

**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°10-01 on the adoption of professional standards in the context of the publication of the Law of 18 December 2009 on the audit profession

(Mémorial A – No.65 of 28 April 2010)

The Executive Board of the Commission de Surveillance du Secteur Financier,
Having regard to Article 108a of the Constitution;
Having regard to the amended Law of 23 December 1998 establishing a financial sector supervisory commission (“*Commission de surveillance du secteur financier*”) and in particular Article 9(2);
Having regard to the Law of 18 December 2009 concerning the audit profession and in particular Article 27, Article 57(3)(d)(e) and (f) and Article 105(3);
Having regard to the opinion of the consultative committee for the audit profession;
Having regard to the opinion of the consultative committee for prudential regulation;

Decides:

Art. 1. The Commission de Surveillance du Secteur Financier (hereinafter “CSSF”) shall adopt the professional standards covering the activities referred to in Article 1, point (29)(a) and (b) of the Law of 18 December 2009 concerning the audit profession and adopted by the *Institut des Réviseurs d’Entreprises* (hereinafter “IRE”) prior to the date of entry into force of the above-mentioned law.

Art. 2. The CSSF shall adopt the international standard of quality control and the code of ethics adopted by the IRE prior to the date of entry into force of the above-mentioned law.

Art. 3. The list in the annex of the standards adopted by the CSSF shall form an integral part of the present regulation.

Art. 4. This regulation shall be published in the *Mémorial* and on the website of the CSSF.

Luxembourg, 6 April 2010

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

Claude SIMON
Director

Andrée BILLON
Director

Simone DELCOURT
Director

Jean GUILL
Director General

ANNEX: Standards adopted by the CSSF in force from 18 December 2009

Standards relating to the internal quality control and the professional code of ethics (Article 57(3)(e))

- ISQC 1 - Quality control for firms that perform audits and reviews of financial statements and other assurance and related services engagements (this professional recommendation was adopted by the general assembly of 28 June 2005 and entered into force on 1 January 2006).

ISQC 1 - Luxembourg [supplement](#)

- Code of ethics (12 June 2007)

Auditing standards in the field of statutory auditing of accounts (Article 27 and Article 57(3)(d))

200-299 General principles and responsibilities

- ISA 200 - Overall objectives and principles of an audit
- ISA 210 - Terms and conditions of audit engagements
- [ISA 210a](#) - Luxembourg supplement (12 June 2007)
- ISA 210 - Letters of engagement
- ISA 220 - Quality control for an audit of historical financial statements
- ISA 230 - Documentation
- ISA 230 - Audit documentation (effective for audits of financial statements for periods beginning on or after 15 December 2009)
- ISA 240 - The auditor's responsibility to consider fraud
- ISA 240 - The auditor's responsibilities relating to fraud in an audit of financial statements (effective for audits of financial statements for periods beginning on or after 15 December 2009)
- [ISA 240a](#) - Luxembourg supplement (25 June 2009)
- ISA 250 - Consideration of laws and regulations in an audit
- ISA 260 - Communication with those charged with governance

300 - 499 Audit planning

- ISA 300 - Planning an audit of annual accounts
- ISA 300 - Planning an audit of financial statements (effective for audits of financial statements for periods beginning on or after 15 December 2009)
- ISA 315 - Understanding the entity and its environment and assessing the risks of material misstatement
- ISA 315 - Identifying and assessing the risks of material misstatement through understanding the entity and its environment (effective for audits of financial statements for periods beginning on or after 15 December 2009)
- ISA 320 - Materiality in planning and performing an audit
- [ISA 320a](#) - Materiality in planning and performing a UCI audit (12 June 2007)
- ISA 330 - Audit procedures in response to risk assessments
- ISA 330 - The auditor's responses to assessed risks (effective for audits of financial statements for periods beginning on or after 15 December 2009)
- ISA 402 - Audit considerations relating to an entity using a service organisation

500 - 599 Audit evidence

- ISA 500 - Audit evidence
- ISA 501 - Audit evidence – specific considerations for selected items
- ISA 505 - External confirmations

- ISA 510 - Initial audit engagements – opening balances
- ISA 520 - Analytical procedures
- ISA 530 - Audit sampling and other means of testing
- ISA 540 - Audit of accounting estimates
- ISA 545 - Auditing fair-value measurements and disclosures (standard repealed for annual periods beginning after 15 December 2009)
- ISA 550 - Related parties
- ISA 560 - Subsequent events
- [ISA 560a](#) - Luxembourg supplement (12 June 2007)
- ISA 570 - Going concern
- ISA 580 - Management representations

600 - 699 Using the work of other professionals

- ISA 600 - Using the work of another *réviseur d'entreprises* (statutory auditor)
- [ISA 600a](#) - Luxembourg supplement (12 June 2007)
- ISA 610 - Considering the work of internal auditing
- ISA 620 - Using the work of an expert

700 - 799 Audit conclusions and reporting

- ISA 700 - Forming an opinion and reporting on financial statements
- [ISA 700a](#) - Reports of audit standards (IFRS, Lux GAAP, OPC)
- ISA 701 - Modifications to the opinion in the auditor's report (standard repealed for annual periods beginning after 15 December 2009)
- ISA 710 - Comparative information
- ISA 720 - Other information in documents containing audited financial statements

800 - 899 Specialised areas

- ISA 800 - Report on special purpose audit engagements
- [ISA 800a](#) - Luxembourg supplement (12 June 2007)

Other tasks entrusted by law exclusively to réviseurs d'entreprises agréés (approved statutory auditors)
(Article 57(3)(f))

- Contributions other than cash (20 June 2006)
- Merger / division commissioner (28 June 2005)
- Liquidation commissioner (20 June 2006)
- Certification of financial statement in context of interim dividend payment (18 June 2008)
- Certification of financial statement / continuing education (25 June 2009)
- Review of CIAV / AFS eligible production expenditure (12 June 2007)
- Particular aspects of the audit of consolidated accounts (12 June 2007)

The above-mentioned tasks refer, among others, to the international standards applicable to review engagements and to the international standards dealing with related services and secondarily to other assurance engagements such as listed below. The use of these standards is nevertheless not reserved solely to *réviseurs d'entreprises agréés* (approved statutory auditors).

Review engagements

- ISRE 2400 - Review of financial statements (18 June 2008)

- ISRE 2400a - Luxembourg supplement (12 June 2007)
- ISRE 2410 - Review of interim financial information performed by the auditor (18 June 2008)

Related engagements

- ISRS 4400 - Engagements to perform agreed-upon procedures regarding financial information (12 June 2007)
- ISRS 4400a - Luxembourg supplement (20 June 2006)
- ISRS 4410 - Engagements to compile financial statements (12 June 2007)
- ISRS 4410a - Luxembourg supplement (20 June 2006)

Assurance engagements

- ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information (12 June 2007)
- ISAE 3400 - The examination of prospective financial information (previously ISA 810)

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EXPLANATORY MEMORANDUM

The objective of the present CSSF regulation is to maintain the continuity of the regulatory framework applicable to the activity of statutory auditing in Luxembourg in anticipation of the European Commission adopting the international standards on auditing of the International Federation of Accountants (IFAC) by way of Community regulation.

The regulatory power of the CSSF is based on Article 108a of the Constitution, which foresees that the law may attribute to a public establishment the power of adopting regulations within the scope of its specialty. This power is foreseen by the Law of 23 December 1998 establishing a financial sector supervisory commission, as amended in particular by the Law of 24 October 2008 on the improvement of the legislative framework of the Luxembourg financial centre. In accordance with this law, the CSSF Executive Board adopts the CSSF regulations in the context of its statutory mission of prudential supervision.

Article 26(1) of 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, foresees that Member States may apply national auditing standards as long as the Commission has not adopted international auditing standards covering the same subject matter.

The present CSSF regulation specifies the scope of Article 27 of the Law of 18 December 2009 on the audit profession concerning auditing standards, of Article 57(3)(d)(e) and (f) relating to the responsibilities of the CSSF regarding standards and of Article 105(3) concerning transitional provisions.

In accordance with the will of the legislator, in order to guarantee legal security and the sustainability of the regulatory framework applicable to the activity of statutory auditing, the professional standards of the IRE applicable upon the entry into force of the Law of 18 December 2009 on the audit profession listed in the annex are thus included in the present CSSF regulation.

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COMMENTARIES OF ARTICLES

Commentary regarding Art. 1

Article 1 includes the professional standards adopted by the IRE applicable upon the entry into force of the Law of 18 December 2009 on the audit profession listed in the annex.

Commentary regarding Art. 2

Article 2 includes the standards of quality control and the code of ethics adopted by the IRE applicable upon the entry into force of the Law of 18 December 2009 on the audit profession listed in the annex.

Commentary regarding Art. 3

The annex is an integral part of the present regulation and binding in its entirety.

Commentary regarding Art. 4

No commentaries.