companies register and the accounting and the annual accounts of companies, the audit of the accounting documents by one or more *réviseurs d'entreprises agréés* (approved statutory auditors) shall be compulsory. Article 36 of the amended Law of 19 December 2002 on the trade and companies register and the accounting and the annual accounts of companies shall also apply."

"The *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) shall be appointed by the official managing the branch."

"Where the branch exceeds the criteria of a small company, as set out in Article 35 of the amended Law of 19 December 2002 on the trade and companies register and the accounting and the annual accounts of companies, the audit of the accounting documents by one or more *réviseurs d'entreprises agréés* (approved statutory auditors) shall be compulsory."

(19) In Article 184, sub-paragraph 1 shall be amended as follows:

"The provisions of Article 27 shall apply to limited companies (*sociétés à responsabilité limitée*), subject to those relating to social capital and to the intervention of a *réviseur d'entreprises agréé* (approved statutory auditor) in the specification of contributions other than cash contributions."

(20) In Article 266, paragraph (1), sub-paragraph 1 shall be amended as follows:

"The proposed merger must be subject to a review and a written report intended for the partners. This review shall be carried out and this report shall be drawn up for each of the merging companies by one or more independent experts to be appointed by the administrative body of each of the merging companies. These experts must be chosen from among *réviseurs d'entreprises agréés* (approved statutory auditors). It shall be possible, however, for the report to be drawn up by one or more independent experts for all the merging companies. In this case, the appointment shall be made upon joint request of the merging companies by the judge presiding over the chamber of the *tribunal d'arrondissement de Luxembourg* (District Court of Luxembourg) in the jurisdiction in which the acquiring company has its registered offices, dealing with commercial matters and sitting as in urgency matters."

(21) In Article 294, the last sentence of sub-paragraph 1 shall be amended as follows:

"These experts must be chosen from among *réviseurs d'entreprises agréés* (approved statutory auditors)."

(22) In Article 340, paragraph (1) shall be amended as follows:

"The company drawing up consolidated accounts must have them audited by one or more *réviseurs d'entreprises agréés* (approved statutory auditors)."

(23) In Article 340, paragraph (2) shall be amended as follows:

"(2) The *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) entrusted with the audit of the consolidated accounts must also verify the consistency of the consolidated management report with the consolidated accounts of the same financial year."

(24) In Article 341, paragraph (1) shall be amended as follows:

"(1) Duly approved consolidated accounts and the consolidated management report drawn up by the

réviseur d'entreprises agréé (approved statutory auditor) entrusted with the audit of the consolidated accounts shall be published for the company which drew up the consolidated accounts, in accordance with Article 9.”

Article 99. Amendments of the amended Law of 19 December 2002 on the trade and companies register and the accounting and the annual accounts of companies

(1) In Article 6, paragraph (8), sub-paragraph 1 shall be amended as follows:

“the name, first name(s), date and place of birth, or, in the case of legal persons, the registered company or corporate name, and the exact private or professional address of the audit commissioner or the *réviseur d'entreprises agréé* (approved statutory auditor), the date of appointment and the date of expiry of the mandate.”

(2) In Article 69, paragraph (1), letter a), sub-paragraph 1 and sub-paragraph 3 and paragraph (3) shall be amended as follows:

“Companies under Luxembourg law referred to in Article 1 of Council Directive 78/660/EEC of 25 July 1978 must have their annual accounts audited by one or more *réviseurs d'entreprises agréés* (approved statutory auditors) appointed by the general meeting.”

“The persons referred to in the two preceding sub-paragraphs shall be appointed for a minimum period to be determined by the parties, by a provision of services contract, which may be terminated only on serious grounds or by mutual consent.”

“(3) The institution of the audit commissioners foreseen in Articles 61, 109 and 200 of the amended Law of 10 August 1915 on commercial companies shall be removed in companies that have their annual accounts audited by a *réviseur d'entreprises agréé* (approved statutory auditor) in accordance with paragraph 1.”

(3) In Article 70, paragraph (1), letter g) shall be amended as follows:

“The consolidated accounts referred to in point e), the consolidated management report and the report by the *réviseur d'entreprises agréé* (approved statutory auditor) entrusted with the audit of said accounts shall be published for the subsidiary company as set out in Article 9 of the amended Law of 10 August 1915 on commercial companies.”

Article 100. Amendments of the amended Law of 6 December 1991 on the insurance sector

(1) In Article 6, letters c) and d) shall be amended as follows:

“c) It shall make a proposal to the Government to appoint the *réviseur d'entreprises agréé* (approved statutory auditor) of the *Commissariat*.

d) It may instruct the *réviseur d'entreprises agréé* (approved statutory auditor) to conduct specific verifications.”

(2) In Article 17, the first and second sentences shall be replaced by the following sentence:

“The Government shall appoint a *réviseur d'entreprises agréé* (approved statutory auditor) upon proposal of the council of the *Commissariat*.”

(3) In Article 18, the first sentence shall be replaced by the following sentence:

“The *réviseur agréé* shall be responsible for verifying and certifying the accuracy and completeness of the *Commissariat's* accounts.”

(4) Article 20 shall be replaced as follows:

“By 31 March each year, the director shall submit the balance sheet and profit and loss account adopted on 31 December of the previous year to the Council for approval, together with the activity report and the report of the statutory auditor and the budget forecast for the coming financial year.”

(5) In Article 31, the first dash of point 4 shall be amended as follows:

“- the method of appointment and the name of the *réviseur d'entreprises agréé* (approved statutory auditor).”

(6) In Article 31, point 7, sub-paragraph 1 shall be amended as follows:

“The *Commissariat* must promptly be advised of any essential amendment of the statutes, any change of *réviseur d'entreprises agréé* (approved statutory auditor) as well as any extension of activity or

significant amendment to the activity plan.”

(7) In Article 35, point 2 shall be amended as follows:

“Luxembourg companies and company branches of third countries shall be obliged to undergo an external audit to be carried out annually, at the expense of the company, by a *réviseur d'entreprises agréé* (approved statutory auditor), to be chosen from a list approved by the *Commissariat*.

The *réviseur agréé* shall be appointed:

- in accordance with Article 69 of the amended Law of 19 December 2002 on the trade and companies register and the accounting and the annual accounts of companies for Luxembourg companies formed as public limited companies (*sociétés anonymes*) or cooperatives in the form of a public limited company (*sociétés en commandite par actions*);
- in accordance with Article 1 of the Grand-Ducal Decree of 30 August 1918 regulating cooperative societies for Luxembourg undertakings formed as cooperative societies;
- pursuant to the statutes or the indications attached to their applications for approval for other companies.

The audit report shall be addressed to the *Commissariat*. This being the case, the *réviseur agréé* shall be released from professional secrecy in regard to the *Commissariat's* agents.

The *réviseur agréé* shall be required promptly to report to the *Commissariat* any fact or decision concerning the audited insurance undertaking which he has acquired knowledge of in the performance of his duties and which is liable to:

- constitute a material breach of the legal provisions or regulations which lay down the conditions of approval or which specifically govern the transactions of insurance undertakings,
- affect the continuous functioning of the insurance undertaking,
- lead to refusal to certify the accounts or to the expression of reservations relating thereto.

The *réviseur agréé* shall likewise be required promptly to inform the *Commissariat* of any fact or decision of which he becomes aware while carrying out an audit assignment within an undertaking having close links resulting from a control relationship with the insurance undertaking in which he is performing the same audit.”

(8) In Article 79-5, point 4, sub-paragraph 1 shall be amended as follows:

“Where a competent authority of another Member State carrying out supplementary supervision pursuant to Directive 98/78/EC on an insurance or reinsurance undertaking having its registered office in the territory of that Member State wishes to verify important information relating to an undertaking situated in the Grand Duchy of Luxembourg which is an affiliated insurance or reinsurance undertaking, a subsidiary undertaking, a parent undertaking or a subsidiary undertaking of a parent undertaking of that insurance or reinsurance undertaking, the *Commissariat* must, within the scope of its powers, either verify such information on behalf of said authority or have it verified by a *réviseur d'entreprises agréé* (approved statutory auditor) or an expert, or allow the foreign competent authority concerned to verify it.”

(9) In Article 79-22, the second sub-paragraph shall be amended as follows:

“Where the *Commissariat* receives such a request from another competent authority acting in its capacity as coordinator, the *Commissariat* must, within the scope of its powers, either verify such information itself or have it verified by a *réviseur d'entreprises agréé* (approved statutory auditor) or an expert, or allow the competent authority which made the request to carry out the verification itself.”

(10) In Article 95, the second dash of point 4, sub-paragraph 1 shall be amended as follows:

“- the method of appointment and the name of the *réviseur d'entreprises agréé* (approved statutory auditor).”

(11) In Article 100, point 1 shall be amended as follows:

“1. Luxembourg reinsurance undertakings shall be obliged to submit to an external audit to be carried out annually, at the undertaking's expense, by a *réviseur d'entreprises agréé* (approved statutory auditor) to be chosen from a list approved by the *Commissariat*.

The audit report shall be sent to the *Commissariat*. This being the case, the *réviseur d'entreprises agréé* (approved statutory auditor) shall be released from professional secrecy in regard to the

Commissariat's agents.”

(12) In Article 100, the beginning of point 2 shall be amended as follows:

“The *réviseur d'entreprises agréé* (approved statutory auditor) shall be appointed”

(13) In Article 100, the beginning of the first sentence of point 3 shall be amended as follows:

“The *réviseur d'entreprises agréé* (approved statutory auditor) shall be obliged promptly to report to the *Commissariat* any fact or decision concerning the audited reinsurance undertaking which he has acquired knowledge of in the performance of his duties and which is liable to:”

(14) In Article 100, point 4 shall be amended as follows:

“The *réviseur d'entreprises agréé* (approved statutory auditor) shall likewise be required promptly to inform the *Commissariat* of any fact or decision of which he becomes aware while carrying out an audit assignment within an undertaking having close links resulting from a control relationship with the reinsurance undertaking in which he is performing the same audit.”

Article 101. Amendments of the amended Law of 8 December 1994 relating to annual accounts and consolidated accounts of insurance and reinsurance undertakings under Luxembourg law

(1) In Article 85-1, paragraph (2), the last sentence shall be amended as follows:

“For other information, the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) shall verify that the declaration on corporate governance has been drawn up and published.”

(2) In Article 86, paragraph (1), sub-paragraphs 1 and 2 shall be amended as follows:

“1. The company annual accounts must be audited by the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) referred to in Articles 35, point 2 and 100 of the amended Law of 6 December 1991 on the insurance sector.

The *réviseur(s) d'entreprises agréé(s)* (approved statutory auditor(s)) responsible for carrying out the audit must also express an opinion concerning the consistency or otherwise with the annual accounts for the same financial year.”

(3) In Article 86, the first sentence of paragraph (2) and letters c) and d) of Article 86, paragraph (2) shall be amended as follows:

“2. The report of the *réviseurs d'entreprises agréés* (approved statutory auditors) shall include the following:

c) an audit opinion which shall state clearly the opinion of the *réviseurs d'entreprises agréés* (approved statutory auditors) as to whether the annual accounts give a true and fair view in accordance with the relevant financial reporting framework and, where appropriate, whether the annual accounts comply with statutory requirements. The audit opinion may be either unqualified, qualified, an adverse opinion or, if the *réviseurs d'entreprises agréés* (approved statutory auditors) are unable to express an audit opinion, a disclaimer of opinion;

(d) a reference to any matters to which the *réviseurs d'entreprises agréés* (approved statutory auditors) responsible for carrying out the audit draw attention by way of emphasis without qualifying the audit opinion;”

(4) In Article 86, paragraph (3) shall be amended as follows:

“3. The report shall be signed and dated by the *réviseurs d'entreprises agréés* (approved statutory auditors).”

(5) In Article 87, paragraph (1) shall be amended as follows:

“1. The duly approved annual accounts of the insurance undertakings together with the report by the *réviseur(s) d'entreprises agréé(s)* (approved statutory auditors) responsible for carrying out the audit must be filed within one month of their approval, and not later than seven months after the end of the financial year, pursuant to Article 79, paragraph (1) of the Law of 19 December 2002 concerning the trade and companies register, as well as the accounting and annual accounts of companies.”

(6) Article 88 shall be amended as follows:

“In any integral publication, the annual accounts and the management report must be reproduced in the form and text on the basis of which the *réviseur d'entreprises agréé* (approved statutory auditor) responsible for carrying out the audit draws up his report. They must be accompanied by the text in full

of the report by the person responsible for carrying out the audit.”

(7) In Article 89, the third and fourth sentences shall be amended as follows:

“The report of the *réviseur(s) d’entreprises agréé(s)* (approved statutory auditor(s)) must not accompany this publication, but it must be disclosed whether an unqualified, qualified or adverse audit opinion was expressed, or whether the *réviseurs d’entreprises agréés* (approved statutory auditors) were unable to express an audit opinion. It must also be disclosed whether the report included a reference to any matters to which the *réviseurs d’entreprises agréés* (approved statutory auditors) drew attention by way of emphasis without qualifying the audit opinion.”

(8) In Article 125, paragraph (1) shall be amended as follows:

“1. The consolidated accounts of companies must be audited by the *réviseur(s) d’entreprises agréé(s)* (approved statutory auditor(s)) to whom the audit of the annual accounting documents has been entrusted pursuant to Articles 35, point 2 and 100 of the amended Law of 6 December 1991 on the insurance sector.

The *réviseur(s) d’entreprises agréé(s)* (approved statutory auditor(s)) responsible for auditing the consolidated accounts shall also express an opinion concerning the consistency or otherwise of the consolidated management report with the consolidated accounts for the same financial year.”

(9) In Article 125, the first sentence of paragraph (2) and letters c) and d) of Article 125, paragraph (2) shall be amended as follows:

“(2) The report of the *réviseurs d’entreprises agréés* (approved statutory auditors) shall include the following:

(c) an audit opinion which shall state clearly the opinion of the *réviseurs d’entreprises agréés* (approved statutory auditors) as to whether the consolidated accounts give a true and fair view in accordance with the relevant financial reporting framework and, where appropriate, whether the consolidated accounts comply with statutory requirements; the audit opinion shall be either unqualified, qualified, an adverse opinion or, if the *réviseurs d’entreprises agréés* (approved statutory auditors) are unable to express an audit opinion, a disclaimer of opinion;

(d) a reference to any matters to which the *réviseurs d’entreprises agréés* (approved statutory auditors) draw attention by way of emphasis without qualifying the audit opinion;”

(10) In Article 125, paragraphs (3) and (4) shall be amended as follows:

“3. The report shall be signed and dated by the *réviseurs d’entreprises agréés* (approved statutory auditors).

4. Where the annual accounts of the parent undertaking are attached to the consolidated accounts, the report of the *réviseurs d’entreprises agréés* (approved statutory auditors) required by this Article may be combined with the report of the *réviseurs d’entreprises agréés* (approved statutory auditors) on the annual accounts of the parent undertaking required by Article 86 of this Law.”

(11) In Article 126, paragraph (1) shall be amended as follows:

“1. The duly approved consolidated accounts of insurance undertakings and the management reports, together with the report submitted by the *réviseur(s) d’entreprises agréé(s)* (approved statutory auditor(s)) responsible for carrying out the audit shall be published for the insurance undertaking which drew up the consolidated accounts as laid down in Article 341, paragraphs (1) and (2) of the amended Law of 10 August 1915 on commercial companies.”

Article 102. Amendments of various laws

(1) The first sentence of Article 12 of the amended Law of 18 December 1987 organising the Centre thermal et de santé de Mondorf-les-Bains shall be amended as follows:

“A *réviseur d’entreprises agréé* (approved statutory auditor), appointed by the Cabinet, shall be responsible for carrying out the audit of the centre and for checking the probity of its transactions and accounting entries.”

(2) The first sentence of Article 13 of the amended Law of 18 December 1987 organising the Centre thermal et de santé de Mondorf-les-Bains shall be amended as follows:

“By 1 May at the latest, the board of directors shall submit to the Government the final annual accounts accompanied by a detailed report on the situation and functioning of the centre, as well as the report of the *réviseur d’entreprises agréé* (approved statutory auditor).”

- (3) The first sentence of Article 12 of the amended Law of 17 April 1998 creating a public establishment entitled “Centre hospitalier neuropsychiatrique” shall be amended as follows:

“A *réviseur d’entreprises agréé* (approved statutory auditor), appointed by the Cabinet, shall be responsible for carrying out the audit of the establishment and for checking the probity of its transactions and accounting entries.”

- (4) The first sentence of Article 13 of the amended Law of 17 April 1998 creating a public establishment entitled “Centre hospitalier neuropsychiatrique” shall be amended as follows:

“By 1 May at the latest, the board of directors shall submit to the Government the final annual accounts accompanied by a detailed report on the situation and functioning of the establishment, as well as the report of the *réviseur d’entreprises agréé* (approved statutory auditor).”

- (5) Article 9, sub-paragraph 4 of the amended Law of 13 July 1989 creating a public establishment entitled “Parc Hosingen” shall be amended as follows:

“A *réviseur d’entreprises agréé* (approved statutory auditor), appointed by the Cabinet, shall be responsible for carrying out the audit of the establishments and for checking the probity of their transactions and accounting entries.”

- (6) The first sentence of Article 8, paragraph (2) of the amended Law of 24 July 2001 creating a public establishment entitled “Centre Culturel de Rencontre Abbaye de Neumünster” shall be amended as follows:

“A *réviseur d’entreprises agréé* (approved statutory auditor), appointed by the Cabinet, shall be responsible for carrying out the audit of the establishment and for checking the probity of its transactions and accounting entries.”

- (7) Article 8, paragraph (3) of the amended Law of 24 July 2001 creating a public establishment entitled “Centre Culturel de Rencontre Abbaye de Neumünster” shall be amended as follows:

“By 1 May at the latest, the board of directors shall submit to the Government the final annual accounts accompanied by a detailed report on the situation and functioning of the establishment, as well as the report of the *réviseur d’entreprises agréé* (approved statutory auditor).”

- (8) The first sentence of Article 7, paragraph (2) of the Law of 21 November 2002 creating a public establishment entitled “Salle de concerts Grande-Duchesse Joséphine-Charlotte” shall be amended as follows:

“A *réviseur d’entreprises agréé* (approved statutory auditor), appointed by the Cabinet, shall be responsible for carrying out the audit of the establishment and for checking the probity of its transactions and accounting entries.”

- (9) Article 7, paragraph (3) of the Law of 21 November 2002 creating a public establishment entitled “Salle de concerts Grande-Duchesse Joséphine-Charlotte” shall be amended as follows:

“By 1 May at the latest, the board of directors shall submit to the Government the final annual accounts accompanied by a detailed report on the situation and functioning of the establishment, as well as the report of the *réviseur d’entreprises agréé* (approved statutory auditor).”

- (10) The second sentence of Article 15 of the amended Law of 23 December 1998 relating to the monetary status and the Banque centrale du Luxembourg and – repealing the legal tender of banknotes issued by the Banque Internationale à Luxembourg; – amending Article 1 of the Law of 12 July 1895 on the payment of workers’ salaries shall be amended as follows:

“The auditor must be a *réviseur d’entreprises agréé* (approved statutory auditor).”

- (11) Article 18 of the amended Law of 10 December 1975 creating a public establishment entitled Centre hospitalier de Luxembourg, grouping together the Maternité Grande-Duchesse Charlotte, the Clinique pédiatrique fondation Grand-Duc Jean et Grande-Duchesse Joséphine-Charlotte and the Hôpital municipal, shall be amended as follows:

“The director shall draw up an annual report on the situation of the establishment. He shall submit said report before 1 April of the year following the end of the previous financial year together with the balance sheet and profit and loss account referred to in the preceding Article, to the administrative commission and the *réviseur d’entreprises agréé* (approved statutory auditor) referred to in Article 19.”

- (12) Article 19 of the amended Law of 10 December 1975 creating a public establishment entitled Centre hospitalier de Luxembourg, grouping together the Maternité Grande-Duchesse Charlotte, the Clinique pédiatrique fondation Grand-Duc Jean et Grande-Duchesse Joséphine-Charlotte

and the Hôpital municipal, shall be amended as follows:

“The Government shall appoint a *réviseur d’entreprises agréé* (approved statutory auditor) upon proposal of the administrative commission.

His mandate shall be of three years and shall be renewable. His remuneration shall be payable by the Centre hospitalier de Luxembourg.

The *réviseur d’entreprises agréé* (approved statutory auditor) shall be responsible for carrying out the audit of the Centre hospitalier de Luxembourg and for checking the probity of its transactions and accounting entries.

He shall, for the administrative commission, the Government and the City of Luxembourg, draw up a detailed audit report of the Centre hospitalier at the end of each financial year. He may be requested to conduct specific verification tasks.”

- (13) Article 20 of the amended Law of 10 December 1975 creating a public establishment entitled Centre hospitalier de Luxembourg, grouping together the Maternité Grande-Duchesse Charlotte, the Clinique pédiatrique fondation Grand-Duc Jean et Grande-Duchesse Joséphine-Charlotte and the Hôpital municipal, shall be amended as follows:

“After reviewing the documents referred to in Articles 18 and 19, the Commission shall adopt the balance sheet and profit and loss account and submit the latter together with the reports of the director and the *réviseur d’entreprises* (statutory auditor) to the Minister of Public Health and the *Collège des bourgmestre et échevins* of the City of Luxembourg, before 15 May of the year following the end of the previous financial year.”

- (14) The fourth sentence of Article 35, paragraph (1) of the Law of 28 August 1998 on hospital establishments shall be amended as follows:

“Companies not exceeding the limits set out in Article 35 of the amended Law of 19 December 2002 on the trade and companies register and the accounting and the annual accounts of companies may have the audit prescribed in Article 256 carried out by a *réviseur d’entreprises agréé* (approved statutory auditor) or by one or more commissioners, the powers and responsibility of which are as laid down in Article 69, sub-paragraphs 1 and 3 of the aforementioned Law.”

- (15) Article 35, paragraph (3) of the Law of 28 August 1998 on hospital establishments shall be amended as follows:

“The financial year shall coincide with the calendar year. The annual accounts drawn up by the administration of the establishment shall be submitted no later than 31 March of the following year to the persons or the department responsible for the audit pursuant to paragraph (1); the *réviseurs d’entreprises agréés* (approved statutory auditors) or commissioners shall submit their report within the time period set out in Articles 72 and 73 of the aforementioned Law of 10 August 1915.”

- (16) The first sentence of Article 12 of the amended Law of 11 April 1990 creating the *Fonds national de soutien à la production audiovisuelle* must be amended as follows:

“The Council shall appoint a *réviseur d’entreprises agréé* (approved statutory auditor) for a three-year renewable term.”

- (17) Article 15, sub-paragraph 1 of the amended Law of 31 May 1999 creating a national research fund for the public sector shall be amended as follows:

“A *réviseur d’entreprises agréé* (approved statutory auditor), appointed by the Cabinet, shall be responsible for carrying out the audit of the foundation and for checking the probity of its transactions and accounting entries.”

- (18) The first sentence of Article 15, sub-paragraph 2 of the amended Law of 31 May 1999 creating a national research fund for the public sector shall be deleted.

- (19) Article 15, sub-paragraph 4 of the amended Law of 31 May 1999 creating a national research fund for the public sector shall be amended as follows:

“By 1 May at the latest, the board of directors shall submit to the Minister responsible for scientific research and applied research the final annual accounts accompanied by a detailed report on the situation and functioning of the foundation, as well as the report of the *réviseur d’entreprises agréé* (approved statutory auditor).”

- (20) Article 7 ter, paragraph (1), sub-paragraph 7 of the amended Law of 29 June 2004 on public transport and amending the amended Law of 12 June 1965 on road transport shall be amended

as follows:

“The board of directors shall appoint an external Secretary. The Secretary shall be in particular responsible for drawing up minutes of meetings, assisting the President in fulfilling his duties and maintaining the Council’s archives.

The board of directors shall convene upon notification of the President or the person replacing him as often as the interests of the RGTP require; the notification shall indicate the agenda of the meeting. It must convene at least twice a year or at the request of at least two administrators or the *réviseur d’entreprises agréé* (approved statutory auditor).”

(21) Article 10, sub-paragraph 4 of the amended Law of 29 June 2004 on public transport and amending the amended Law of 12 June 1965 on road transport shall be amended as follows:

“The annual accounts shall be audited by a *réviseur d’entreprises agréé* (approved statutory auditor), appointed by the Cabinet. The *réviseur d’entreprises agréé* (approved statutory auditor) shall be responsible for carrying out the audit of the RGTP and for checking the probity of its transactions and accounting entries. His mandate shall be of three years and shall be renewable. His remuneration shall be payable by the RGTP.

The *réviseur d’entreprises agréé* (approved statutory auditor) shall submit his report to the board of directors before 1 April of the year following the end of the previous financial year.

He may be requested by the board of directors to conduct specific verification tasks.”

(22) Article 10, sub-paragraph 5 of the amended Law of 29 June 2004 on public transport and amending the amended Law of 12 June 1965 on road transport shall be amended as follows:

“By 1 May at the latest, the board of directors shall submit to the Minister the final annual accounts accompanied by a general activity report, as well as the report of the *réviseur d’entreprises agréé* (approved statutory auditor).”

(23) Article 444-1, paragraph (1) of the Code of Commerce shall be amended as follows:

“If the bankrupt or the de facto or de jure directors, whether associates or not, whether apparent or covert, whether remunerated or not, of a company in a state of bankruptcy, be they in office or not at the time of the declaration of bankruptcy, have contributed to the bankruptcy through serious misconduct, the *tribunal d’arrondissement* (District Court) dealing with commercial matters that pronounced the bankruptcy or, in the case of bankruptcy having been pronounced abroad, the *tribunal d’arrondissement de Luxembourg* (District Court of Luxembourg) dealing with commercial matters, may prohibit these persons from performing, directly or via an intermediate person, a business activity as well as performing the function of administrator, manager, commissioner, *réviseur d’entreprises* (statutory auditor), *réviseur d’entreprises agréé* (approved statutory auditor) or any other function with the power to bind a company. The interdiction shall necessarily be pronounced against the person sentenced for simple bankruptcy or fraudulent bankruptcy.”

(24) Article 6, letters c) and d) of the amended Law of 30 May 2005 1) organising the Institut Luxembourgeois de Régulation; 2) amending the amended Law of 22 June 1963 on civil servants’ salary scales shall be amended as follows:

“c) The Government shall appoint a *réviseur d’entreprises agréé* (approved statutory auditor) responsible for carrying out the audit of the Institute.

d) He may instruct the *réviseur d’entreprises agréé* (approved statutory auditor) responsible for the audit to conduct specific verifications.”

(25) The first sentence of Article 15, paragraph (1) of the amended Law of 30 May 2005 1) organising the Institut Luxembourgeois de Régulation; 2) amending the amended Law of 22 June 1963 on civil servants’ salary scales shall be amended as follows:

“(1) Without prejudice to the provisions of Article 23 of the Code of Criminal Investigation, all persons performing, or having performed, a duty for the Institute, as well as the *réviseurs d’entreprises agréés* (approved statutory auditors) or experts mandated by the Institute, shall be required to maintain secrecy failing which they shall incur the penalties referred to in Article 458 of the Penal Code.”

(26) Article 17, paragraph (1), sub-paragraph 2 of the amended Law of 30 May 2005 1) organising the Institut Luxembourgeois de Régulation; 2) amending the amended Law of 22 June 1963 on civil servants’ salary scales shall be amended as follows:

“By 31 March each year, the executive board shall submit the balance sheet and profit and loss

account adopted on 31 December of the previous year to the Council for approval, together with its activity report and the report of the *réviseur d'entreprises agréé* (approved statutory auditor)."

(27) The first sentence of Article 19, paragraph (1) of the amended Law of 30 May 2005 1) organising the Institut Luxembourgeois de Régulation; 2) amending the amended Law of 22 June 1963 on civil servants' salary scales shall be amended as follows:

"(1) The Government shall appoint a *réviseur d'entreprises agréé* (approved statutory auditor) upon proposal of the Council of the Institute. He shall be appointed for a period of three years; his appointment shall be renewable."

(28) Article 19, paragraph (2) of the amended Law of 30 May 2005 1) organising the Institut Luxembourgeois de Régulation; 2) amending the amended Law of 22 June 1963 on civil servants' salary scales shall be amended as follows:

"(2) The *réviseur d'entreprises agréé* (approved statutory auditor) shall be responsible for carrying out the audit of the Institute. He shall, for the Council and the Government, draw up a detailed audit report of the Institute at the end of each financial year. He may be requested by the Council to conduct specific verification tasks."

Article 103. Safeguard provision relating to the title of "*réviseur d'entreprises* (statutory auditor)" and "*réviseur d'entreprises agréé* (approved statutory auditor)"

In all the legal and regulatory texts in which reference is made to the title of "*réviseur d'entreprises* (statutory auditor)", this reference shall be understood to mean "*réviseur d'entreprises agréé* (approved statutory auditor)" and is to be replaced by the title "*réviseur d'entreprises agréé* (approved statutory auditor)", if the activity thus referred to relates to statutory auditing, interim auditing, the auditing of accounting documents, the auditing of historical financial information or any other task entrusted exclusively to a *réviseur d'entreprises* (statutory auditor) by law prior to the entry into force of this Law.

Article 104. Assimilation of activities for the *cabinets de révision agréés* (approved audit firms)

In the existing legal and regulatory texts, with the exception of Title I of this Law, any reference to a *réviseur d'entreprises* (statutory auditor) shall refer to both the *réviseurs d'entreprises agréés* (approved statutory auditors) and the *cabinets de révision agréés* (approved audit firms) as defined in Article 1, paragraphs (5) and (29) of this Law.

Chapter III. Transitional provisions

Article 105. Transitional provisions

(1) Actions pending at the moment of the entry into force of this Law before the Disciplinary Council instituted by the amended Law of 28 June 1984 determining the organisation of the profession of *réviseur d'entreprises* (statutory auditor) shall be resolved by the Disciplinary Council instituted pursuant to Article 44 of this Law in accordance with the procedural and substantive rules applicable by virtue of the aforementioned Law of 28 June 1984.

(2) The date of the entry into force of this Law shall constitute the starting point for the calculation of the period of seven years referred to in Article 75, paragraph (2) of this Law.

(3) The professional recommendations covering the activities referred to in Article 1, point (29), letters a) et b) adopted by the IRE at the date of the entry into force of this Law shall continue to apply until the CSSF or the European Commission adopt professional standards covering the subjects referred to by these professional recommendations.

(4) Natural persons who have been approved as "*réviseur d'entreprises* (statutory auditor)" in accordance with the amended Law of 28 June 1984 determining the organisation of the profession of *réviseur d'entreprises* (statutory auditor) prior to the entry into force of this Law shall be authorised to carry the title of "*réviseur d'entreprises* (statutory auditor)" in accordance with Article 3 of this Law.

Legal persons who have been approved as "*réviseur d'entreprises* (statutory auditor)" in accordance with the amended Law of 28 June 1984 determining the organisation de the profession of *réviseur d'entreprises* (statutory auditor) prior to the entry into force of this Law shall be authorised to carry the title of "*cabinet de révision* (audit firm)" in accordance with Article 3 of this Law.

(5) The Grand-Ducal regulation foreseen in Article 3, paragraph (2) of this Law shall include transitional provisions for persons who commenced or completed their tertiary studies prior to the entry into force of this Law.

Chapter IV. Repeals and sundry provisions

Article 106. Repeal of the Law of 28 June 1984 determining the organisation of the profession of *réviseur d'entreprises* (statutory auditor)

The amended Law of 28 June 1984 determining the organisation of the profession of *réviseur d'entreprises* (statutory auditor) shall be repealed.

Article 107. Abridged title

Any reference to this Law may be made under the abridged title "Law of 18 December 2009 on the audit profession".