

## Draft Summary Report

### **MEETING OF THE AUDIT REGULATORY COMMITTEE**

25 October 2010

Nathalie de Basaldua, Head of Unit F4 - Auditing, chaired the meeting.

The following items were discussed:

#### **I. Approval of draft agenda and draft minutes of the meetings of 24 September 2010**

The agenda was agreed. The minutes of the meeting of 24 September 2010 were approved.

#### **II. Audit working papers**

The Commission services invited MS to give an update of their discussions with third countries.

3 Member States are in negotiations with the PCAOB on possible joint inspections.

One Member State is concerned about the PCAOB's position regarding confidential and personal data.

#### **III. Equivalence assessments of third-country audit regulatory systems**

The Commission services discussed with Member States the draft Commission decision on the equivalence of certain third country public oversight, quality assurance, investigation and penalty systems for auditors and audit entities and a transitional period for audit activities of certain third country auditors and audit entities in the European Union. There is a need to provide legal certainty to capital markets and to ensure the efficient use of EU oversight body resources. Article 1 of the draft Decision grants equivalence to 10 countries and territories though for one of them equivalence is limited in time until 31 July 2013. The Annex to the draft Decision lists the countries and territories for which the transitional period is extended until 31 July 2012. The Commission services updated Member States on their most recent contacts with third countries.

The Commission services clarified that equivalence can only be assessed on the basis of Articles 29, 30 and 32. Reciprocity can only be considered in the second step i.e. in the cooperative agreements Member States enter into with third countries following an equivalence decision.

#### **IV. Green Paper – Audit Policy: Lessons from the Crisis**

The Commission services presented to Member States the Commission's Green Paper on Audit Policy: Lessons from the Crisis.

## **V. Other Business**

The next meeting of the Audit Regulatory Committee is scheduled for 8 November 2010 in the afternoon: 14.30 – 17.00. The Commission services request Member States to make sure they are represented during this meeting as Commission services intend to schedule a vote on the draft Commission Decision referred to in agenda item III.

## **PARTICIPANTS' LIST**

**Austria**

**Federal Ministry of Economy, Family and Youth**

**Belgium**

**Federal Ministry of Economics**

**Bulgaria**

**Commission for Public Oversight of the Statutory Auditors**

**Cyprus**

**Permanent Representation**

**Czech Republic**

**Ministry of Finance**

**Denmark**

**Danish Commerce and Companies Agency**

**Ministry of Economic and Business Affairs**

**Estonia**

**Ministry of Finance**

**Finland**

**Ministry of Employment and Economy**

**France**

**Ministère de la Justice et des Libertés**

**Permanent Representation**

**Germany**

**Permanent Representation**

**Greece**

**Ministry of Finance**

**Hungary**

**Permanent Representation**

**Ireland**

**Department of Enterprise, Trade and Innovation**

**Italy**

**Not present**

**Latvia**

**Ministry of Finance**

**Lithuania**

**Ministry of Finance**

**Luxembourg**

**CSSF**

**Malta**

**Permanent Representation**

**Netherlands**

**Ministry of Finance**

**Poland**

**Ministry of Finance**

**Portugal**

**CMVM**

**Romania**

**Not present**

**Slovakia**

**Ministry of Finance**

**Slovenia**

**Not present**

**Spain**

**ICAC**

**Sweden**

**Ministry of Justice**

**The Supervisory Board of Public Accountants**

**United Kingdom**

**Department for Business, Innovation and Skills**

**Financial Reporting Council**

**Norway**

**Not present**

**CESR**