

**COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER**

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

Luxembourg, 8 July 2011

To all entities subject to the public oversight of the audit profession by the CSSF

CIRCULAR CSSF 11/518

Re:

I. Entry into force of CSSF Regulation N° 11-01 relating to:

- 1) **the adoption of audit standards in the field of statutory audit under the law of 18 December 2009 concerning the audit profession,**
- 2) **the adoption of standards in the field of the other missions reserved by the law exclusively to *réviseurs d'entreprises agréés* under the law of 18 December 2009 concerning the audit profession,**
- 3) **the adoption of standards on professional ethics and internal quality control under the law of 18 December 2009 concerning the audit profession.**

II. Adoption of the parts “Application and Other Explanatory Material” and “Appendix” of the international standards on auditing and the international standard on quality control

Ladies and Gentlemen,

The purpose of this circular is to draw your attention to the entry into force of CSSF Regulation N° 11-01 and to adopt simultaneously with this CSSF regulation, the parts which provide specifications and/or explanations and the appendices to the international standards on auditing and the international standard on quality control.

I. Entry into force of CSSF Regulation N° 11-01

Chapter 1 of CSSF Regulation N° 11-01 makes the parts *Introduction, Objective, Definitions* and *Requirements* of the international standards on auditing as drawn up by the International Auditing and Assurance Standards Board (IAASB) in a clarified version and published in the *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements - 2010 Edition* by the International Federation of Accountants (IFAC) mandatory for the activities referred to in Article 1(29) a) of the law of 18 December 2009 concerning the audit profession.

These professional standards apply to the statutory audits carried out as from **1 January 2011**.

Chapter 2 of CSSF Regulation N° 11-01 makes the professional standards on the following missions mandatory in the field of the missions referred to in Article 1(29) b) of the law of 18 December 2009 concerning the audit profession.

- “Contributions in kind”
- “Merger/demerger auditor”
- “Liquidation auditor”
- “Interim dividend distribution”
- “Audit engagement on the eligible production expenditures CIAV / AFS”

Chapter 3 of CSSF Regulation N° 11-01 makes mandatory:

- the international standard on quality control as drawn up by the International Auditing and Assurance Standard Board (IAASB) in a clarified version and published in the *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements - 2010 Edition* by the International Federation of Accountants (IFAC), as well as the Luxembourg appendice to this standard relating to the retention of working documents of *réviseurs d'entreprises agréés* (approved statutory auditors) and
- the code of ethics for the audit profession which corresponds to the code of ethics issued as a revised version by the International Standard Board of Accountants (IESBA) and in force as from 1 January 2011 except the additional provisions integrated in Article 5(2) of CSSF Regulation N° 11-01.

CSSF Regulation N° 11-01 repeals CSSF Regulation N° 10-01 on the adoption of professional standards in the context of the publication of the law of 18 December 2009 concerning the audit profession.

II. Adoption of the parts “Specifications and/or Explanations” and “Appendix” of the international standards on auditing and the international standard on quality control

This circular adopts simultaneously with the CSSF regulation:

- the parts “**Application and Other Explanatory Material**” of the international standards on auditing referred to in Chapter 1 of CSSF Regulation N° 11-01 and of the international standard on quality control referred to in Chapter 3 of said regulation which provides additional specifications and/or explanations of these standards;
- the “**Appendix**” to the international standards on auditing referred to in Chapter 1 of CSSF Regulation N° 11-01 which provides examples and illustrations essential for the compliance with these standards.

Consequently, the *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) shall take into account these application modalities and the other explanatory information as well as the appendices for the missions carried out in the context of Article 1(29) a) of the law of 18 December 2009. Paragraph 19 of ISA 200 also explains the importance of these application modalities in order to correctly implement the binding provisions.

These specifications and other explanatory information as well as the appendices form an integral part of the international standards on auditing and apply as from the entry into force of the above-mentioned CSSF regulation. They are published in English on the CSSF website.

Yours faithfully,

Luxembourg, 8 July 2011

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