

**COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER**

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

**CSSF Regulation N° 13-05 on the training log to be presented by
candidates *réviseurs d'entreprises* (statutory auditors) when applying
for registration for the examination of professional competence**

(Mém. A – No. 200 of 21 November 2013)

The Executive Board of the Commission de Surveillance du Secteur Financier,

Considering Article 108bis of the Constitution;

Considering the law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier") and in particular Article 9(2);

Considering the law of 18 December 2009 concerning the audit profession and in particular Article 8;

Considering the Grand-Ducal regulation of 9 July 2013 pursuant to the law of 18 December 2009 concerning the audit profession and determining the requirements for the professional qualification of *réviseurs d'entreprises* (statutory auditors) and in particular Article 4(4) and (12);

Considering the opinion of the Consultative Committee for the audit profession;

Decides:

Article 1. The training log provided for in Article 4(12) of the Grand-Ducal regulation of 9 July 2013 determining the professional qualification requirements of *réviseurs d'entreprises* (statutory auditors) must be kept according to the model attached to this regulation.

Article 2. The annex is an integral part of this CSSF regulation.

Article 3. CSSF Regulation N° 10-03 on the training log to be presented by candidates *réviseurs d'entreprises* (statutory auditors) when applying for registration for the examination of professional competence is repealed.

Article 4. This regulation shall be published in the *Mémorial* and on the website of the Commission de Surveillance du Secteur Financier.

Luxembourg, 22 October 2013

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

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Director

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COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

EXPLANATORY MEMORANDUM

This CSSF regulation repeals and replaces CSSF Regulation N° 10-03 on the training log to be presented by candidate *réviseurs d'entreprises* (statutory auditors) when applying for registration for the examination of professional competence (the "CSSFR").

It follows the entry into force of the Grand-Ducal regulation of 9 July 2013 determining the requirements for the professional qualification of *réviseurs d'entreprises* (statutory auditors) (the "GDR") repealing and replacing the Grand-Ducal regulation of 15 February 2010. When updating this CSSFR, the CSSF, based on its practical experience, redefined the arrangements for the exchange of information with the candidate *réviseur d'entreprises*.

It aims to determine the content of the training log in accordance with Article 4(12) of the GDR which provides that: *"Throughout his professional training period, the candidate shall keep a training log in accordance with a model made available by the CSSF which shall provide particulars of the assignments which he has followed or undertaken, together with the assessment of the maître de stage or, where applicable, the maîtres de stage as to the attainment of the objectives set for the candidate."*

The GDR thus entrusts the CSSF with the mission to establish the model according to which the training log of the trainees *réviseurs d'entreprises* (statutory auditors) must be kept.

The training log model chosen by the CSSF was prepared according to the objective pursued which is twofold:

- To communicate to the jury of the examination of professional competence (hereafter the "EPC"), pursuant to Article 4(12) of the GDR, an overview of the types of assignments carried out by the candidate during his training, both with regard to the type of statutory assignment, the business sector concerned as well as the applied accounting standards.
- To ensure an actual and effective monitoring of the trainee by the *maître de stage*, in compliance with the requirements of Article 4(4) of the GDR, and to provide a concrete basis to the general assessment, which is carried out at the end of the training period by the *maître de stage* pursuant to Article 4(12) of the GDR as to the suitability of the candidate to register for the EPC.

In this context, it should be noted that, pursuant to the aforementioned article, the *maître de stage* may be a "cabinet de révision agréé (*approved audit firm*) which has been established for more than three years." Where the *maître de stage* is a *cabinet de révision agréé* (approved audit firm), the CSSF requires that it appoints a partner *réviseur d'entreprises agréé* (approved statutory auditor) in charge of the application of the provisions of this regulation.

This partner of the audit department ensures the centralised coordination of the monitoring of the trainees and the training log will be signed by the trainee and the

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

réviseur d'entreprises agréé (approved statutory auditor) on behalf of the *cabinet de révision agréé* (approved audit firm).

The *cabinet de révision agréé* (approved audit firm) shall communicate the name and contact details of this responsible person to the CSSF as well as any subsequent change within one month.

In order to reduce the administrative burden and given the redundancy of the annual assessments because of the general assessment carried out at the end of the training by the *maître(s) de stage* and required for the training log, it has been decided to repeal Article 2 of the preceding CSSFR N° 10-03 on the annual assessment which was completed by the trainee together with his *maître de stage* and was transmitted annually when updating the data.

The provisions of this CSSF regulation shall apply as from the ordinary session of the EPC organised in September 2014.

COMMENTS ON THE ARTICLES

Comments on Article 1:

The training log model the original of which is to be provided with a registration request for the EPC is included in Annex 1 to this CSSF regulation.

Below additional information on the method of completion of the log:

The original of the training log duly assessed and certified by the *maître de stage* or, where applicable, the *maîtres de stage*, is to be delivered by the trainees with the written request for registration for the ordinary session of the EPC.

This original comprises three parts:

- "Administrative data": this part includes a summary of all administrative data relating to the trainee. Additional explanation is provided below the table to be filled in. It shall be signed by the trainee and the *maître(s) de stage*.
- "General assessment": this part includes the assessment of the *maître de stage* as to the suitability of the candidate to register for the EPC. It shall be signed by the trainee and the *maître(s) de stage*.
- "Summary table of assignments": this part gives an overview of the assignments carried out by the trainee throughout the official period of his training, from the start date of his training set by the Ministry of Justice or by the CSSF, as appropriate, to 30 June of the year during which the candidate wishes to register for the EPC. It shall be signed by the trainee and the *maître(s) de stage*.

The boxes of the table listing the assignments are to be filled in with the number of days spent on these assignments by the trainee.

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

Note: the number of days set in the training log varies from one candidate to another according to the length of the training within the limits laid down by the GDR (minimum three years and maximum seven years).

The table includes a breakdown of the number of training days spent on a given type of assignment by business sector and by applied accounting standards.

The summary table of assignments includes pre-formatted formula and the figures of the case below are indicated, as an example, in the table. The boxes in which no figure can be entered are "greyed out" (e.g. indication of the control standards for the assignments other than the supervisory assignments).

Practical example: a trainee who started his training on 1 June 2010 and who intends to take the EPC in 2014 presents a training log of 1,490 days (from 1 June 2010 to 30 June 2014). Let us assume that this trainee spent 500 days on the statutory audit of annual accounts. In this case, the totals "columns" 1 to 2 shall be 500 days for the line "statutory audit of annual accounts".

If 30% of these days relate to the statutory audit of commercial companies and 70% of these days relate to the statutory audit of undertakings for collective investment, the candidate will enter 150 days in the column "Industrial and commercial companies" and 350 days in the column "Undertakings for collective investment (UCIs) in the broad sense" of the category "business sector of the client with which the assignment was carried out".

The candidate acts the same way for the accounting standards.

The training log model comprises one part entitled "General assessment" summarising the conclusion of the *maître de stage* in respect of the suitability of the candidate to register for the EPC. This general conclusion shall be based on the monitoring carried out by the *maître de stage* throughout the training.

Comments on Articles 2, 3 and 4:

No specific comment beyond the explanatory memorandum.