

**STATEMENT OF PROTOCOL BETWEEN  
THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD OF THE UNITED STATES  
AND  
THE COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER OF LUXEMBOURG  
ON COOPERATION AND THE EXCHANGE OF INFORMATION RELATED TO THE  
OVERSIGHT OF AUDITORS**

The Public Company Accounting Oversight Board in the United States (“PCAOB”), based on its obligations and authority under the Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”),

and

the Commission de Surveillance du Secteur Financier (“CSSF”), based on its obligations and authority under the Luxembourg Law of 23 July 2016 concerning the audit profession (the “Law of 2016”) and considering Article 47 of Directive 2006/43/EC) and any effective decision by the European Commission referred to in Article 47, paragraph 1(c) of the Directive 2006/43/EC in respect of the adequacy of the competent authorities of the United States of America (the “European Commission’s Adequacy Decision”);

have agreed as follows:

**Article I. PURPOSE**

1. The PCAOB in the United States and the CSSF in Luxembourg each seek to improve the accuracy and reliability of audit reports so as to protect investors and to help promote public trust in the audit process and investor confidence in their respective capital markets. Given the global nature of capital markets, the PCAOB and the CSSF recognize the need for cooperation in matters related to the oversight of the auditors subject to the regulatory jurisdictions of both the PCAOB and the CSSF.
2. The purpose of this Statement of Protocol (“Statement”) is to facilitate cooperation between the Parties in the oversight, including inspections and investigations, of auditors that fall within the regulatory jurisdiction of both Parties to the extent that such cooperation is compatible with the Parties’ respective laws and/or regulations, their important interests and their reasonably available resources. Cooperation is intended to permit the Parties to meet their respective statutory oversight mandates. Cooperation, including by joint inspections, also is intended to assist the Parties in determining the degree to which one Party may rely in the future on the other Party’s oversight activities with regard to auditors that fall within the regulatory jurisdiction of both Parties.

3. This Statement does not create any binding legal obligations or supersede domestic laws. This Statement does not give rise to a legal right on the part of the PCAOB, the CSSF or any other governmental or non-governmental entity or any private person to challenge, directly or indirectly, the degree or manner of cooperation by the PCAOB or the CSSF.
4. This Statement does not prohibit the PCAOB or the CSSF from taking measures with regard to the oversight of auditors that are different from or in addition to the measures set forth in this Statement. In particular, the Parties are aware that if requested information or documents are not provided, and the requesting Party determines that it cannot satisfy its regulatory obligations without the requested information or documents, the requesting Party may take certain actions as allowed by its domestic laws, rules and regulations against the relevant auditor(s) for refusing to provide the requested information.

## **Article II. DEFINITIONS**

For the purpose of this Statement,

**“Party”** or **“Parties”** means the PCAOB and/or the CSSF.

**“Auditor”** means a public accounting firm or statutory audit firm, or a person associated with such a firm, that is subject to a Party’s regulatory jurisdiction.

**“Information”** means public and non public information which includes but is not limited to (1) reports on the outcome of inspections, including the results of firm-wide quality control reviews and engagement reviews, provided that the reports relate to auditors that are subject to the regulatory jurisdictions of both the PCAOB and the CSSF, and (2) audit working papers or other documents held by auditors, provided that the documents relate to matters that are subject to the regulatory jurisdictions of both the PCAOB and the CSSF.

**“Inspections”** refers to reviews of auditors to assess the degree of compliance of each auditor with applicable laws, rules and professional standards in connection with its performance of audits, the issuance of audit reports and related matters, pursuant to the Law of 2016 and the Sarbanes-Oxley Act in the United States.

**“Investigations”** refers to investigations undertaken by a Party of any act or practice, or omission to act, by an auditor that may violate applicable laws, rules or professional standards.

## **Article III. COOPERATION**

### ***A. Scope of cooperation***

1. Cooperation may include one Party sharing with the other Party information relating to auditors that fall within the regulatory jurisdiction of both the PCAOB and the CSSF. Any information provided shall be used by the requesting Party as permitted or required by their respective authorizing statutes – which include the Sarbanes-Oxley Act in the United States and the Law of 2016 – and any rules or regulations promulgated thereunder.
2. Cooperation may include one Party assisting the other Party in an inspection or an investigation by performing activities that may include but are not limited to (i) facilitating access to information and/or, if requested, (ii) reviewing audit work papers and other documents, interviewing auditors, reviewing a firm's quality control system and/or performing other testing of the audit, supervisory and quality control procedures of a firm on behalf of the other Party.
3. Cooperation in the context of an inspection or investigation does not cover a request for assistance or information to the extent that it involves a Party obtaining on behalf of the other Party information to which the requesting Party is not entitled under its own laws or regulations.
4. The scope of cooperation as defined by the terms of this Statement may vary over time and with each inspection or investigation.
5. Cooperation in the context of an inspection also may include the exchange of each Party's respective inspection guides.
6. The Parties may at the request of either Party consult on issues related to the matters covered by this Statement, and otherwise exchange views and share experiences and knowledge gained in the discharge of their respective duties to the extent consistent with their respective laws and regulations.

### ***B. Requests for information***

1. Each Party may provide the other Party with information upon request.
2. Requests shall be made in writing (including by e-mail) and addressed to an appropriate contact person of the requested Party.
3. The requesting Party shall specify the following, to the extent appropriate:
  - (a) The information requested;
  - (b) The purposes for which the information will be used;

- (c) The reasons why the information is needed and, if applicable, the relevant provisions that may have been violated;
  - (d) An indication of the date by which the information is needed;
  - (e) To the best of the knowledge of the requesting Party, an indication of whether the information requested might be subject to further use or transfer under paragraphs 6 and 7 of Article IV.
4. Other than in case of routine requests such as for payment of annual fees and in connection with registration and annual or special reporting requirements and barring exceptional circumstances, or except as otherwise agreed by the Parties, requests for non-public information from an auditor in the other Party's jurisdiction shall be sent to the other Party, which will pass on the request (in the form provided by the requesting Party) to the auditor.<sup>1</sup>
  5. In cases where the information requested may be maintained by, or available to, another authority within the country of the requested Party, the requested Party shall consider whether it can obtain and provide to the other side the information requested, to the extent possible in light of available resources and as permitted by law or regulations in the requested Party's jurisdiction.
  6. The Parties may use information, including unsolicited information, received in the course of cooperation *only* as required or permitted by their respective authorizing laws, i.e. the Sarbanes-Oxley Act in the United States and the Law of 2016. This applies also to information obtained under this Statement which is reflected in documents created by either Party. If any Party intends to use information received in the course of cooperating for any other purpose than that stated in the original request under paragraph 3 (b) of Article III, Section B, it must obtain the prior written consent of the requested Party on a case by case basis. If the requested Party consents, it may subject the use to conditions.
  7. If a Party denies a request in part or in full or withholds any requested information (either on its own initiative or at the request of an auditor), the requested Party shall inform the requesting Party of the nature of the information being withheld and the reasons for its denial. In the event a Party or an auditor under inspection or investigation refuses to provide requested information, the Parties will consult to determine if there are alternative ways to meet the requirements of the requesting Party. If a Party or an auditor refuses to provide requested information, the requesting Party may take action in accordance with domestic laws or regulations as contemplated in paragraph 4 of Article I.

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<sup>1</sup> The CSSF has informed the PCAOB that under Luxembourg's laws, auditors are not allowed to transfer audit working papers and other documents directly to the PCAOB, but must transfer such information through the CSSF. The PCAOB has informed the CSSF that it would be willing to pass on requests from the CSSF to an auditor but that the CSSF may make requests for information directly to any auditor without sending the request to or through the PCAOB.

8. Any document or other material provided in response to a request under this Statement and any copies thereof shall be returned on request to the extent permitted by applicable laws, rules or regulations.

### ***C. Joint Inspections***

1. If consistent with each Party's respective legislation (including the Sarbanes-Oxley Act for the PCAOB and the Law of 2016 and the European Commission's Adequacy Decision , for the CSSF), and in order to assist the Parties in determining the degree to which one Party may rely in the future on the other Party's inspections of auditors that fall within the regulatory jurisdiction of both Parties, the Parties may conduct joint inspections. Each party may decline to carry out inspections jointly.
2. For each inspection carried out jointly, the Party in whose jurisdiction the inspection is conducted shall be the one to choose whether to lead the inspection, meaning that the Party will manage communications with the auditor, organize the logistics of the inspections, and receive all audit working papers and other documents from the auditor before transferring them to the other Party.
3. Before an inspection is carried out jointly, the Parties shall consult on a work plan for the inspection, which may include, in general, the steps and procedures expected to be performed during the inspection, including the audit engagements to be reviewed and the allocation of work that each Party expects to perform. The visiting Party shall explain in detail the purpose, timing and scope of the work that it expects to perform to the Party in whose jurisdiction the inspection is conducted during the consultation on the workplan. While each Party is responsible for its own findings and conclusions that result from the inspection, the Parties shall consult each other about their findings and conclusions during inspection field work. The Parties shall also inform each other about possible findings that they provide to the inspected auditor.
4. A Party may receive copies of working papers or other documents held by an auditor in the other Party's jurisdiction and take them to its own jurisdiction as necessary to comply with its documentation requirements, to support its inspection findings or for purposes of an investigation. The Party will identify the working papers or other documents copied for the other Party before transferring them. The arrangements established between the Parties with respect to the transfer of personal data in accordance with Article V must be observed.

### **Article IV. CONFIDENTIALITY**

With respect to any non-public information provided to another Party in the course of cooperation under this Statement, the Parties agree that:

1. The requesting Party has established and will maintain such safeguards as are necessary and appropriate to protect the confidentiality of the information, including storing the information in a secure location when not in use.
2. The requesting Party has provided to the other Party a description of its applicable information systems and controls and a description of the laws and regulations of the government of the requesting Party that are relevant to information access.
3. The requesting Party will inform the other Party if the safeguards, information systems, controls, laws or regulations referenced in paragraphs 1 and 2 of this Article IV above change in a way that would weaken the protection for the information and/or documents provided by the other Party.
4. Except as set forth below, each Party shall keep confidential all non-public information received in the course of cooperating consistent with applicable laws and/or regulations. This applies also to information received under this Statement that is reflected in documents created by either Party. The obligation of confidentiality shall apply to all persons who are or have been employed by the Parties, involved in the governance of the Parties or otherwise associated with the Parties. In addition, only individuals and entities that are independent of the auditing profession will have access to the non-public information and/or documents provided; independent of the auditing profession means that the individual or entity is not a practising auditor, affiliated with an audit firm, or a member of the governing body or staff of a professional organization.
5. A Party may issue public inspection reports as permitted or required by the law of that Party's jurisdiction, including reports that identify the auditor inspected and the inspection results. A Party may also publicly announce sanctions imposed upon auditors as permitted or required by the law of that Party's jurisdiction. Before publicly announcing any sanctions imposed on an auditor that is located in the other Party's jurisdiction and subject to the other Party's authority, the Party shall give advance notice of the publication to the other Party.
6. The PCAOB may, as provided in Sections 105(b)(5)(B)(i) and 107 of the Sarbanes-Oxley Act, share with the SEC non-public information that the PCAOB has obtained from the CSSF, or from an auditor with the approval of the CSSF, in the course of cooperating under this Statement, as follows:
  - (a) Upon the PCAOB's own initiative, any information obtained in connection with the PCAOB's audit regulatory functions, i.e., auditor oversight, quality assurance (including inspections), and investigations and discipline of auditors, that it considers relevant to (i) the SEC's oversight of auditors, or (ii) the SEC's oversight over the PCAOB.
  - (b) Upon request by the SEC, information shared for purposes of: (i) the SEC's oversight of auditors or (ii) the SEC's oversight over the PCAOB; and

- (c) For information not available to the SEC under (a) or (b) above, the PCAOB shall follow the procedures set forth in paragraph 7 of this Article IV below.
7. Except as set out in paragraph 6 (a) and (b) of this Article IV above, a Party that intends to transfer to a third party any non-public information received in the course of cooperation shall request the prior written consent of the Party which provided the information, as follows:
- (a) The Party that intends to transfer this information shall indicate the reasons and the purposes for which the information is to be transferred.
  - (b) The PCAOB may share such information only with those entities identified in section 105(b)(5)(B) of the Sarbanes-Oxley Act, which states that these entities shall maintain such information as confidential and privileged.
  - (c) The CSSF may share such information only with certain entities, namely the public prosecutor, the Luxembourg Central Bank, Systemic Risk Board, and National Commission for Data Protection (in accordance with the Law of 2016, Article 16 of the Law of 23 December 1998 establishing a financial sector supervisory commission ("*Commission de surveillance du secteur financier*"; the Law of 1 August 2018 on the organisation of the National Commission for Data Protection; and the Luxembourg Code of Criminal Procedure), as long as the intended recipient is legally obligated or has agreed to maintain such information as confidential.
  - (d) A Party shall respond within ten days upon receiving notice from the other Party that it seeks to transfer information to a third Party. The Party receiving such notice shall endeavor to provide its consent in response to requests to the transfer of information to third parties, if its applicable law does not preclude it from providing consent. Where the Party receiving notice concludes that it cannot give consent, it shall set out its reasons to the other Party. The Party seeking to transfer information shall consider the other Party's objections and will consult further with the other Party before deciding whether it should transfer the information, despite the objections of the other Party.

## **Article V. THE TRANSFER OF PERSONAL DATA**

The transfer of personal data pursuant to this Statement is subject to the establishment of appropriate arrangements on the transfer of personal data.

## Article VI. ENTRY INTO EFFECT, EXPIRATION AND TERMINATION

1. This Statement comes into force from the date of signature, but will have effect only during the period(s) that a European Commission Implementing Decision regarding the adequacy of the competent authorities of the United States is also in force.
2. The Parties may consult and revise the terms of this Statement in the event of a substantial change in the laws, regulations, or practices affecting the operation of this Statement.
3. This Statement may be terminated by either Party at any time. This statement will continue to have effect until the effective date stated in the termination. After termination of this Statement, the Parties shall continue to maintain as confidential, consistent with Articles IV and V, any information provided under this Statement.



Erica Y. Williams  
Chair  
Public Company Accounting  
Oversight Board

Dated October 28, 2022



Claude Marx  
Director General  
Commission de Surveillance du  
Secteur Financier

Dated October ~~\_\_\_~~, 2022

*November 7, 2022*