



## CEAOB Enforcement Sub-group

### Terms of Reference

#### Introduction

This document supplements the CEAOB Rules of Procedure, which state that the sub-groups shall operate according to their own terms of reference, which shall be in line with the CEAOB Rules of Procedure and subject to the CEAOB's approval. The document has been drafted by the CEAOB Enforcement sub-group (hereafter "the sub-group") and adopted by the CEAOB plenary meeting on 24 October 2018.

#### 1. Legal basis

To carry out the tasks referred to in Article 23 of the Regulation<sup>1</sup> and Article 30 and 30f(1) of the Directive<sup>2</sup>.

#### 2. Mandate

The purpose of the sub-group is to facilitate the exchange of information, expertise and best practices in the area of investigations and sanctions and to collect and annually publish aggregated information on all administrative measures and sanctions imposed by competent authorities (Article 30f (1) of the Directive).

#### 3. Composition

The composition of the sub-group is published on the CEAOB website.

#### Chair

The Chair of the sub-group is a representative of one of the competent authorities, appointed by the members of the CEAOB for a fixed term of four years. Exceptionally, the Chair may be removed by a decision of the members of the CEAOB.

#### Members

All organisations that are represented by a member at the CEAOB, are entitled to be a member of the sub-group, including ESMA. Members may appoint a representative of their organisation to participate in the sub-group according to their level of expertise.

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<sup>1</sup> Regulation (EU) No 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

<sup>2</sup> Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts amended by Directive 2014/56/EU of the European Parliament and of the Council.

**Observers**

EBA and EIOPA are invited to participate in the sub-group meetings as observers. European Economic Area (EEA) authorities' representatives may be invited to participate as observers, subject to the approval of the CEAOB members.

**CEAOB Chair and Vice Chair**

The CEAOB Chair and Vice-Chair (or appropriate Vice-Chair representative from the European Commission) will be invited to join each meeting and to contribute to the work of the sub-group.

**4. Working arrangements**

In light of the above, the members of the sub-group hereby agree to the following terms:

**Coordination and organisation**

The Chair will organise the meetings, chair the meetings, prepare agenda and minutes, coordinate the work and prepare an annual work plan.

Members of the sub-group may suggest topics for the agenda, for the Chair to consider their inclusion where possible.

**Meetings**

Meetings will be organised by conference calls on a regular basis. Depending on the needs, one call every two or three months will be organised. At least one annual in-person meeting of the sub-group will be organised, subject to preferences of sub-group members, hosted voluntarily by a member of the CEAOB or the Commission.

**Confidentiality**

The confidentiality rules applicable within the CEAOB are also applicable within this sub-group (including those referred to in Rule 16 of the CEAOB's Rules of Procedure).

**Decision making arrangements**

The Chair shall aim to seek consensus on all topics put forward for approval to the members of the sub-group. If matters for approval cannot be decided by consensus, decisions shall be taken by vote during sub-group meetings, by a simple majority of the sub-group members with voting rights in the CEAOB. Each of those members of the sub-group has one vote. ESMA, the CEAOB Chair, the CEAOB Vice-Chair and the observers do not have voting rights.

Decisions may also be taken by written procedure. Rule 12 of the CEAOB's Rules of Procedure shall apply *mutatis mutandis*.

**Reporting to CEAOB**

The Chair will report on the sub-group's activities on a regular basis.

**Communications with other CEAOB sub-groups**

As certain matters discussed by the sub-group may be of interest to other CEAOB sub-groups, the Chair of the sub-group will liaise with the Chairs of the other sub-groups to identify common areas where synergies can be built up.

**External communications**

Any external communication or document to be published requires approval of the CEAOB membership in compliance with Rule 11. Sub-group communications without any CEAOB or sub-group view or position, such as press notices can be published by approval of the sub-group. Documents to be published will be sent to the CEAOB Secretariat for inclusion on the CEAOB website.