



COMMITTEE OF
EUROPEAN
AUDITING
OVERSIGHT
BODIES

CEAOB 2019-035
Adopted on 27 November 2019

CEAOB International Equivalence and Adequacy

Sub-group

Work-Plan 2020 and Outlook 2021

1. Introduction

This work plan sets out the key priorities and activities for the current period to the end of 2020 as well as the longer term as the activities of the sub-group span a number of years.

Given the interconnectivity of economies worldwide and the global operations of audit networks, the purpose of the sub-group is to ensure sound cooperation between European and third country audit regulators and to promote high-standards of statutory audit both in the EU and globally.

2. Objectives

Through its ongoing work, the sub-group facilitates the aims of the CEAOB's pillar objectives and, in particular, contributes to the following objective:

- 3. Interconnectivity:** Contributing to the equivalence and adequacy technical assessments of third country audit regulatory framework facilitates cooperation with third country regulators up to high audit regulatory standards. Taking into account the impact of the EU 2014 audit regulatory framework, the reassessment of third countries previously assessed equivalent is a primary focus for the sub-group without prejudice to the assessment of new possible requests from third countries. In the context of UK leaving the European Union, the sub-group will also follow-up the developments and, where necessary, get ready the relevant preparedness measures to enable cooperation. The sub-group will also explore the ways on how to provide guidance to members to support them in their bilateral interactions with third countries, including guidelines on cooperation agreements and exchange of information as well as relevant aspects surrounding the application of the General Data Protection Regulation (GDPR)

3. Longer term outlook

Given that a primary focus of the sub-group is to contribute to a sound cooperation between European and third country audit regulators, the sub-group's goal is to continually support this cooperation through the equivalence and adequacy assessments of third country audit regulatory framework. To this end, the sub-group will perform the revision of previously adopted equivalence decisions and where relevant, prepare new equivalence and adequacy technical assessments. The sub-group will also continually explore ways to support CEAOB members in their interactions with third country audit oversight authorities.

4. Summary

Below is a summary of our activities for 2020-2021. The sub-group will establish priorities on the different work streams depending on resources available:

- Equivalence assessments
 - Based on predetermined priorities, the sub-group will revise the equivalence assessments of third-country audit legal frameworks adopted on the basis of the 2006 EU Audit framework.
 - The sub-group will follow-up on the impact of the UK being no longer a Member State and becoming a third country from the audit oversight perspective. In this regard, the sub-group will assess the need to take appropriate measures in relation to national competent authorities tasked with audit regulation and the CEAOB.
 - The sub-group will maintain an ongoing dialogue with those third countries under the transitional equivalence period¹ that will need to be assessed in the short-term.
 - The sub-group will also set up and/or continue the dialogue with third countries that have expressed an interest to be included in the equivalence assessment programme.
- Adequacy assessments
 - The sub-group will maintain an ongoing dialogue with those third countries under the transitional adequacy period² that will need to be assessed in the short term
 - The sub-group will also set up and/or continue the dialogue with third countries that have expressed an interest to be included in the adequacy assessment programme
- Implementation of the legal framework
 - The sub-group will explore how to provide guidelines on the content of the cooperation agreements and exchange of information with third-country competent authorities.
 - The sub-group will monitor the implementation of the General Data Protection Regulation (GDPR) in particular, the impact on the data protection agreement with third country audit regulators.
- Interact with Inspection and Enforcement sub-groups
- Contribute to CEAOB annual report

Further detail on the timing for each project is provided in the table below

¹ European Commission implementing Decision 2016/1155 on the equivalence of the public oversight, quality assurance, investigations and penalty systems for auditors and audit entities of the United States of America. Equivalence decision valid until 31 July 2022.

² European Commission implementing Decision 2016/1156 on the adequacy of the competent authorities of the United States of America. Adequacy Decision valid until 31 July 2022.

	Q4 2019	2020	2021
Set up			
Finalise work plan for presentation to CEAOB			
Equivalence assessments			
Finalise assessment of those third countries under the transitional period for equivalence			
Revision of the third-country equivalence assessments in view of the 2014 EU Audit framework based on predetermined priorities			
Follow-up developments on of the UK's withdrawal and identification of possible preparedness actions			
Identification of and set up dialogue with potential third-country audit oversight authorities			
Adequacy assessments			
Identification of and set up dialogue with potential third-country audit oversight authorities			
Implementation of the legal framework			
Monitoring the implementation of the General Data Protection Regulation			
Scoping the content of the guidelines on cooperation agreements and exchange of information with third-country competent authorities.			
Interaction with other sub-groups			
Dialogue with CEAOB Inspection and Enforcement sub-group			
Other matters			
Input into annual CEAOB report			