



WIRTSCHAFTSPRÜFERKAMMER

Körperschaft des
öffentlichen Rechts

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Public Accountant Act (WPO)

of 24 July 1961 (Federal Legislative Journal I p. 1049)
taking into account amendments by

the Law Amending the Code of Criminal Procedure and
the Court Composition Act (StPÄG)
of 19 December 1964 (Federal Legislative Journal I – hereafter referred to as FLJ – p. 1067),

the Introductory Act to the Administrative Offences Act (EGOWiG)
of 24 Mai 1968 (FLJ I p. 503),

the Act Amending Provisions authorizing the Levying of Fees, Social Security Regulations and other Regula-
tions (Fee Levying Amendment Act)
of 23 June 1970 (FLJ I p. 805),

the Introductory Act to the Criminal Code (EGStGB)
of 2 March 1974 (FLJ I p. 469),

the Act to Amending the First Act Reforming the Code of Criminal Procedure
of 20 December 1974 (FLJ I p. 3686),

the Act on the Amendment of the Public Accountant Act and other Laws
of 20 August 1975 (FLJ I p. 2258),

the Act for Consolidating Commercial Legal Regulations
of 27 February 1985 (FLJ I p. 457),

the Act for Implementing the Fourth, Seventh and Eight Directive
of the Council of the European Community to Coordinate Corporate Law
(Balance Sheet Directives Law - BiRiLiG-)
of 19 December 1985 (FLJ I p. 2355),

the First Act on Consolidation of the Administrative Procedural Law
of 18 February 1986 (FLJ I p. 265),

the First Legal Consolidation Act
of 24 April 1986 (FLJ I p. 560),

the Second Act on the Amendment of the Public Accountant Act
of 20 July 1990 (FLJ I p. 1462),

the Law on the Treaty of 31 August 1990 between the Federal Republic of Germany and the German Democratic Republic on the Establishment of German Unity (Unification Treaty)
and the Agreement of 18 September 1990
of 23 September 1990 (FLJ II p. 885),

the Administration of Justice Simplification Act
of 17 December 1990 (FLJ I p. 2847),

the Act on Implementation of the Treaty of 2 Mai 1992 on the
European Economic Area (EEA Implementation Act)
of 27 April 1993 (FLJ I p. 512),

the Third Act on the Amendment of the Public Accountant Act
of 15 July 1994 (FLJ I p. 1569),

the Act to Establish Partnerships and to Amend other Laws
of 25 July 1994 (FLJ I p. 1747),

the Act on the Agreement of 15 April 1994
to create the World Trade Organization and to Amend other Laws
of 30 August 1994 (FLJ II S. 1438),

the Introductory Act to the Insolvency Code (EG-InsO)
of 5 October 1994 (FLJ I p. 2911),

the Corporate Sector Supervision and Transparency Act (KonTraG)
of 27 April 1998 (FLJ I p. 786),

the Third Act on the Amendment of the Federal Notary Code and other Laws
of 31 August 1998 (FLJ I p. 2585),

the Act on the Amendment of the Federal Lawyer's Code,
the Patent Lawyer's Code and other Laws of 31 August 1998 (FLJ I p. 2600),

the Act on the Adoption of the Directive of the European Union on the
amending Directive on annual accounts and consolidated accounts as regards the scope of those Directives
(90/605/EEC), for Improved Disclosure of Annual Financial Statements and for Amending other Commercial
Legal Provisions (Corporate Enterprise and Company Directives Act - KapCoRiLiG)
of 24 February 2000 (FLJ I p. 154),

the Act on the Amendment of Regulations governing the Profession of Wirtschaftsprüfer
(Wirtschaftsprüfer's Amendment Act - WPOÄG)
of 19 December 2000 (FLJ I p. 1769),

the Act on Ending the Discrimination of Same-Sex Unions:
Civil Union of 16 February 2001 (FLJ I p. 266),

the Act for Modifying Provisions in Balance Sheet Law to the Introduction of the Euro, to Facilitate the Disclosure of Branch Offices of Foreign Companies as well as the Introduction of Quality Assurance for Cooperative Audit Associations (Euro Balance Sheet Act - EuroBilG)
of 10 December 2001 (FLJ I p. 3414),

the Criminal Code of Procedure Amendment Act of 15 February 2002 (FLJ I p. 682),

the Equal Opportunities Legislation for Disabled Persons and Amendments to other Laws
of 27 April 2002 (FLJ I p. 1467),

the Third Act on Amendment of Administrative Legal Regulations
of 21 August 2002 (FLJ I p. 3322),

the Act on Amendment of the Law for the Practice of European Lawyers in Germany and other legal regulations concerning Lawyers and Patent Lawyers, Tax Advisors and Wirtschaftsprüfer
of 26 October 2003 (FLJ I p. 2074),

the Eighth Jurisdiction Adjustment Directive

of 25 November 2003 (FLJ I p. 2304),

the Act on Reforming the Admission and Examination Procedure for the Wirtschaftsprüfer's Examination (Wirtschaftsprüfer's Examination Reform Act – WPreRefG) of 1 December 2003 (FLJ I p. 2446),

the Act on Modernizing the Costs Law (Costs Law Modernization Act - KostRMoG) of 5 May 2004 (FLJ I p. 718),

the Act on Optional Ownership by Municipalities according to the Second Social Code (Municipal Option Act) of 30 July 2004 (FLJ I p. 2014),

the Corporate Financial Statement Control Act (Financial Statement Control Act– BilKoG) of 15 December 2004 (FLJ I p. 3408),

the Act for Simplification and Standardization of Procedural Regulations for the Election and Appointment of Honorary Judges of 21 December 2004 (FLJ I p. 3599),

the Act on the Advancement of Professional Oversight of Auditors of Financial Statements in the Public Accountant Act (Auditor Oversight Act - APAG) of 27 December 2004 (FLJ I p. 3846),

the Ninth Jurisdiction Adjustment Directive (9th ZustAnpV) of 31 October 2006 (FLJ I p. 2407),

the Second Act on Judiciary Modernization (2nd Judiciary Modernization Act) of 22 December 2006 (FLJ I p. 3416),

the Act on Strengthening Professional Oversight and Reform of the professional rules of practice in the Public Accountant Act (Professional Oversight Reform Act - BARefG) of 3 September 2007 (FLJ I p. 2178),

the Act for Reforming Insurance Contract Law of 23 November 2007 (FLJ I p. 2631),

the Act for Reforming the Prohibition on the Negotiation of Contingency Fees of 12 June 2008 (FLJ I p. 1000),

the Act for Reforming the Procedure in Family Matters and in the Affairs of the Voluntary Jurisdiction (Voluntary Jurisdiction Reform Act – FGG-Reformgesetz) of 17 December 2008 (FLJ I p. 2586),

the Law for Modernizing Accounting Law (Accounting Law Modernization Act - BilMoG) of 25 May 2009 (FLJ I p. 1102),

the Act for the Implementation of the Services Directive in the Commercial Law and other laws of 17 July 2009 (FLJ I p. 2091),

the Act for Reforming the Investigation in Foreclosure of 29 July 2009 (FLJ I p. 2258),

the Act on the Amendment of pre-trial custody law of 29 July 2009 (FLJ I p. 2274),

the Fourth Act on the Amendment of the Public Accountant Act – Election Statutes of the Wirtschaftsprüferkammer of 2 December 2010 (FLJ I p. 1746),

the Act for the Implementation of the Services Directive
in the Judiciary and for the Amendment of other Regulations
of 22 December 2010 (FLJ I p. 2248),

the Act on Improving the Determination and Recognition
of Professional Qualifications acquired abroad
of 6 December 2011 (FLJ I p. 2515),

the Act on Strengthening the Rights of the Victims of Sexual Abuse (StORMG)
of 26 June 2013 (FLJ I p. 1805),

the Act for the Implementation of a partnership with limited professional liability and on the
Amendment of the Professional Law of the Lawyers, Patent Lawyers, Tax Advisors and
Public Accountants of 15 July 2013 (FLJ I p. 2386),

the Act on the Structural Reform of the German Law on Fees
of 7 August 2013 (FLJ I p. 3154),

the Act on the Amendment of the Legal Aid and Legal Advice Laws
of 31 August 2013 (FLJ I p. 3533),

the Tenth Jurisdiction Adjustment Directive (10th ZustAnpV)
of 31 August 2015 (FLJ I p. 1474),

the Act for the Implementation of supervisory and professional provisions of the Directive 2014/56/EU as well
as for the execution of the corresponding provisions of the Regulation (EU) No 537/2014 regarding statutory
audits of public-interest entities
(Abschlussprüferaufsichtsreformgesetz – APAReG)
of 31 March 2016 (FLJ I p. 518),

the Act for the Implementation of audit-related provisions of the Directive 2014/56/EU as well as for the execu-
tion of the corresponding provisions of the Regulation (EU) No 537/2014 regarding statutory audits of public-
interest entities
(Abschlussprüfungsreformgesetz – AreG)
of 10 Mai 2016 (FLJ I p. 1142).

Please note that the English translation of the Public Accountant Act is for informational
purposes only. The original German text of the Public Accountant Act is the authoritative
version.

Specific Terms and Abbreviations

Deutsch	Abbreviation (if applicable)	English
Auftragsbezogene Qualitätssicherung		Engagement-related quality control review (Quality control measures applied at engagement level prior to engagement completion, including consultation, review of the additional auditor's report and engagement quality control review)
Bilanzrichtlinien-Gesetz	BiRiLiG	Accounting Directives Act
Berufsqualifikationsfeststellungsgesetz	BQFG	Professional Qualifications Determination Act
Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer	BS WP/vBP	Professional Charter for Professional Accountants in Public Practice
Betriebsverfassungsgesetz	BetrVG	Works Constitution Act
Betriebswirtschaftliche Prüfung		General audit and assurance engagement
Bundesamt für Wirtschaft und Ausfuhrkontrolle	BAFA	Federal Office for Economic Affairs and Export Control
Bundesanstalt für Finanzdienstleistungsaufsicht	BaFin	Federal Financial Supervisory Authority
Bundesanzeiger	BAnz	Federal Gazette
Bundesdatenschutzgesetz	BDSG	Federal Data Protection Act
Bundesrechtsanwaltsordnung	BRAO	Federal Lawyers' Act
Bürgerliches Gesetzbuch	BGB	German Civil Code
Dienstleistungs- Informationspflichten- Verordnung	DL-InfoV	Services Information Provision Ordinance
Einführungsgesetz zum Handelsgesetzbuch	EGHGB	Introductory Law to HGB
Geldwäschegesetz	GWG	Money Laundering Act
Genossenschaftsgesetz	GenG	Cooperative Act
Gerichtskostengesetz	GKG	Court Fees Act
Gerichtsverfassungsgesetz	GVG	Judicature Act
Gesetz über außergerichtliche Rechtsdienstleistungen	RDG	Law on out of court legal services
Gesetz über das Kreditwesen	KWG	Banking Act
Handelsgesetzbuch	HGB	Commercial Code
Justizvergütungs- und -entschädigungsgesetz	JVEG	Law Governing the Compensation of Honorary Judges at the Courts
Kreditwesengesetz	KWG	Banking Act
Ordnungswidrigkeitengesetz	OWiG	Administrative Offences Act
Partnerschaftsgesellschafts-	PartGG	Partnership Act

gesetz		
Rechtsberatungsgesetz	RBerG	Act of Legal Advice
Patentanwaltsordnung	PAO	Patent Attorney's Act
Steuerberatungsgesetz	StBG	Tax Advisor's Act
Strafgesetzbuch	StGB	Criminal Code
Strafprozessordnung	StPO	Criminal Procedure Code
Versicherungsvertragsgesetz	VVG	Law Governing Insurance Contracts
Verwaltungskostengesetz	VwKostG	German Administrative Expenses Act
Verwaltungsverfahrensgesetz	VwVfG	Code of Administrative Procedures
Wertpapierhandelsgesetz	WpHG	Securities Trading Act
Wirtschaftsprüferordnung	WPO	Public Accountant Act
Wirtschaftsprüferprüfungsverordnung	WiPrPrüfV	Examination Regulation for Professional Accountants in Public Practice

For sake of simplification only the male form of a person is used.

Table of Content

Part One. General Provisions §§ 1-4b

Part Two. Requirements for Professional Practice §§ 5-42

- Section One. Admission to the Professional Examination §§ 5-11a
- Section Two. Professional Examination §§ 12-14c
- Section Three. Appointment §§ 15-24
- Section Four. (Repealed)
- Section Five. Audit Firms §§ 27-36
- Section Six. General Provisions for the Administrative Procedure § 36a
- Section Seven. Public Register §§ 37-40a
- Section Eight. Administrative Court Procedures § 41-42

Part Three. Rights and Duties of Professional Accountants in Public Practice §§ 43-56

Part Four. Organization of the Profession §§ 57-61

Part Five. Disciplinary Oversight §§ 61a-71

Part Six. Professional Jurisdiction §§ 71a-127

- Section One. Application for a Decision according to Professional Jurisdiction § 71a
- Section Two. The Courts §§ 72-80
- Section Three. Process Regulation §§ 81-121
 - 1. General §§ 81-83c
 - 2. The Procedure in the First Instance §§ 84-103
 - 3. Legal Redress §§ 104-108
 - 4. Securing Evidence §§ 109-110
 - 5. Provisional Prohibition on Exercising and Practicing the Profession §§ 111-121
 - 6. Provisional Injunctions § 121a
- Section Four. Costs of Professional Disciplinary Proceedings
Enforcement of Disciplinary Measures and Costs
Erasure §§ 122-126a
- Section Five. Applicable Provisions § 127

Part Seven. Sworn Auditors and Firms of Sworn Auditors §§ 128-130

Part Eight. EU or EEA audit firms §§ 131-131b

Part Nine. Aptitude Test for the Qualification as Professional Accountant in Public Practice §§ 131g-131n

Part Ten. Provisions on Criminal and Punitive Fines §§ 132-133c

Part Eleven. Transitional and Final Provisions §§ 134-141

Part One General Provisions

§ 1

Professional Accountants in Public Practice and Audit Firms

- (1) ¹Professional Accountants in Public Practice are persons who are officially appointed as such. ²The appointment is subject to proof of personal and professional qualification in admission and state examination procedures.
- (2) ¹The Professional Accountant in Public Practice carries out a liberal profession. ²His practice is non-commercial.
- (3) ¹Audit firms must be licensed. ²Licensing requires proof that the audit firm is responsibly run by Professional Accountants in Public Practice.

§ 2

Scope of Practice

- (1) It is the professional duty of Professional Accountants in Public Practice to conduct general audit and assurance engagements, especially those involving audits of annual financial statements of commercial enterprises, and to issue audit reports on the audit and the corresponding results.
- (2) Professional Accountants in Public Practice are authorized to advise and represent their clients in tax matters in accordance with existing regulations.
- (3) Professional Accountants in Public Practice are furthermore authorized, in accordance with existing regulations
1. To act officially as experts in the field of business management, with reference to their professional oath,
 2. To advise on business matters and safeguard third-party interests,
 3. To act as trustees.

§ 3

Place of Professional Business

- (1) ¹Professional Accountants in Public Practice must establish and maintain a place of professional business immediately upon appointment; if the practice is established in a country which is not a member state of the European Union or treaty nation in the European Economic Area (third country) or Switzerland a serviceable German address must be maintained. ² The place of professional business of a Professional Accountant in Public Practice is defined as the practice in which he carries out his professional work most of the time.
- (2) In the case of audit firms, the registered location of the main office is considered to be the administrative headquarters.

(3) Professional Accountants in Public Practice and audit firms are allowed to establish branch offices according to the provisions of this act.

§ 4

Chamber of Public Accountants

(1) ¹In order to fulfil self-governance responsibilities for the profession, a Chamber of Professional Accountants is established; it acts as an indirect state administrative body in the areas of professional examination, aptitude test, appointment, licensing, revocation and registration, supervision of continuing professional development, disciplinary oversight and quality assurance, along with issuing of rules of professional practice (§ 57 Section 3, § 57c); the competence of the Auditor Oversight Body at the Federal Office for Economic Affairs and Export Control (Auditor Oversight Body) remains unaffected. ²It is referred to as Chamber of Public Accountants.

(2) ¹The Chamber of Public Accountants is a corporation under public law. ²Its headquarters is specified in its statutes.

(3) The Chamber of Public Accountants may establish regional offices.

§ 4a

Proceedings for an integrated Authority

Administrative procedures in public and professional issues, governed by this law or by statutory regulations based on this law, may be conducted by an integrated authority according to the regulations set out in the VwVfG.

§ 4b

Deadline for the Issuance of Administrative Acts

¹An application for the granting of an administrative act by the Chamber of Public Accountants shall be decided upon within a period of three months, insofar as no shorter period has been prescribed; § 42a Section 2 Sentence 2 to 4 VwVfG applies accordingly. ²In the cases of § 16a and § 20a the period shall begin only upon presentation of the medical expert opinion.

Part Two
Requirements for Professional Practice

Section One
Admission to the Professional Examination

§ 5
Examination Unit, Legal Protection

(1) The Chamber of Public Accountants establishes an "Examination Unit for the Professional Examination at the Chamber of Public Accountants " (Examination Unit) to administer the duties specified in Part Two and Part Nine of this act regarding the admission and state examination procedure.

(2) ¹The Examination Unit is an independent administrative division at the Chamber of Public Accountants. ²The Examination Unit is led by one person, who must have qualifications for being a judge (Head of the Examination Unit). ³The Examination Unit is autonomous in the fulfilment of its duties.

(3) The Examination Unit can involve the regional offices of the Chamber of Public Accountants in carrying out its duties.

(4) The Examination Unit supports the Task Commission, Examination Board and the Commission for Appeals.

(5) The Commission for Appeals decides on appeals against decisions made within the scope of the admission and examination procedure.

§ 6
Definitive Statement

Upon request, the Examination Unit will issue a definitive statement concerning fulfilment of individual requirements for admission to the examination, the waiving of admission requirements and the accreditation of examination credits

§ 7
Application for Admission to the Examination

The application for admission to the examination shall be submitted in writing or electronically to the Examination Unit.

§ 8

Requirements for Admission (Previous Education)

- (1) It is a requirement for admission that candidates prove successful completion of university studies.
- (2) Proof of university studies can be waived if applicants
 1. Have successfully worked at least ten years as employees of members of the profession, an audit firm, a Sworn Auditor, a firm of Sworn Auditors, a Cooperative Audit Association or in a Cooperative Audit Office of an Association of Savings und Clearing Banks or in a Non-Local Audit Body for Corporations or other Institutions established under public law,
 2. Have worked at least five years as a Sworn Auditor or as a tax advisor.
- (3) In case the university studies have been completed outside the jurisdiction of this act, the final degree certificate must be equivalent.

§ 8a

Recognized University Studies, Legal Regulation

- (1) University studies,
 1. That encompass all disciplines according to § 4 WiPrPrüfV,
 2. That end with successful completion of a university examination or a state examination, and
 3. In which examinations of individual disciplines, for which proof of completion was issued, correspond in content, form and scope to the professional examination,can upon application by the university achieve recognition as being particularly well qualified for educating members of the profession by the specific entity according to the statutory regulation mentioned in Section 3.
- (2) ¹Certificates provided according to Section 1 No. 3 can be used in lieu of corresponding parts of the professional examination. ²Certificates are to be presented to the Examination Unit.
- (3) ¹The Federal Ministry for Economic Affairs and Energy, subject to approval by the Federal Council, determines by means of statutory regulation the authority being responsible for recognizing credentials. ²The regulation may also
 1. Further specify the requirements for recognition, in particular the procedures for determining whether disciplines studied at the university correspond to § 4 WiPrPrüfV,
 2. Regulate individual elements of the recognition procedure, in particular the documents to be submitted along with the application, and the publication of recognition, as well as
 3. Determine the requirements for early admission to the examination according to § 9 Section 6, in particular regarding the documentation to be submitted along with the application.

§ 9

Requirements for Admission (Audit Work)

(1) ¹Sufficient practical training (work experience) is a prerequisite for admission to the examination. ²Applicants who have completed their university studies must demonstrate at least three years of work experience at a position specified in § 8 Section 2 No. 1. ³If the normal course of studies is completed in less than eight semesters, this requirement is extended to four years; additional work experience is not required. ⁴The work experience can only have begun once an initial university degree has been obtained, qualifying the holder for his profession; Section 6 remains unaffected.

(2) ¹Of the entire period of professional activities, candidates must have worked primarily on audits for at least two years and contributed to the preparation of additional reports of the auditor (audit work). ²During this time they should have taken part in statutory audits, in particular, and contributed to the preparation of the corresponding additional reports. ³The audit work must

1. Have been completed after the fifth year of employment in the case of § 8 Section 2 No. 1,
2. Have been completed during or after professional employment as a Sworn Auditor or as a tax advisor in the case of § 8 Section 2 No. 2.

⁴The requirement of audit work is fulfilled when the candidates can demonstrate that they have completed substantial audits of accounts and financial statements in third-party companies according to generally-accepted business principles. ⁵Third-party means a company where the candidate is not currently, nor was previously, employed as a manager or staff.

(3) The audit work must have been completed in collaboration with

1. Members of the profession,
2. Audit firms,
3. Sworn Auditors,
4. Firms of Sworn Auditors,
5. Cooperative Audit Associations in which a Professional Accountant in Public Practice is working,
6. Cooperative Audit Offices of an Association of Savings and Clearing Banks in which a Professional Accountant in Public Practice is working,
7. A non-local audit body for corporations or other institutions established under public law, in which a Professional Accountant in Public Practice is working, or
8. Professional Accountant in Public Practice or professional firms accredited in another member state of the European Union or treaty nation in the European Economic Area (EU or EEA statutory auditors) or professional firms (EU or EEA audit firms) which are licensed to operate there.

(4) Proof of employment, along with proof of the audit work, may be waived for candidates who have practiced the profession of tax advisor or Sworn Auditor for at least 15 years; in this case up to ten years of work experience as tax accountant may be accredited.

(5) ¹Only up to one year can be accredited to the work experience requirement specified in Section 1 as an internal auditor in a larger company or as a tax advisor or in an auditing association according to § 26 Section 2 KWG, or audit work in connection with employment at the Chamber of Public Accountants or at the Auditor Oversight Body or in a partnership according to § 43a Section 4 No. 9.

²The same applies to internal auditors employed in public service, to the extent that they can demonstrate having independently carried out audits at larger companies. ³Work experience abroad is to be accredited according to the provisions in Section 1 if it was carried out with a person who is authorized or appointed as an expert auditor in that foreign country, and if the requirements for authorization and appointment essentially comply with the provisions of this act.

(6) Applicants who have completed a recognized university degree program according to § 8a may, without verifying the employment according to Section 1 and the audit work according to Section 2, be approved for admission at an earlier point in time for examination.

§ 10 (Repealed)

§ 10a (Repealed)

§ 11 (Repealed)

§ 11a (Repealed)

**Section Two
Professional Examination**

§ 12

Examination Board and Structure of the Examination

(1) The examination is taken before the Examination Board.

(2) The examination consists of a written and an oral section.

(3) All applicants must fulfil the same requirements irrespectivly of their professional background.

§ 13

Shortened Examination for Tax Advisors

¹Tax advisors and applicants who have recently completed the examination for tax advisors may take the examination in a shortened form. ²In case the shortened examination is taken, the written and oral examination in tax law is waived.

§ 13a

Shortened Examination for Sworn Auditors

(1) ¹Sworn Auditors may take a shortened version of the examination.

(2) ¹In case the shortened examination is taken, the written and oral examination is waived in

1. Applied Business Studies and Economics, as well as
2. In all areas of Financial Auditing, Company Valuation and Professional Law as well as Business Law which were already part of the Sworn Auditor's examination according to § 131a Section 2 of this law in the version of Article 6 No. 16 of the Accounting and Reporting Law from 19th December 1985 (BGBl. I p. 2355).

²For Sworn Auditors who are tax advisors, the written and oral examination in Tax Law is waived in addition to the provisions laid down in Sentence 1. ²For Sworn Auditors who are lawyers, the written and oral examination in Business Law is waived in addition to the provisions laid down in Sentence 1.

§ 13b

Shortened Examination after Completion of Equivalent Examination Credits, Legal Regulation

¹Examination credits that were achieved as part of university studies, shall be recognized if the Examination Unit considers them to be equivalent in content, form and scope pursuant to the requirements for the examination subject of Applied Business Studies, Economics or Business Law as specified in § 4 WiPrPrüfV. ²In case of the shortened examination the written and oral examination in the respective examination subject is waived. ³The Federal Ministry for Economic Affairs and Energy, subject to approval by the Federal Council, is authorized, to determine the contents and formal prerequisites for establishing the equivalence and procedure.

§ 14

Details of Examination Procedure

¹The Federal Ministry for Economic Affairs and Energy rules by means of statutory regulation

1. The establishment of the Examination Board, the Task Commission and the Commission for Appeals, each chaired by one person who represents the state agency responsible for commerce or another highest state authority, the formation and appointment of their members,
2. The details of formulating examination questions, the examination and the examination procedure, in particular the documentation to be submitted along with the application for admission to the examination, and the examination subjects,
3. The written and oral examination, withdrawal and exclusion from the examination, examination results, additional examination, repetition of the examination and reporting of the examination results.

²The statutory regulation does not require approval by the Federal Council.

§ 14a

Admission Fee, Examination Fee

¹Fees are to be paid to the Chamber of Public Accountants for all admission and examination procedures, as well as for unsuccessful appeals; the Chamber of Public Accountants can specify the procedure of collecting fees, the amount and timing. ²This is further specified in the Fee Code of the Chamber of Public Accountants (§ 61 Section 2).

§§ 14b and 14c (Repealed)

Section Three

Appointment

§ 15

Appointment Authority

¹After successful completion of the examination, the candidate is appointed upon application as a Professional Accountant in Public Practice by receiving an official certificate from the Chamber of Public Accountants. ²The Chamber of Public Accountants is the competent authority. ³If the application for appointment as a Professional Accountant in Public Practice is not submitted within five years after successful completion of the examination, the requirements in § 23 Section 2 and 3 apply to the appointment. ⁴Whoever has been appointed according to § 9 Section 6 shall present proof of a total of three years' work experience according to § 9 Section 1, including the audit work according to § 9 Section 2.

§ 16

Denial of Appointment

(1) Appointment is to be denied

1. If the applicant has forfeited a basic constitutional right according to a decision of the Federal Constitutional Court,
2. If as a consequence of a criminal conviction, the qualification for serving a public office is not met,
3. As long as no proof of the required insurance according to § 54 Section 1 has been provided,
4. If the applicant has been found guilty of a conduct that would justify the exclusion from the profession,
5. If due to health or other reasons, the applicant is not only temporarily impaired to duly practice his profession,
6. As long as an activity is carried out that is not compatible according to § 43 Section 2 Sentence 1, § 43a Section 3 Sentence 1 or § 44a Sentence 1 and is not approvable according to § 43a Section 3 Sentence 2 or 3 or § 44a Sentence 2,

7. If the applicant does not have an orderly financial standing, in particular if he is facing financial collapse; financial collapse is suspected to exist if insolvency proceedings are initiated or if a registration has been made in the register kept by the competent court (§ 26 Section 2 of the Insolvency Code, § 882b of the Code of Civil Procedure).

(2) Appointment can be denied if the applicant has demonstrated behavior that casts doubt upon his ability to uphold the professional duties of a Professional Accountant in Public Practice.

(3) The Chamber of Public Accountants decides on the denial of appointment.

§ 16a

Medical Expert Opinion in Appointment Proceedings

(1) ¹If it should become necessary in deciding on the grounds for denial of appointment according to § 16 Section 1 No. 5, the Chamber of Public Accountants may instruct the candidate to obtain by a certain deadline an medical expert opinion from a particular medical expert about the candidate's state of health. ²The expert opinion must be based on an examination and, should the public health officer deem it necessary, a clinical observation of the candidate. ³The candidate shall bear the cost of the expert opinion.

(2) ¹Instructions issued according to Section 1 are to include a justification and must be dispatched to the candidates. ²A request for a court ruling against the instructions may be filed within one month of their dispatch.

(3) In case the candidate fails to fulfil the instructions of the Chamber of Public Accountants without providing adequate explanation, the application for appointment is considered to be withdrawn.

§ 17

Professional Certificate and Professional Oath

(1) ¹Prior to handover of the official certificate, all candidates are to swear the professional oath before the Chamber of Public Accountants or, in certain cases, one of its authorized offices.

²The oath is as follows:

"I do solemnly swear to responsibly and diligently uphold the duties of a Professional Accountant in Public Practice, in particular to maintain confidentiality and to prepare additional reports of the auditor and expert opinions conscientiously and without prejudice, so help me God."

(2) The oath may also be sworn without a religious affirmation.

(3) If the law permits members of a religious community to use other affirmations in lieu of the oath, the applicant who is a member of such a religious community may be sworn using that affirmation.

§ 18

Professional Title

(1) ¹In their professional business, Professional Accountants in Public Practice shall use their official professional title "Wirtschaftsprüfer". ²Female members of the profession may use the professional title "Wirtschaftsprüferin". ³If statements are issued during the course of duties according to § 2 Section 1 that are legally restricted to members of the profession, these statements may only be signed using the professional title and, in addition, with an official auditor's title obtained in a foreign country.

(2) ¹Academic degrees and titles and suffixes indicating an officially accredited graduation may be used alongside the professional title. ²Public and other professional titles are additionally permitted if they involve official appointments and relate to activities that are compatible with the duties of a Professional Accountant in Public Practice (§ 43a); titles of legal specialties are also permissible. ³It is also permitted to use professional titles legitimately obtained in foreign countries as a statutory auditor or for an activity that is compatible with the profession of a Professional Accountant in Public Practice.

(3) ¹The right to bear the professional title is waived in case of expiration, withdrawal or revocation of an appointment or during a leave of absence. ²In addition, the professional title may also not be used with reference to an earlier qualification.

(4) ¹The Chamber of Public Accountants can grant the right to continue to bear the professional title to members of the profession who, due to old age or physical ailments, waive the rights that derive from the appointment and no longer engage in professional practice. ²The Chamber of Public Accountants can withdraw or revoke this permission if circumstances become subsequently known or occur that would have led to the expiration, withdrawal or revocation of the appointment or the refusal of permission. ³Prior to withdrawal or revocation of this permission, the person involved has the right to a hearing.

§ 19

Expiration of the Appointment

(1) The appointment shall expire due to

1. Death,
2. Waiver,
3. Incontestable exclusion from the profession.

(2) Waiver is to be declared to the Chamber of Public Accountants in writing.

§ 20

Withdrawal and Revocation of the Appointment

(1) The appointment is to be withdrawn for the future if facts become subsequently known which, had they been known at the time, would have prompted a denial.

(2) The appointment is to be revoked if Professional Accountants in Public Practice

1. Are not operating independently or are practicing in a way which is incompatible with the profession as described by § 43 Section 2 Sentence 1, § 43a Section 3 Sentence 1 and is not authorized according to § 43a Section 3 Sentence 2 or 3 or § 44a Sentence 2,
2. Have lost the entitlement to hold public office as a result of a criminal conviction,
3. Are incapable of practicing the profession in an orderly manner due to health or other reasons that do not merely constitute a temporary impairment,
4. Do not have mandatory professional indemnity insurance cover according to § 54 Section 1 or have repeatedly allowed mandatory professional indemnity insurance cover to lapse for considerable periods over the past five years and it is feared that this noncompliance may persist in the future,
5. Do not have an orderly financial standing, especially if facing financial collapse (§ 16 Section 1 No. 7),
6. Do not maintain a place of professional business according to § 3 Section 1 Sentence 1,
7. Have forfeited a basic constitutional right according to a decision of the Federal Constitutional Court.

(3) Professional Accountants in Public Practice who are engaged in an incompatible activity according to § 43a Section 3 Sentence 1 or § 44a Sentence 1 shall immediately inform the Chamber of Public Accountants. ²Documents concerning the employment status shall be submitted to the Chamber of Public Accountants on request.

(4) ¹In the cases of Section 2 No. 1 and 4 a revocation shall be waived if it can be expected that the Professional Accountants in Public Practice will act self-responsibly in the future, will permanently give up the professional activity considered incompatible with § 43 Section 2 and § 43a Section 3 or will constantly maintain mandatory professional indemnity insurance in the future. ²A reasonable deadline can be set for the Professional Accountants in Public Practice to do so. ³If they do not fulfil the obligation within the prescribed deadline, their appointment shall be revoked. ⁴Revocation can be waived in the cases of Section 2 No. 5 if it can be demonstrated to the Chamber of Public Accountants that the interests of third parties are not threatened due to the non-orderly financial standing.

(5) (Repealed)

(6) ¹If Professional Accountants in Public Practice are incapable of representing their own interests in the proceedings due to a mental illness or a physical or mental disability, the Guardianship Court will name a guardian as a legal representative before the Chamber of Public Accountants; all relevant legal regulations of the Proceedings in Family Matters and in the Affairs of the Voluntary Jurisdiction shall apply where guardianship is ordered according to §§ 1896 et seq. BGB. ²The legal guardian shall be a Professional Accountant in Public Practice.

(7) ¹If the suspensive effect of an action for annulment is omitted, § 116 Section 2 to 4, § 117 Section 2 and § 121 shall apply accordingly. ²An action for annulment against revocation on grounds of Section 2 No. 4 has no suspensive effect.

§ 20a

Medical Expert Opinion in Revocation Proceedings

¹In proceedings involving revocation of the appointment according to § 20 Section 2 No. 3, § 16a Section 1 and 2 shall be used accordingly. ²If the expert opinion is not submitted to the Chamber of Public Accountants by the set deadline for no adequate reason, it shall be assumed that the Professional Accountant in Public Practice is not merely temporarily impaired in carrying out the professional duties in an orderly manner for the reason according to § 20 Section 2 No. 3.

§ 21

Competence

The Chamber of Public Accountants decides on the withdrawal and revocation of an appointment.

§ 22 (Repealed)

§ 23

Reappointment

(1) A former Professional Accountant in Public Practice can be reappointed if

1. The appointment according to § 19 Section 1 No. 2 has expired,
2. In the case of an appointment that has expired according to § 19 Section 1 No. 3, the uncontestable decision to exclude a Professional Accountant in Public Practice from the profession has been repealed by way of pardon or a period of at least eight years has passed since the uncontestable exclusion from the profession,
3. The appointment was withdrawn or revoked and the reasons for the withdrawal or revocation no longer exist.

(2) ¹A renewed examination is not necessary. ²On an individual basis, the Chamber of Public Accountants may instruct the candidate to take the examination in part or in full, if the orderly practice of the profession does not seem possible without it.

(3) Reappointment is to be denied if the requirements for reappointment are not met in analogy to § 16.

§ 24 (Repealed)

Section Four (Repealed)

§ 25 - § 26 (Repealed)

Section Five Audit Firms

§ 27 Legal Form

(1) European companies, companies established according to German law or companies in a permissible legal form according to the law of a member state of the European Union or which is a party to the Agreement on the European Economic Area can be recognized as audit firms according to the regulations stated in this section.

(2) General partnerships and limited commercial partnerships can be recognized as audit firms if they are listed as commercial legal entities in the commercial register on the basis of their fiduciary activities.

§ 28 Requirements for Licensing

(1) ¹The requirement for licensing is that the majority of board members, the executive officers, the personally liable partners, the managing directors or the partners (legal representatives) are members of the profession in Germany or are EU or EEA statutory auditors. ²Audit firms as well as EU or EEA audit firms may become personally liable partners. ³If a firm has only two legal representatives, one of them must be a Professional Accountant in Public Practice or an EU or EEA statutory auditor. ⁴At least one of the persons or firms according to sentence 1 to 3 must be domiciled at the headquarters of the company.

(2) ¹In addition to Professional Accountants in Public Practice, audit firms, EU or EEA statutory auditors and EU or EEA audit firms, Sworn Auditors, tax advisors, as well as lawyers, are authorized to be the legal representatives of audit firms. ²Upon written request, the Chamber of Public Accountants may grant the same authorization to particularly qualified persons not mentioned in Sentence 1 and who practice a profession that is compatible with the profession of Professional Accountants in Public Practice.

(3) ¹In addition to members of the profession and EU or EEA statutory auditors, the Chamber of Public Accountants may grant authorization to persons empowered or appointed as expert auditors in a third country to be legal representatives of audit firms, if the requirements for empowerment or appointment are met according to this act. ²This does not apply to expert auditors empowered or appointed as auditors in third countries who, as personally liable partners, are excluded from the management. ³Sentences 1 and 2 accordingly apply to lawyers, patent attorneys as well as tax advisors in other countries, if they are practicing a profession that complies with the education and rights that fall within the BRAO, the PAO or the StBG.

(4) ¹An additional requirement for licensing is that

1. Shareholders are exclusively members of the profession, audit firms who fulfil the requirements of this section, EU or EEA statutory auditors, EU or EEA audit firms or persons according to No. 1a,

- 1a. Shareholders are Sworn Auditors, tax advisors, representatives in tax matters, lawyers, persons authorized to joint professional practice according to § 44b Section 2, or persons whose duties as a member of the management board, executive officer, partner or personally liable partner have been approved according to Section 2 or 3, and at least half of the persons named in this number are employed by the firm,
2. The shares in the audit firm are not being held for the account of a third party,
3. In limited liability companies the majority of shares belongs to Professional Accountants in Public Practice or audit firms who fulfil the requirements of this section, EU or EEA statutory auditors or EU or EEA audit firms,
- 3a. In limited liability companies, limited commercial partnerships and limited commercial partnerships by shares, less than one quarter of the shares in the nominal capital or the capital of the limited partners recorded in the commercial register belongs to persons according to No. 1a who are outside of the company (simple minority interest),
4. In limited commercial partnerships the majority of capital of limited partners recorded in the commercial register is held by Professional Accountants in Public Practice or audit firms who fulfil the requirements of this section or by EU or EEA statutory auditors or EU or EEA audit firms,
5. Professional Accountants in Public Practice or audit firms who fulfil the requirements of this section or EU or EEA statutory auditors or EU or EEA audit firms jointly hold the majority of the voting rights of shareholders, limited partners, shareholders of a company with limited liability or limited partners, and
6. It is specified in the Articles of Association that only shareholders who are members of the profession or EU or EEA statutory auditors may be authorized to exercise shareholder rights.

²If members of the profession, as defined in Sentence 1 No. 1, have entered into a partnership under Civil Law, whose exclusive purpose is to hold shares in an audit firm, ownership in the audit firm is assigned on a proportionate basis according to the ownership in the partnership under Civil Law. ³Foundations and registered associations are considered to be members of the profession as defined in Sentence 1 No. 1, if

- a) They serve exclusively as the pension fund for persons employed in the audit firm and their survivors, or exclusively promote initial or continued professional development or research, and
- b) Professional Accountants in Public Practice represent the majority of the bodies acting as legal representatives.

(5) ¹In stock corporations and limited commercial partnerships by shares, the shares must be registered in someone's name. ²The transfer of shares must be subject to company approval. ³The same applies to the transfer of shares in a limited liability company.

(6) ¹In the case of limited liability companies, the share capital must equal at least twenty-five thousand Euros. ²In the case of stock corporations, limited commercial partnerships by shares and limited liability companies, proof must be presented upon application that the net asset value equals the minimum legal basic capital or share capital.

(7) Licensing must be denied as long as the provisional statement of minimum coverage is not included in the application for taking out professional indemnity insurance.

§ 29

Competence and Proceedings

- (1) The Chamber of Public Accountants is responsible for licensing audit firms.
- (2) As a prerequisite for licensing the Chamber of Public Accountants can require verification in the form of suitable documents, counterparts or publically certified copies.
- (3) A certificate will be issued to the licensed audit firm.

§ 30

Advice of Amendment

¹The Chamber of Public Accountants is to be advised immediately in case of each amendment to the articles of association or articles of incorporation or in the person of the legal representative. ²The Chamber of Public Accountants may require verification of the amendment in the form of suitable documents, counterparts or publically certified copies. ³In case the commercial register or the partnership register are amended, this is to be followed up by a publicly notarized copy of the entry.

§ 31

The Term "Wirtschaftsprüfungsgesellschaft"

¹The licensed firm is obliged to add the term "Wirtschaftsprüfungsgesellschaft" to its company name and to use it in its business activities. ²For a partnership company, the requirement according to § 2 Section 1 PartGG of 25 July 1994 (FLJ I p. 1744) to include all professional titles of all professions represented in the partnership does not apply.

§ 32

Audit Reports

¹When audit firms issue audit reports on statutory audits, these shall only be signed by Professional Accountants in Public Practice; they may also be signed by Sworn Auditors, to the extent that they are authorized to issue audit reports. ²The same holds true for other confirmations in the course of activities that are legally restricted to members of the profession.

§ 33

Expiration of Licensing

(1) Licensing expires by

1. Dissolution of the firm,
2. Waiver of licensing.

(2) ¹Waiver is to be declared in writing to the Chamber of Public Accountants. ²The Chamber of Public Accountants is to be notified immediately in the case that a licensed firm is dissolved.

§ 34

Withdrawal and Revocation of Licensing

(1) Licensing shall be withdrawn or revoked if

1. The appointment of a person to the management board, an executive officer, a personally liable partner or a general partner has been withdrawn or revoked, unless every authority to represent and manage the firm has been immediately withdrawn or revoked,
2. If facts become known that would have resulted in licensing being refused or if the requirements for recognizing the company, also based on § 54 Section 1, are subsequently no longer met, unless the company creates the conditions that are in compliance with the law within a reasonable period to be determined by the Chamber of Public Accountants, which is a maximum of two years in case the requirements in § 28 Section 2 Sentence 3 and Section 3 Sentence 2 are no longer met; the period must be a minimum of five years in case the requirements in § 28 Section 4 are not met due to a case of inheritance,
3. A board member, an executive officer, a personally liable partner or general partner has been excluded from the profession by an uncontestable disciplinary judgment or one of the persons named in § 28 Section 2 Sentences 1, 2 and Section 3 has been denied recognition as a suitable person to represent and manage an audit firm, unless the audit firm can prove to the Chamber of Public Accountants that every representation and management authority of the convicted person has been immediately withdrawn or revoked.

(2) Licensing is to be revoked if the firm does not have an orderly financial standing, especially if they face financial collapse, unless this does not harm the interests of clients and other third parties.

(3) The Chamber of Public Accountants shall decide on the withdrawal and revocation of licensing.

§ 35 (Repealed)

§ 36 (Repealed)

Section Six
General Provisions for Administrative Procedures

§ 36a
Investigation Principle, Duty to Cooperate,
Transfer of Personal Information

(1) The Chamber of Public Accountants shall investigate the facts ex officio.

(2) ¹The applicants, Professional Accountants in Public Practice or firms involved in the proceedings must cooperate in investigating facts and, to the extent required, give their consent to the use of evidence. ²Their application for the granting of legal benefits shall be rejected if the authority responsible for the decision is unable to sufficiently clarify the matter as a consequence of refusal to cooperate. ³The applicant, Professional Accountant in Public Practice or firm shall be made aware of these legal consequences.

(3) ¹It may be necessary for

1. The Chamber of Public Accountants, courts and public authorities to transfer data about natural and legal persons to the public authority responsible for making a decision, data which in the view of the transmitting party is necessary for the admission to or the completion of the examination or the aptitude test, for the issuing of a certificate of exemption according to § 28 Section 2 or 3 or for the withdrawal or revocation of this decision,
2. Courts and public authorities to transmit to the Chamber of Public Accountants data about natural and legal persons that in the view of the transmitting agency is required for the appointment or reappointment, licensing, or withdrawal or revocation of a decision or which can substantiate the breach of professional duties,

to the extent that by doing so, the legitimate interests of the person or persons concerned are not adversely affected or the public interest overrides the interests that an individual has in confidentiality. ²The data transfer will be waived if it would contravene specific legal provisions of use; this does not apply to tax confidentiality according to § 30 of the Fiscal Code, the obligation of secrecy according to § 64, the obligation of secrecy of the body members, delegates and employees of the professional chamber of another liberal profession in the territory to which this act applies and the obligation of secrecy for persons and agencies named in § 9 Section 1 KWG and in § 8 WpHG as well as in § 342c HGB.

(4) To the extent that natural and legal persons are members of a professional chamber of another liberal profession in the territory to which this act applies, the Chamber of Public Accountants is allowed to transmit data, as defined in Section 3 and pursuant to these provisions, to other responsible authorities, to the extent that in the view of the transmitting party, knowledge of this data is necessary for attaining the legal consequences.

(5) The Chamber of Public Accountants may transmit personal data of its members to the pension fund for Professional Accountants in Public Practice and Sworn Auditors, to the extent that this is

required to determine membership status, as well as type and obligation to pay contributions or pension benefits.

Section Seven Public Register

§ 37

Institution maintaining the Public Register

(1) ¹The Chamber of Public Accountants maintains the public register of Professional Accountants in Public Practice and audit firms. ²All Professional Accountants in Public Practice and audit firms to be entered receive a registration number each. ³The public register is maintained in digital format in German and the most current data, excluding birth date and birthplace, is electronically available to the public. ⁴If an entry is based upon a document in another language, the public register must state whether there is a certified translation or not.

(2) The Chamber of Public Accountants may publish a list of members that may contain additional information above and beyond the voluntary details of members of the profession and professional firms provided in § 38.

(3) ¹Entry in the list of members must remain undone at the request of a member. ²The Chamber of Public Accountants shall instruct each member as to the right of objection.

§ 38

Entry

The initial entries in the public register consist of the responsible parties for admission, quality assurance, disciplinary and public oversight according to § 66a (designations, addresses) of all members of the profession and audit firms, followed by individual listings next to the respective registration number

1. Professional Accountants in Public Practice, including
 - a) Last name, first name, date of birth and birthplace,
 - b) Date of appointment and the issuing authority,
 - c) Date when place of professional business was established, its address, in the cases of § 3 Section 1 Sentence 1 Half-Sentence 2 the German address for service and as far as the member of the profession is part of a network, names, firms and addresses of the other members of the network and the companies associated with these through joint ownership of assets, joint control or joint company management or reference to where these information is publicly available,
 - d) Type of professional activity according to § 43a Section 1 while indicating the firm,

- e) Last name, first name, professional titles or firm and the addresses of the places of professional business of shareholders of a partnership according to § 44b and name or firm of the partnership; this applies respectively in the case of announcement of a partnership, even if the requirements according to § 44b Section 1 Sentence 1 are not met,
- f) Firm, address, Internet address and registration number of the audit firm where the Professional Accountants in Public Practice are employed or otherwise active or to which they belong as partners or are affiliated in a similar manner,
- g) (repealed)
- h) Notification of the activity as a statutory auditor according to § 57a Section 1 Sentence 2,
- i) Registration as a quality assurance reviewer according to § 57a Section 3,
- j) All other registrations with the responsible authorities of other countries by name of the registration authority as well as the registration number,
- k) Any occupational bans, even temporary in nature, and the area of activity, each by starting date and duration,
- l) Immediate enforceable annulment of the appointment stating the date,
- m) Leave of absence

as well as all changes to letters a, c, d, e, f, h, i, j and m listed by date;

2. Audit firms, including

- a) Name, firm and legal form,
- b) Day of licensing as an audit firm, along with the issuing authority,
- c) Address of the main office, contact details, including a contact person, Internet address, and, to the extent that the audit firm is integrated into a network, the names firms and addresses of the other members in the network and the companies associated with these through joint ownership of assets, joint control or joint company management or a reference to where this information is publicly available,
- d) Names, professional titles and addresses of the shareholders and of the members authorized to represent a legal entity and their shareholdings as well as the names, professional titles, birthdates and addresses of those authorized to represent the company and the remaining shareholders in partnerships and the amount of limited partners' investments in the partnership as listed in the Commercial Register,
- e) Names, business addresses and registration numbers of the Professional Accountants in Public Practice working on behalf of the firm,
- f) Notification of the activity as a statutory auditor according to § 57a Section 1 Sentence 2,
- g) Registration as a quality assurance reviewer according to § 57a Section 3,
- h) All other registrations at responsible authorities in other countries listed by name of the registering authority and by registration number,
- i) Any occupational bans, even temporary in nature, and the area of activity, each by starting date and duration,

j) Immediate enforceable annulment of the license stating the date as well as all changes to letters a, c, d, e, f, g, h and i listed by date.

3. branch offices of Professional Accountants in Public Practice and audit firms, including

- a) Name,
 - b) Address of the branch office,
 - c) Names and addresses of executives of the branch office
- as well as all changes to letters a to c listed by date.

4. EU and EEA audit firms according to § 131; the Nos. 2 and 3 apply appropriately provided that only EU and EEA auditors and branches which are operating within the territory to which this act applies are registered;

5. Third country auditors and third country audit firms according to § 134; Nos. 1 to 3 shall apply accordingly.

§ 39 Cancellation

(1) The following entries in the public register are to be cancelled

- 1. Members of the profession if their appointment as a Professional Accountant in Public Practice has expired or has been incontestably withdrawn or revoked;
- 2. Audit firms if licensing as an audit firm has expired or has been incontestably withdrawn or revoked;
- 3. Branch offices,
 - (a) If the branch office has been closed, or
 - (b) If the branch office is no longer managed by a Professional Accountant in Public Practice and a certificate of exemption has not been issued by the Chamber of Public Accountants.
- 4. EU and EEA audit firms according to § 131, when
 - (a) Approval of the audit firm is cancelled in the home Member State or was uncontestably retracted, revoked or cancelled in any other way, or
 - (b) The audit firm is no longer registered in the home Member State.

(2) ¹Entries according to § 38 No. 1 Letter h and No. 2 Letter f are to be cancelled if the Commission for Quality Assurance has decided upon deletion of the entry as a statutory auditor or when the registered Professional Accountants in Public Practice or audit firms have stopped performing statutory audits. ²The entries according to § 38 No. 1 Letter g shall be deleted when the registration as a quality assurance reviewer is uncontestably withdrawn or revoked. ³The entries according to § 38 No. 1 Letter k and shall be deleted when the bans from certain professional activities or the occupational bans have expired.

(3) During a current mandate the Professional Accountants in Public Practice shall inform their clients without delay about the deletion of an entry in the public register according to Section 2 Sentence 1.

§ 40 Proceedings

(1) Entries and cancellations are made ex officio immediately by the Chamber of Public Accountants.

(2) ¹Members of the Chamber of Public Accountants are obliged to disclose facts immediately that necessitate an entry, change, or cancellation in a form that complies with §§ 126, 126a BGB. ²§ 62a applies accordingly.

(3) Upon request by the members of the profession or the audit firms, the Chamber of Public Accountants provides an extract from the public register about the respective entry according to § 38 No. 1 Letter or No. 2 Letter f.

§ 40a Register for Cooperative Audit Associations, Cooperative Audit Offices of an Association of Savings and Clearing Banks

(1) Cooperative Audit Associations which conduct statutory audits according to § 53 Section 2 GenG, § 340k Section 2 Sentence 1 HGB or Article 25 Section 1 Sentence 1 EGHGB, as well as the Cooperative Audit Offices of Associations of Savings and Clearing Banks are also registered with the Chamber of Public Accountants. § 37 Section 1 applies accordingly. ³Upon request by the audit association or the audit office, the Chamber of Public Accountants provides an extract from the public register about the respective entry.

(2) The following is to be entered in the register, along with each register number:

1. Name and legal form of the audit association or name of the audit office as well as the name and legal form of the body responsible for the audit office,
2. Date on which the right to conduct audits was conferred and the authority that conferred it or the legal authorization of the audit office,
3. Address of the main office, contact details, including a contact person, Internet address, and, to the extent that the audit association or the audit office is integrated into a network, the name, firms and addresses of all members in the network and the companies associated with these through joint ownership of assets, joint control or joint company management or a reference to where this information is publicly available,
4. Addresses of additional offices in Germany,
5. Names and business addresses of all members of the management board of the audit association or the head of the audit office,
6. Names and register numbers of Professional Accountants in Public Practice working on behalf of the audit association or audit office,

7. All other registrations with competent authorities of other countries, specifying the name of the registration office as well as the register number,
8. Name and address of the competent oversight body.

(3) ¹The audit associations and audit offices named in Section 1 are obligated to inform the Chamber of Public Accountants of the facts specified in Section 2 as well as any amendments to these facts. ²The Chamber of Public Accountants is to enter any facts disclosed as well as amendments.

(4) ¹The Cooperative Audit Associations named in Section 1 are obligated to notify the Chamber of Public Accountants if they no longer conduct statutory audits according to § 53 Section 2 GenG, § 340k Section 2 Sentence 1 HGB or Article 25 Section 1 Sentence 1 EGHGB or if their right to conduct audits has been uncontestably revoked. ²The Cooperative Audit Offices of an Association of Savings and Clearings Banks named in Section 1 are obligated to inform the Chamber of Public Accountants, if their right to conduct audits has been uncontestably revoked. ³In these cases the Chamber of Public Accountants shall erase the entry.

(5) ¹The entry of a Cooperative Audit Association mentioned in Section 1 Sentence 1 is deleted when

1. The quality assurance review
 - a) Was not performed within the period prescribed by § 63e Section 1 GenG, or
 - b) Was performed in violation of § 63f Section 1 GenG in combination with § 57a Section 3 Sentence 1 and 5 WPO, against § 63f Section 2 Sentence 2 GenG or against § 63f Section 3 GenG in combination with § 57a Section 4 WPO,
2. Significant inabilities to obtain sufficient appropriate audit evidence existed, or
3. Significant deficiencies in the quality control system have been found, indicating that the quality control system is inadequate or ineffective.

²If the Chamber of Public Accountants recognizes that the entry is to be deleted, the matter shall be submitted before the decision is taken to the responsible supervisory body in accordance with § 63 GenG.

(6) ¹A Cooperative Audit Association which performs a statutory audit for the first time shall inform the Chamber of Public Accountants about this fact at the latest two weeks after the beginning of the audit. ²It should be entered with the supplement “(provisional entry until first conduct of a quality assurance review)“. ³The supplement shall be deleted after conduct of the quality assurance review.

Section Eight
Administrative Court Procedures

§ 41

Direct Appeal against Notifications of the Chamber of Public Accountants

It is not necessary to conduct a review in a preliminary hearing prior to an appeal being filed against notifications of the Chamber of Public Accountants based on provisions in Sections Three and Five of Part Two and § 134a Section 1 and 2 of this act.

§ 42 (Repealed)

Part Three
Rights and Duties of Professional Accountants in Public Practice

§ 43

General Professional Duties

(1) ¹Professional Accountants in Public Practice must practice their profession independently, conscientiously, confidentially and self-responsibly. ²They must, in particular, remain impartial when issuing additional reports of the auditor and expert opinions.

(2) ¹Professional Accountants in Public Practice must abstain from all activities that are incompatible with their profession or the reputation of the profession. ²They must be aware of the specific professional duties arising out of their entitlement to issue audit reports on statutory audits. ³Also outside the scope of their profession, they have to prove themselves in a manner worthy of the trust and respect the profession demands. ⁴They are obliged to continually improve their professional skills.

(3) ¹Whoever has been a statutory auditor of a public interest entity as defined in § 319a Section 1 Sentence 1 HGB or whoever was acting as key audit partner as defined in § 319a Section 1 Sentence 4 and Section 2 Sentence 2 HGB for the statutory audit of such a company, is not allowed to assume any key executive function at the entity within two years following the end of the audit work and is not allowed to become a member of the supervisory board, the audit committee of the supervisory board or the administrative board. ²Sentence 1 applies provided that the term is one year, respectively for

1. Persons who as statutory auditor or key audit partner have conducted statutory audits of an other company,
2. Partners and employees of the statutory auditor who themselves were not active as statutory auditor or key audit partner, but were directly involved in the audit engagement and who are appointed as a Professional Accountant in Public Practice, Sworn Auditor or EU or EEA statutory auditor, and
3. All other Professional Accountants in Public Practice, Sworn Auditors or EU or EEA statutory auditors whose services the statutory auditor of the company can use or control and who were directly involved in the audit engagement.

(4) ¹Professional Accountants in Public Practice must exercise professional skepticism during the whole course of the audit. ²This includes questioning information provided to them, to take account of the circumstances which could indicate a material misstatement and to assess the audit evidence with a critical eye.

(5) During the conduct of an audit Professional Accountants in Public Practice have to allocate sufficient time to the engagement and have to utilize the means necessary for the appropriate fulfilment of the engagement, in particular, if necessary, deploying the personnel with the appropriate knowledge and skills.

(6) Moreover during the conduct of an audit, audit firms must

1. Select the key audit partner in particular on the basis of the criteria of audit quality, independence and competency,
2. Provide the key audit partner with the means necessary for the appropriate fulfillment of the tasks, in particular the personnel with the appropriate knowledge and skills, and
3. Actively involve the key audit partner in the conduct of the statutory audit.

§ 43a

Rules for Practicing the Profession

(1) Professional Accountants in Public Practice practice their profession

1. As sole practitioners or in joint professional practice according to § 44b,
2. As members of the management board, executive officers, personally liable or according to the PartGG associated persons with audit firms,
3. As representatives or employees authorized to sign employed by Professional Accountants in Public Practice, audit firms, partnerships according to § 44b Section 1, EU or EEA statutory auditors, EU or EEA audit entities, Cooperative Audit Associations, Cooperative Audit Offices of an Association of Savings and Clearing Banks or supra-local audit bodies for public corporations and public agencies,
4. As members of the management board, executive officers, personally liable or according to the PartGG associated persons of a firm of Sworn Auditors, a law firm or a tax advisory firm,
5. As representatives or employees with signing rights employed by members of a foreign audit profession or a foreign audit firm or as a legal representative or member of the committee legally representing a foreign audit firm, when the prerequisites for their professional practice essentially comply with the regulations contained in this law,
6. As legal representatives or members of the committee legally representing a foreign law firm or a tax advisory firm, when the prerequisites for their professional practice essentially comply with the regulations of the BRAO or the StBG,
7. As employees of the Chamber of Public Accountants,
8. As employees of the Federal Office for Economic Affairs and Export Control, as far as this involves an activity with the Auditor Oversight Body,
9. As employees of
 - a) An institution recognized by contract according to § 342 Section 1 HGB by the Federal Ministry of Justice and Consumer Protection,
 - b) An enforcement panel recognized by contract according to § 342b Section 1 HGB by the Federal Ministry of Justice and Consumer Protection in agreement with the Federal Ministry of Finance, or
 - c) A non-commercially active partnership,
 - aa) Whose orderly members are Professional Accountants in Public Practice, audit firms, Sworn

Auditors or firms of Sworn Auditors or persons or partnerships, which fulfil the requirements of § 44b Section 2 Sentence 1,

bb) The exclusive purpose of which is to represent the professional matters of the Professional Accountant in Public Practice or Sworn Auditor, and

cc) In which Professional Accountants in Public Practice, audit firms, Sworn Auditors or firms of Sworn Auditors possess the majority,

10. As employees of the BaFin, if it concerns an activity

a) According to Section 11 WpHG, or

b) It involves preparation, execution and analysis of audits at a company being observed by a supervisory body, or

11. As employees of an audit association according to § 26 Section 2 of the KWG.

(2) Compatible with the profession as a Professional Accountant in Public Practice is

1. Practicing a liberal profession in the technical and legal areas and one which may be exercised in joint professional practice in accordance with § 44b Section 1,

2. Being active as a lecturer or a research assistant at scientific institutes or universities,

3. Manager status of a European Economic Interest Grouping whose members consist exclusively of individuals eligible for joint professional practice according to § 44b,

4. Staging of seminars and lectures for preparing for the examination of Professional Accountants in Public Practice, Sworn Auditors and tax advisors and for continuing professional development for the members of the Chamber of Public Accountants,

5. Freelance literary, academic, artistic as well as lecturing activities.

(3) ¹Professional Accountants in Public Practice are not permitted to engage in any of the following activities:

1. Commercial activities,

2. Activities which involve employment with the exception of the cases mentioned in sections 1 and 2,

3. Activities as civil servants or judges other than in honorary capacity with the exception of those referred to in Section 2 No. 2; § 44a remains unaffected.

²On request the Chamber of Public Accountants can approve Professional Accountants in Public Practice to engage in an activity according to Sentence 1 when this is comparable with activities according to Section 1 or 2 and when trust in observance of professional duties cannot be endangered by the activity. ³On request the Chamber of Public Accountants may temporarily permit engagement in an employment relationship outside of the profession when this serves takeover of an emergency company management position or restructuring of a commercial company.

§ 44

Acting with Self-Responsibility

(1) ¹The profession is not exercised with self-responsibility if a representative or employee with signing rights is bound by directives which oblige him to sign additional reports of the auditor and expert opinions, the contents of which do not correspond with his own conviction. ²Directives containing such obligations are not permitted. ³Shareholders of an audit firm and members of the administrative, management and supervisory bodies of this or an associated audit firm are not permitted to influence the conduct of audits in a manner which would prejudice the independence of the responsible Professional Accountants in Public Practice.

(2) The agreement of a legal representative of an audit firm or a Professional Accountant in Public Practice in employment with another Professional Accountant in Public Practice or audit firm to accept joint signing rights does not preclude acting with self-responsibility, and the same applies to Cooperative Audit Associations, Cooperative Audit Offices of an Association of Savings and Clearing Banks or supra-local audit bodies for public corporations or public agencies where there may be a representative authorized to sign on behalf of the audit association, the audit office or the audit institution.

§ 44a

Professional Accountants in Public Practice in Public Service or Public Office

¹If a Professional Accountant in Public Practice enters into a public service relationship as a term-elected civil servant or accepts public office, he may not exercise the profession of Professional Accountant in Public Practice unless he performs his duties on an honorary basis. ²On application of the Professional Accountant in Public Practice, the Chamber of Public Accountants may appoint a representative as a substitute or permit him to exercise his profession himself, if compliance with his general professional duties is not thereby endangered.

§ 44b

Joint Professional Practice

(1) ¹Professional Accountants in Public Practice may practice their profession locally and supra-locally in partnerships jointly with natural and legal persons as well as with partnerships that are in turn subject to professional supervision by a professional chamber of a liberal profession within the territory to which this act applies and who have the right to refuse to give evidence in accordance with § 53 Section 1 Sentence 1 No. 3 StPO. ²Such a partnership with lawyers who are also notaries is only allowed in terms of legal practice. ³In addition, the collaboration with lawyers who are at the same time German notaries is regulated by the legal provisions and requirements of the notary profession.

(2) ¹Joint professional practice with natural and legal persons as well as with partnerships that are empowered or appointed in a foreign country as expert auditors is allowed if the requirements for their empowerment or appointment meet the essential provisions of this act and allow them to

practice their profession in the foreign country jointly with Professional Accountants in Public Practice. ²Furthermore, joint practice is allowed with lawyers, patent attorneys and tax advisors of other countries if their education and authority is comparable to the BRAO, the PAO or the StBG, and are allowed to jointly practice their profession with lawyers, patent attorneys or tax advisors in the territory to which this act applies. ³Section 1 Sentence 2 and 3 shall apply accordingly.

(3) ¹The Chamber of Public Accountants has the right of inspection of contracts related to joint practice. ²Necessary information is to be provided upon request.

(4) Professional Accountants in Public Practice are only allowed to practice their profession in partnerships together with persons as defined in Section 1 Sentence 1, who themselves are not Professional Accountants in Public Practice, Sworn Auditors or recognized as an audit firm or a firm of Sworn Auditors, if they can demonstrate to the Chamber of Public Accountants that upon taking up such an activity, the total indemnity coverage of the mandatory insurance according to § 54 is available to the auditor in its entirety for each insurance case.

(5) Professional Accountants in Public Practice must end their joint professional practice immediately if due to the conduct of a member of the partnership they are no longer able to uphold their professional duties unrestrictedly.

(6) If a joint professional practice is announced as defined in Section 1, the provisions in Section 4 and 5 shall apply accordingly.

§ 45

Authorized Officers

¹When employed by audit firms, Professional Accountants in Public Practice should have the legal status of authorized officers. ²Employed Professional Accountants in Public Practice are considered executives in the connotation of § 5 Section 3 of the BetrVG.

§ 46

Leave of Absence

(1) Upon request, Professional Accountants in Public Practice who temporarily wish to take up an activity that is incompatible with the profession or due to special circumstances, in particular the need to take care of children or relatives, do not wish to practice the profession as a Professional Accountant in Public Practice, may be granted a leave of absence by the Chamber of Public Accountants.

(2) ¹They are not allowed to practice their profession during their leave of absence. ²The total time of the leave of absence shall not exceed five successive years.

§ 47

Branch Offices

¹Branch offices must be managed by at least one Professional Accountant in Public Practice or EU or EEA statutory auditor whose professional place of business is the location of the branch office.

²The Chamber of Public Accountants may grant exceptions in the case of branch offices of sole practitioners.

§ 48

Seal

(1) ¹Professional Accountants in Public Practice and audit firms are obliged to use a seal when issuing opinions that are legally restricted to members of the profession. ²They may use a seal if they in their professional capacity issue opinions on audit results or provide expert opinions.

(2) The Chamber of Public Accountants provides more detailed instructions concerning the design and use of the seal within the Professional Charter.

§ 49

Disallowance to Practice

The Professional Accountant in Public Practice must refuse to act if this leads to a breach of professional duties or if there is an apprehension of bias in conducting an engagement.

§ 50

Duty of Confidentiality by Assistants

The Professional Accountant in Public Practice must commit their assistants and staff to confidentiality, insofar as they are not already bound to confidentiality by law.

§ 51

Notification of Refusal to Accept an Engagement

¹A Professional Accountant in Public Practice who refuses to accept an engagement must give prompt notification of the refusal. ²He is liable for damages resulting from wilful delay of this notification.

§ 51a

Duty to Assume Legal Advice

¹Professional Accountants in Public Practice and Sworn Auditors are obliged to assume legal advice as provided in the RBerG. ²They can reject the legal advice for good cause on a case-by-case basis.

§ 51b

Files

(1) Professional Accountants in Public Practice must keep files that accurately document the work performed.

(2) ¹Professional Accountants in Public Practice shall retain the files for a period of ten years after the end of the engagement. ²This obligation expires before the end of this period, however, if the Professional Accountant in Public Practice has requested the client to take receipt of the files and the client has not complied with this request within six months of having received it.

(3) ¹Professional Accountants in Public Practice can refuse to hand over the files to their clients until their fees and reimbursements for any out-of-pocket expenses have been satisfied. ²This does not apply to the extent that the withholding of files or individual documents would be inappropriate in the circumstances.

(4) Files as referred to in sections 2 and 3 are only those documents which Professional Accountants in Public Practice have received from or on behalf of their clients in the course of performing their professional duties, but not the exchange of correspondence between the Professional Accountants in Public Practice and their clients, the originals or copies which the clients have already received, or the working papers prepared for internal purposes.

(5) ¹In the case of statutory audits according to § 316 HGB, a file is to be created for each statutory audit according to Section 1 (audit file) which should be closed off at the latest 60 days after signing of the audit report in accordance with §§ 322 and 322a HGB. ²Professional Accountants in Public Practice must also document in the audit file,

1. Whether they fulfil the requirements on their independence in accordance with § 319 Section 2 to 5 and § 319a HGB, whether their independence is threatened by any circumstances and what safeguards they may have taken to mitigate these threats,
2. Whether they have sufficient time, personnel and other means which are required according to § 43 Section 5 for the appropriate conduct of the audit,
3. If they seek advice from external experts, the respective inquiries made and the answers received.

³Audit firms must also name the key audit partner and document that the person is appointed according to the Second or Ninth section. ⁴The Professional Accountants in Public Practice must archive all information and documentation supporting the audit report pursuant to §§ 322 and 322a HGB, the additional report of the auditor pursuant to § 321 HGB or that verify compliance with the professional duties or contain written complaints about the conduct of the audit. ⁵The duties of documentation according to articles 6 to 8 of the Regulation (EU) No. 537/2014 of the European Parliament and the Council from 16th April 2014 about specific requirements upon the statutory audit of public interest entities and for cancellation of the resolution 2005/909/EEC of the Commission (ABl. L 158 from 27.5.2014, p. 77) in the respectively currently valid version and the retention obligation according to Article 15 of Regulation (EU) No. 537/2014 remain unaffected.

(6) ¹Professional Accountants in Public Practice who conduct an audit of consolidated financial statements shall submit upon written or electronic request of the Chamber of Public Accountants the documentation concerning the work of third-country auditors and third-country audit firms who audit subsidiaries included in the consolidated financial statements in as far as these are not registered according to § 134 Section 1 and no agreement of cooperation according to § 57 Section 9 Sentence 5 No. 3 exists. ²If Professional Accountants in Public Practice do not receive access to the materials concerning the work of third-country auditors or audit firms, the attempt to obtain the materials and the obstacles shall be documented and the reasons shall be stated to the Chamber of Public Accountants upon its written or electronic request.

(7) ¹Sections 1 to 6 apply accordingly to the extent that the Professional Accountants in Public Practice make use of electronic data processing in preparing the files. ²Other legal provisions regulating the duty to preserve business records shall remain unaffected.

§ 51c

Order file

Professional Accountants in Public Practice must keep a list of orders for statutory audits according to § 316 HGB which contains the following details for each of their clients:

1. Name, address and location,
2. For audit firms the names of the key audit partner in each case, and
3. For each fiscal year the fees invoiced for the statutory audit and for other services provided.

§ 52

Advertising

Advertising is permissible unless it violates fair practices.

§ 53

Change of Client

Professional Accountants in Public Practice are not allowed to represent competing interests; in particular, they are only permitted to act on behalf of other clients in the same matter in which they or another person or partnership with whom they jointly practice their profession has been involved if the former and new client provide their consent.

§ 54

Professional Indemnity Insurance

(1) ¹Professional Accountants in Public Practice who practice their profession according to § 43a Section 1 and audit firms are required to maintain professional indemnity insurance, for as long as they are officially appointed or licensed, to cover risks of liability for material damages from practicing their profession. ²The professional indemnity insurance for a partnership with limited professional liability according to § 8 Section 4 PartGG which is not itself licensed as an audit firm

must cover the risks of liability for material damages which arise from practicing their profession in accordance with §§ 2 or 129. ³The insurance must extend to cover such material damages for which the Professional Accountant in Public Practice is responsible according to §§ 278 or 831 BGB.

(2) ¹The insurance contract must provide insurance cover for every individual breach of duties occurring during the period of validity of the insurance contract which could lead to legal liability claims with private law content against the insured party. ²The insurance contract can provide for that the insurance sum represents the maximum amount associated with each individual case of damage for services incumbent on the insurer and this with the provision that only a one-time payout of the insured sum will be made

1. To several parties liable to pay compensation which the insurance cover extends to,
2. With regard to a single damage arising from multiple breaches of duty,
3. With regard to all consequences of a breach of duty without any consideration of whether damages occurred in one or in a number of successive years.

³In the case of Sentence 2 No. 3 multiple cases of action or lack of action based on the same or similar sources of error count as a single breach of duty when the associated matters are related to each other within a legal or commercial connection. ⁴In this case the payment to be made by the insurer can be limited to five times the minimum sum according to Section 4 Sentence 1, in as far as this does not involve legally prescribed statutory audits.

(3) The insurance may exclude insurance protection for

1. Compensation claims arising from deliberate breach of duty,
2. Compensation claims for damages which arise due to amounts missing during cash management, due to breaches of duty during the act of making a payment or due to embezzlement by personnel of the insured party,
3. Compensation claims which are asserted in third countries, and
4. Compensation claims due to violation or non-observance of the law of third countries, in as far as the claims do not arise for the commercial assistance in tax matters which affect the laws of taxation of these countries and in as far as the contractual arrangement which underlies the compensation claims between the insured party and the client are not subject to German law.

(4) ¹The minimum insurance coverage for each insured event must be equivalent to the amount specified in § 323 Section 2 Sentence 1 HGB. ²The establishment of an excess of up to one percent of the minimum insurance coverage is permissible. ³The Chamber of Public Accountants is the competent authority pursuant to § 117 Section 2 VVG.

(5) Upon written request, the Chamber of Public Accountants provides to third parties information concerning the name, the address and the number of the professional indemnity insurance of a Professional Accountant in Public Practice, an audit firm or a partnership with limited professional

liability to execute claims for damages, to the extent that they do not have overriding legitimate interest in this information not being disclosed.

(6) The Chamber of Public Accountants provides more detailed instructions concerning the insurance contents, proof of insurance, notification procedure and monitoring of the legal obligation to insure within the Professional Charter.

§ 54a

Contractual Limitations of Liability

(1) Claims for damages due to negligence arising out of the contractual relationships between the clients and the Professional Accountants in Public Practice can be limited

1. Through written agreement individually up to the minimum insurance cover specified in § 54 Section 4 Sentence 1, or
2. Through general terms of engagement up to four times of the minimum insurance cover specified in § 54 Section 4 Sentence 1, provided insurance cover exists insofar.

(2) The personal liability for damages of partners of a partnership (§ 44b) can also be limited by means of general terms of engagement to the individually-named partners of the partnership who are to perform the contracted service.

(3) If as part of the statutory audit activities are transferred by the Professional Accountant in Public Practice to a third party, the obligations of the Professional Accountant in Public Practice towards his clients remain unaffected.

§ 55

Remuneration

(1) ¹Notwithstanding Article 4 of Regulation (EU) No. 537/2014 Professional Accountants in Public Practice are not permitted to enter into an agreement according to § 2 Section 1 and 3 No. 1 and 3, by which the level of their remuneration is made dependent upon the results of their work as Professional Accountants in Public Practice. ²This applies to services according to § 2 Section 2, unless otherwise specified in § 55a. ³Remuneration for statutory audits may not be tied to conditions above and beyond those in Sentence 1 and must not be influenced or determined by the provision of additional services for the audited company. ⁴Sentence 3 applies appropriately for remuneration or performance assessment of persons who are involved in the statutory audit or can in any other way influence the outcome of the statutory audit. ⁵If there is a considerable disparity between the services rendered and the contracted remuneration, it must be demonstrable upon request to the Chamber of Public Accountants or the Auditor Oversight Body that adequate time was spent and qualified personnel was assigned on completing the audit.

(2) The payment or receipt of part of the remuneration or other advantages for brokering engagements, whether between the Professional Accountants in Public Practice or a third party, is forbidden.

(3) ¹The assignment of claims for remuneration or the transfer of their collection to members of the profession, professional firms or professional associations is permissible without the consent of the client; these persons are also sworn to confidentiality, as is the Professional Accountant in Public Practice himself. ²Sentence 1 also applies to the assignment or transfer to the members of other liberal professions who are likewise subject to a statutory obligation to maintain confidentiality. ³The assignment of claims for remuneration or the transfer of their collection to other persons is permissible either on the basis of a legally binding judgment on claims for remuneration or with the consent of the client.

§ 55a

Contingency Fee for Assistance in Tax Matters

(1) ¹Agreements by which the remuneration or the level of remuneration for assistance in tax matters are made dependent upon the outcome of the case or upon the success of the Professional Accountant in Public Practice's activity or by which the Professional Accountant in Public Practice receives a share of the anticipated tax reduction, tax savings or tax refund as a fee (contingency fee) are prohibited, unless otherwise specified below. ²Agreements by which the Professional Accountant in Public Practice is obliged to assume any court costs, administrative costs or third party expenses are prohibited.

(2) A contingency fee may only be negotiated individually and only if, due to the client's financial standing, from a judicious perspective, the client would otherwise be prevented from prosecuting his interests in absence of a negotiated contingency fee.

(3) ¹The agreement must be made in writing. ²It must be designated or denoted as a remuneration agreement, kept clearly separate from other agreements with the exception of the order being awarded, and it must not be included in the power of attorney. ³The agreement must include:

1. the level of non-contingent remuneration at which the Professional Accountant in Public Practice would be prepared to take on the job, as well as
2. The statement as to the level of remuneration to be earned depending upon certain conditions.

(4) ¹The agreement shall also include the essential grounds that necessitate specifying a contingency fee. ²Furthermore, a notice shall be included that the agreement has no bearing on any amounts owed by the client in the way of court costs, administrative costs, or any third party costs to be reimbursed by the client.

(5) ¹For any remuneration agreement not meeting the requirements in Sections 2 and 3, the Professional Accountant in Public Practice shall receive remuneration no greater than that specified in the provisions of the BGB. ²The provisions in the BGB concerning unjust enrichment shall remain unaffected.

§ 55b

Internal Quality Control System

(1) ¹Professional Accountants in Public Practice shall create rules which ensure observance of their professional duties, and their use shall be monitored and enforced (internal quality control system).

²The internal quality control system shall be proportionate to the scope and complexity of the professional activity. ³The internal quality control system shall be documented and made known to the employees of the members of the profession.

(2) ¹In the case of Professional Accountants in Public Practice who perform statutory audits according to § 316 HGB, the rules according to Section 1 must include adequate policies and procedures for orderly conduct and securing of the quality of the audit. ²These at least include

1. Solid administration and accounting procedures, internal quality control mechanisms, effective procedures for risk evaluation as well as effective control and safeguard measures for data processing systems,
2. Arrangements for use of appropriate and effective systems and procedures as well as the required means and the required personnel for the appropriate fulfillment of tasks,
3. Policies and procedures which achieve observance of the requirements upon self-responsibility of the responsible auditor according to § 44 Section 1 Sentence 3 of this law and upon the independence according to §§ 319 to 319b HGB,
4. Policies and procedures which ensure that employees as well as other persons directly involved in the audit work have appropriate knowledge and experience for the tasks assigned to them as well as be further trained, instructed and supervised,
5. Keeping of audit files according to § 51b Section 5,
6. Organizational and administrative arrangements for dealing with incidents which may impair the orderly performance of the audit work, and for documentation of these incidents,
7. Procedures for employees to report potential or actual violations of Regulation (EU) No. 537/2014 or of professional duties as well as other regulatory offences within the firm to suitable authorities without having to disclose their identity,
8. Principles of remuneration and profit-sharing according to § 55, and
9. Policies and procedures which ensure that, in the case of outsourcing of important audit work, the internal quality control and professional disciplinary oversight are not impaired.

(3) ¹As part of the monitoring according to Section 1 Sentence 1, Professional Accountants in Public Practice who conduct statutory audits according to § 316 HGB, must assess the internal quality control system at least once a year concerning the policies and procedures for audits, for continuing professional development, instruction and supervision of the employees as well for the files kept. ²In the case of deficits in the internal quality control system, necessary measures to remove the deficits must be taken. ³The members of the profession shall document annually in a report:

1. The results of the evaluation according to Sentence 1,
2. Measures which were taken or suggested according to Sentence 2,
3. Violations of professional duties or of the Regulation (EU) No. 537/2014, in as far as these are not minor, as well as
4. The consequences of the violations described under No. 3 and the measures taken to remove the violations.

(4) In the case of audit firms which conduct statutory audits, the responsibility for the internal quality control system lies with the Professional Accountants in Public Practice, Sworn Auditors or EU or EEA statutory auditors.

§ 55c

Appointment of a Firm Liquidator

(1) ¹If a Professional Accountant in Public Practice has died the Chamber of Public Accountants may appoint another Professional Accountant in Public Practice to liquidate the firm. ²A liquidator may also be appointed for the firm of former Professional Accountants in Public Practice whose appointment has expired, were withdrawn or revoked. ³The appointment does not apply to engagements for conducting statutory audits according to § 316 HGB.

(2) ¹The liquidator is usually not to be appointed for more than one year. ²On request from the liquidator the appointment can be extended respectively by a maximum of one year when he can make a plausible case that pending matters could not have been completed yet.

(3) ¹It is the duty of the liquidator to finalize the pending matters. ²He continues to process current engagements; within the first six months he is entitled to take on new engagements. ³He has all of the executive powers which the previous Professional Accountants in Public Practice had. ⁴The liquidator has the status of having full power of attorney for the pending matters by the party in as far as this has not been provided for in another way.

(4) ¹Professional Accountants in Public Practice who should be appointed to the position of liquidator can only refuse the liquidation on important grounds. ²The Chamber of Public Accountants decides on the refusal.

(5) ¹As part of his own powers the liquidator has the right to the legal powers of the Professional Accountants in Public Practice in the firm he is winding up. ²The liquidator is operating self-responsibly but in the interests, on account of and at the cost of the firm to be wound up. ³§§ 666, 667 and 670 BGB apply appropriately.

(6) ¹The liquidator is entitled to enter the firm's business premises and take possession of the objects in the firm including those objects of trust property to be kept in safe keeping by the previous Professional Accountants in Public Practice, to demand its restitution and to make use of it. ²He is not bound to instructions from the former Professional Accountants in Public Practice or their heirs.

³The former Professional Accountants in Public Practice or their heirs must not hinder the work of the liquidator. ⁴The former Professional Accountants in Public Practice or their heirs must pay the liquidator an appropriate remuneration for which security is to be provided when required by the circumstances. ⁵If the parties involved cannot come to agreement about the level of the remuneration or the security or if the required security is not provided, the Board of Directors of the Chamber of Public Accountants will, on request by the former Professional Accountants in Public Practice or their heirs or the liquidator, determine the remuneration. ⁶The liquidator is entitled to receive an advance on the negotiated or stipulated amount of remuneration. ⁷The Chamber of Public Accountants is liable as a guarantor for the stipulated remuneration.

(7) The liquidator is entitled, but outside of the framework of cost fixing proceedings not obliged, to enforce claims for fees and cost reimbursements of the former Professional Accountants in Public Practice in his own name, but in the case of a Professional Accountants in Public Practice who has died only on behalf of the heirs.

(8) The appointment can be revoked.

(9) The liquidator must not be engaged by the client who he had looked after in his role as a liquidator for a period of two years after expiry of the appointment, unless he has written permission to do so from the former Professional Accountants in Public Practice or their heirs.

§ 56

Application of Provisions governing the Rights and Duties of Professional Accountants in Public Practice to Audit Firms

(1) §§ 43, 43a Section 2 and 3, §§ 44b, 49 to 53, 54a, 55 to 55c apply to audit firms as well as to members of the management board, executive officers, partners and personally liable shareholders in audit firms who are not Professional Accountants in Public Practice.

(2) Members of a firm's supervisory bodies, as provided by law, rules or company agreement are obliged to maintain confidentiality.

Part Four

Organization of the Profession

§ 57

Functions of the Chamber of Public Accountants

(1) The Chamber of Public Accountants fulfils its statutory functions; it is to uphold the interests of all of its members and to supervise the fulfilment of the professional duties.

(2) In particular, it is the responsibility of the Chamber of Public Accountants:

1. To advise and instruct the members in questions concerning professional duties,
2. Upon request, to mediate conflicts amongst members,
3. Upon request, to mediate conflicts between members and their clients,
4. To oversee members' compliance with their duties and irrespective of § 66a Section 4 Sentence 2 and Section 6 to impose professional disciplinary measures,
5. (repealed),
6. In all matters pertaining to members collectively, to bring forth the views of the Chamber of Public Accountants vis-à-vis the competent courts, authorities and organizations;
7. To submit expert opinions as requested by a court or an administrative agency or an entity involved in the legislation at national or state level,
8. To assume the tasks in the areas assigned to it by law in the field of occupational training;
9. (repealed),
10. To promote the continuing professional development of the members and the initial professional development of future members of the profession,
11. To submit proposals for honorary associate judges of the disciplinary courts to the State Departments of Justice and the Federal Ministry of Justice,
12. To maintain the public register,
13. To establish pension schemes for Professional Accountants in Public Practice and Sworn Auditors and their surviving dependents,
14. To maintain a quality assurance system,
15. To appoint Professional Accountants in Public Practice as well as Sworn Auditors, to license audit firms and firms of Sworn Auditors and to withdraw or revoke licensing,
16. To create and maintain an independent Examination Unit,
17. To carry out the statutory responsibilities conferred upon it as a professional chamber within the scope of the prevention of money laundering.

(3) ¹The Chamber of Public Accountants may adopt a Professional Charter governing the rights and duties in the exercise of the profession by Professional Accountants in Public Practice and Sworn Auditors; the Professional Charter is adopted by the Advisory Board of the Chamber of Public Accountants. ²The Charter comes into force three months after it has been filed with the Federal Ministry for Economic Affairs and Energy to the extent that the Federal Ministry for Economic Affairs and Energy does not annul the Charter or parts thereof. ³Amendments to the Professional Charter are subject to Sentence 1 and 2.

(4) The Professional Charter may further specify the provisions of this Act:

1. General Professional Duties

- a) Independence, conscientiousness, confidentiality, self-responsibility,
- b) Proper professional conduct,
- c) Change of clients and prohibition of representation of conflicting interests,
- d) Compatible and incompatible activities,
- e) Content, scope and proof of professional indemnity insurance according to § 54 Section 6,
- f) Agreement and settlement of remuneration for professional services and its enforced collection,
- g) Handling of third party assets,
- h) Initial professional development of young professionals as well as assistants of the tax advisory and business consulting professions,
- i) Seal design (shape, size, type and lettering) and use of seal according to § 48 Section 2,
- j) Prohibition of participation in unauthorized assistance in tax matters,
- k) Prohibition of utilization of professional secrets,
- l) Nature, scope and proof of compliance with the general continuing professional development requirement according to § 43 Section 2 Sentence 4, whereby the scope of prescribed participation in continuing professional development events must not exceed 20 hours per year.

2. Specific professional duties in the conduct of audits and the rendering of professional expert opinions

- a) Absence of bias, impartiality and refusal to practice,
- b) Exclusion as an auditor or expert.

3. Specific professional duties

- a) In connection with the acceptance, conduct and termination of an engagement and in succession of an engagement,
- b) The maintenance of files,
- c) The joint professional practice,

- d) In the establishment and activity of professional firms,
 - e) In cross-border activities,
 - f) In dealings with the courts authorities, the public authorities, the Chamber of Public Accountants and other members of the Chamber of Public Accountants,
 - g) In connection with Legal Advice.
4. Implementing provisions for the criteria for describing remuneration scheme according to Article 13 Section 2 Letter I of the Regulation (EU) No. 537/2014.
5. Specific professional duties to ensure the quality of professional work (§ 55b).

(5) ¹The Chamber of Public Accountants can transfer the duties specified in Section 2 No. 1 to 3 to individual members of the Board of Directors; additional duties can be assigned to committees according to § 59a. ²In the case of Section 2 No. 4, second alternative, the Board of Directors will decide on objections (§ 68 Section 5 Sentence 2).

(6) ¹To the extent that the Auditor Oversight Body is not responsible according to § 66c Section 2, the Chamber of Public Accountants shall offer administrative assistance to competent authorities in another member state of the European Union or treaty nation in the European Economic Area in the areas of appointment, licensing, disciplinary oversight and quality assurance review, as far as this is required on a case-by-case basis for the authority to carry out these duties. ²If the completion of an inquiry is not possible within an appropriate period, the Chamber of Public Accountants will notify the parties involved, stating the reasons. ³The Chamber of Public Accountants shall refuse to carry out its own investigations of an inquiry if

1. Due to the same act, the same person is already facing professional disciplinary proceedings in Germany, or
2. Final judgment has been passed in Germany against the same person due to the same act.

⁴If the Chamber of Public Accountants exercises its right according to Sentence 3 it will notify the inquiring competent authority immediately, stating the reasons and conveying more detailed information about the disciplinary proceedings or the final judgment.

(7) ¹Upon formal request, the Chamber of Public Accountants may transmit information, including personal data, to the authorities named in Section 6 Sentence 1, to the extent that knowledge of this information is required on a case-by-case basis for the competent authority to carry out the tasks named in Section 6 Sentence 1. ²Information that are subject to an obligation of secrecy may only be transmitted if it can be assured that the receiving authority will likewise duly treat it confidentially. ³When transmitting data, including personal data, the purpose for which the data is transmitted shall be indicated. ⁴Transmission of data, including personal data, shall not be transmitted in cases where public law and order could thereby be endangered.

(8) ¹To the extent that the Auditor Oversight Body is not responsible according to § 66c Section 5, the Chamber of Public Accountants shall offer administrative assistance to competent authorities in

another member state of the European Union or treaty nation in the European Economic Area in the areas of appointment, licensing, disciplinary oversight and quality assurance review, as far as this is required on a case-by-case basis for the authority to carry out these duties. ²Section 6 Sentence 2 through 4 shall apply accordingly.

(9) ¹Upon formal request, the Chamber of Public Accountants may transmit information, including personal data, to the authorities named in Section 8 Sentence 1, to the extent that knowledge of this information is required on a case-by-case basis for the competent authority to carry out the tasks named in Section 8 Sentence 1. ²Information that are subject to an obligation of secrecy may only be transmitted if it can be assured that the receiving authority will likewise duly treat it confidentially. ³For the transmittal of personal data to the competent authority according to Section 8 Sentence 1, § 4b Section 2 to 6 and § 4c BDSG shall apply accordingly. ⁴Transmission of data, including personal data, is prohibited in cases where public safety and order could thereby be endangered. ⁵In case the competent authority presents a plausible argument that it is not satisfied with the way the procedure was completed by the Chamber of Public Accountants, the Chamber of Public Accountants can, provided the conditions in sentences 1 to 4 are met, release working papers and other documents to the competent authority at the request of such responsible authority if

1. These working papers and documents pertain to audits of companies that have issued securities in this third country or are part of a group that presents consolidated financial statements in that country,
2. The competent authority fulfils the requirements referred to in Article 47 Section 3 of the Directive 2006/43/EEC and have been deemed appropriate by the Commission of the European Union,
3. A working arrangement has been made between the Chamber of Public Accountants and the competent authority on the basis of reciprocity.

§ 57a

Quality Assurance Review

(1) ¹Sole practitioners and audit firms are obliged to undergo a quality assurance review if they intend to conduct statutory audits according to § 316 HGB. ²They are required to notify this intention to the Chamber of Public Accountants at the latest two weeks after the acceptance of an audit engagement. ³Nature and scope of the activity shall be reported with the notification. ⁴Significant changes to the nature and scope of the audit work shall also be reported

(2) ¹The quality assurance review serves the purpose to monitor compliance with quality control rules pursuant to the statutory provisions and the Professional Charter in general and when carrying out specific engagements. ²It includes statutory audits according to § 316 HGB and general audit and assurance engagements which are commissioned by the BaFin. ³They include, on the basis of appropriate review of selected audit files, an assessment of the adequacy and effectiveness of the quality assurance system according to § 55b, in particular with reference to compliance with the relevant rules of professional practice, the independence requirements, the quantity and quality of the means used and the personnel as well as the invoiced remuneration. ⁴The quality assurance review takes place based on a risk analysis at least once every six years. ⁵If members of the

profession to be reviewed have reported for the first time according to Section 1 Sentence 2, to conduct statutory audits according to § 316 HGB, the quality assurance review shall take place at the latest three years after beginning of the first of these statutory audits. ⁶The decision about the point in time of the quality assurance review and the issuance of instructions to the members of the profession to be reviewed is taken by the Commission for Quality Control.

(3) ¹The quality assurance review is to be carried out by Professional Accountants in Public Practice working as sole practitioners or by audit firms (quality assurance reviewer) registered with the Chamber of Public Accountants. ²Professional Accountants in Public Practice shall be registered upon formal request if

1. They have been appointed as a Professional Accountant in Public Practice for at least three years and are active in the area of statutory audits,
2. They have successfully completed specific training in quality assurance review, and
3. Over the past five years they have not been subject to any disciplinary measure according to § 68 Section 1 Sentence 2 No. 2 to 6 due to a breach of a professional duty, which would make them ineligible as a quality assurance reviewer.

³The registration requires Professional Accountants in Public Practice working as sole practitioners to be registered according to § 38 No. 1 Letter h as statutory auditor. ⁴Audit firms are to be registered on request if there is at least one legal representative or one member of the body legally representing the firm registered according to Sentence 2, if they are registered according to § 38 No. 2 Letter f as a statutory auditor and they fulfil the requirements according to Sentence 2 No. 3. ⁵If an audit firm is engaged to conduct a quality assurance review, the Professional Accountant in Public Practice responsible for the quality assurance review must either belong to the group of persons according to Sentence 4 or be partner of an audit firm and be registered according to Sentence 2. ⁶If Professional Accountants in Public Practice registered as quality assurance reviewers do not fulfil the requirements according to Sentence 3 are active as sole practitioners and otherwise, they are not allowed to carry out quality assurance reviews as sole practitioners.

(3a) ¹Registration as a quality assurance reviewer should be revoked when the prerequisites for registration as a quality assurance reviewer are no longer met. ²It is in particular to be revoked when

1. The registration as a statutory auditor according to Section 6a Sentence 2 has been deleted,
2. The quality assurance reviewer has, in the last three years, been no longer active in the field of statutory audits,
3. Over the past five years they have been subject to a disciplinary measure according to § 68 Section 1 Sentence 2 No. 2 to 6, which makes them ineligible as a quality assurance reviewer, or
4. The quality assurance reviewer can, for the last three years, not demonstrate any specific training in quality assurance review.

³Registration of an audit firm as a quality assurance reviewer shall be revoked when it no longer meets the requirements according to Section 3 Sentence 4.

(4)¹Professional Accountants in Public Practice or audit firms are not allowed to be active as a quality assurance reviewer when equity interests, financial or personal ties exist, in particular as a shareholder or employee of the Professional Accountants in Public Practice or audit firms to be reviewed or other circumstances which could give rise to the apprehension of bias, exist or existed in the last three years before the engagement acceptance. ²Further, it is not permissible to conduct reciprocal quality assurance reviews. ³Quality assurance reviewers must declare that there are no reasons for exclusion or other conflicts of interest between them and the entity to be reviewed.

(5) ¹The quality assurance reviewer shall summarize the results of the quality assurance review in a report (reviewer's report). ²The reviewer's report shall contain:

1. The name of the Commission for Quality Assurance and that of the person/entities(s) being reviewed as recipients of the report,
2. A description of the nature, scope and extent of the review, including a description of the quality control system according to § 55b,
3. The number of hours divided by the nature of the review,
4. The composition and qualification of the quality assurance reviewers, and
5. A conclusion on the review results according to Section 2 Sentence 3.

³Additional provisions about content and standardization of the reviewer's report shall be adhered to according to § 57c Section 2 No. 6. ⁴If no significant deficits in the quality control system were discovered by the quality assurance reviewers, they shall declare that no facts have come to their attention contradicting the assumption that the quality control system of the firm complies with the legal or statutory requirements and orderly processing of statutory audits according to § 316 HGB and of general audit and assurance engagements which are commissioned by the BaFin, is achieved with reasonable assurance. ⁵If significant deficits in the quality control system or inability to obtain sufficient review evidence are discovered, the quality assurance reviewer shall name these, offer suggestions on how to remove them and, in as far as the deficits are significant, either give a modified or adverse opinion according to Sentence 4. ⁶A modification or an adverse opinion must be justified.

(5a) ¹If Professional Accountants in Public Practice conduct statutory audits of public interest entities according to § 319a Section 1 Sentence 1 HGB, the results of the inspection according to Article 26 of the Regulation (EU) No. 537/2014 shall be taken into account during the quality assurance review. ²The quality assurance review and the reviewer's report shall not cover the areas named in Article 26 Section 6 of the Regulation (EU) No. 537/2014. ³On the basis of the current inspection report, the quality assurance reviewer will solely assess the effectiveness of the quality assurance system for statutory audits of entities that are not of public interest according to § 319a Section 1 Sentence 1 HGB, and for general audit and assurance engagements commissioned by the BaFin, and shall name discovered deficits from these reviews. ⁴The reviewer's report shall be sent to the Commission for Quality Control, the member of the profession reviewed and the Auditor Oversight Body. ⁵In all other matters Section 5 applies accordingly.

(5b) ¹The quality assurance review must be sufficient and appropriate regarding the scope and complexity of the activity of the reviewed member of the profession. ²This is particularly necessary for statutory audits of small and medium-sized companies according to § 267 Section 1 and 2 HGB, whereby the nature, the number of clients and the size of the firm to be reviewed are particularly important.

(6) ¹The members of the profession to be reviewed should suggest up to three quality assurance reviewers to the Commission for Quality Assurance. ²The suggestions submitted must be accompanied by a declaration of independence by each of the quality assurance reviewers according to the Charter for Quality Assurance (§ 57c Section 2 No. 7). ³The Commission for Quality Assurance can reject any or all of the suggestions by stating the reasons; the member of the profession to be reviewed is to be notified of submission of the suggestions within four weeks since submission, otherwise the suggestions will be considered accepted. ⁴If all suggestions are rejected, the member of the profession to be reviewed can submit up to three new suggestions; Sentences 2 and 3 shall apply. ⁵In the case of repeated rejection of all suggestions, the Commission for Quality Assurance shall name a quality assurance reviewer to be appointed. ⁶The quality assurance reviewers are to be commissioned self-responsibly by the member of the profession to be reviewed.

(6a) ¹After finalization of the review, the quality assurance reviewers send a copy of the reviewer's report to the Chamber of Public Accountants without delay; this should be done in electronic format. ²The Commission for Quality Assurance decides upon deletion of the registration according to § 38 No. 1 Letter h or No. 2 Letter f, if

1. The quality assurance review has not been performed within the period set by the Commission of Quality Assurance or has been conducted in violation of Section 3 Sentence 1 and 5 or Section 4,
2. Significant inabilities to obtain sufficient appropriate evidence have been discovered, or
3. Significant deficiencies have been discovered in the quality control system so that the quality control system appears inadequate or ineffective.

(7) ¹Quality assurance review engagements can only be cancelled because of important reasons. Important reasons do not include differences of opinion about the content of the reviewer's report. ²The quality assurance reviewers have to report to the Commission for Quality Assurance about the findings of the review so far and the reasons for the cancellation. ³If there is a subsequent quality assurance review the member of the profession to be reviewed shall submit the report to the succeeding quality assurance reviewer.

(8) ¹The Chamber of Public Accountants shall archive the reviewer's report for seven years after receipt and afterwards destroy it. ²In case of a pending legal dispute on measures by the Commission for Quality Assurance, the period specified is extended until the judgment is final.

§ 57b

Obligation of Confidentiality and Liability

(1) The quality assurance reviewer and his assistants, the members of the Commission for Quality Assurance (§ 57e) and those employed at the Chamber of Public Accountants are obliged, even after the end of their employment, to keep confidence on all matters that became known to them within the scope of their quality assurance review.

(2) ¹For members of the Commission for Quality Assurance and employees of the Chamber of Public Accountants, § 64 Section 2 applies accordingly. The presentation or submission or surrender of written documents to courts or other authorities also requires approval by the Chamber of Public Accountants. ³Approval in the case of sentences 1 and 2 shall be granted by the Commission for Quality Assurance. ⁴It can only be granted if the respondent has been released from the obligation to confidentiality by the reviewed Professional Accountant in Public Practice, reviewed audit firm or quality assurance reviewer.

(3) As far as it is necessary to carry out a quality assurance review, the obligation to confidentiality is limited according to Section 1, § 43 Section 1 Sentence 1, § 64 Section 1 of this act and § 323 Section 1 Sentence 1 HGB, as is the obligation to confidentiality of those persons who jointly practice the profession together with the Professional Accountant in Public Practice in own firm.

(4) § 323 HGB applies accordingly, subject to the provisions in Section 3.

§ 57c

Charter for Quality Assurance

(1) ¹The Chamber of Public Accountants issues a Charter for Quality Assurance, the Charter is enacted by the Advisory Board of the Chamber of Public Accountants. ²The Charter and amendments thereto require the approval of the Federal Ministry for Economic Affairs and Energy, in consultation with the Federal Ministry of Justice, to become effective.

(2) Within the scope of this act, the Charter for Quality Assurance regulates in more detail:

1. The requirements and the registration procedure for quality assurance reviewers as well as revoking of the registration according to § 57a Section 3 and 3a as well as according to § 63f Section 2 GenG,
2. Reasons for exclusion of quality assurance reviewers according to § 57a Section 4,
3. Proceedings according to §§ 57a et seq. within the Chamber of Public Accountants,
4. The reporting obligations according to § 57a Section 1 Sentence 3 and 4, the risk analysis according to § 57a Section 2 Sentence 4 and the issuance of instructions on the quality assurance review according to § 57a Section 2 Sentence 6,
5. Measures of the Commission for Quality Assurance,
6. The scope and the contents of the quality assurance review according to § 57a Section 1 Sentence 3 and the reviewer's report according to § 57a Section 2 Sentence 5,

7. Provisions regarding the content and structure of the certificate of independence according to § 57a Section 6 Sentence 2,
8. The scope and the contents of the specific training obligations according to § 57a Section 3 Sentence 2 No. 2, the specific training mentioned in § 57a Section 3a as well as the respective specific training certificate.

§ 57d

Duty to Cooperate

¹Professional Accountants in Public Practice as sole practitioners, audit firms, as well as persons with whom they jointly practice the profession, are obliged to grant the reviewer access to the firm's premises, to issue statements and also to present requested documentation, to the extent this is necessary for performing the review with due diligence. ²§ 62 Section 2 and 3 apply accordingly.

³Such persons cannot be forced to cooperate by way of administrative enforcement according to § 57e Section 3.

§ 57e

The Commission for Quality Assurance

(1) ¹A Commission for Quality Assurance shall be established within the Chamber of Public Accountants. ²Members of the Commission for Quality Assurance are Professional Accountants in Public Practice and Sworn Auditors, who are elected by the Advisory Board upon recommendation by the Board of Directors; at least one member shall be experienced and actively involved in auditing cooperatives. ³They are independent and not bound to any instructions. ⁴The Commission for Quality Assurance within the Chamber of Public Accountants is responsible for all matters involving quality assurance according as specified in § 57a, to the extent that the Auditor Oversight Body is not responsible. ⁵It is mainly responsible for:

1. The issuance of instructions for the conduct of a quality assurance review according to § 57a Section 1 Sentence 6,
2. Registering quality assurance reviewers according to § 57a Section 3,
3. Receiving and evaluating reviewer's reports,
4. Supervising the quality assurance reviewers according to Section 7 as well as taking decisions concerning withdrawal or revocation of registration as a quality assurance reviewer,
5. Deciding on measures according to Sections 2 and 3 and the deletion of the entry according to § 57a Section 6a Sentence 2,
6. Arbitrating appeals against decisions involving quality assurance review.

⁶The Commission for Quality Assurance may in agreement with the Auditor Oversight Body participate in quality assurance reviews and have working documents submitted from quality assurance reviewer.

(2) ¹If deficiencies with sole practitioners or audit firms exist, if breaches of professional law that are based on deficiencies in the quality control system have been determined or if the quality assurance review was not carried out according to the provisions in §§ 57a to 57d and the Charter for Quality Assurance, the Commission for Quality Assurance can impose sanctions aimed at remediation of the deficiencies or order a special review. ²If sanctions are imposed, they are to be implemented by the person/firm being reviewed within the period specified by the Commission for Quality Assurance, and a written report is to be presented without undue delay. ³The Commission for Quality Assurance may determine that another quality assurance reviewer is assigned for the special review. ⁴If the conditions of § 57a Section 6a Sentence 2 apply the Commission for Quality Assurance will decide on deletion of the entry. ⁵The Professional Accountants in Public Practice or audit firms shall be heard before adoption of the measures according to sentences 1 to 4. ⁶If the Chamber of Public Accountants intends to delete an entry according to § 57a Section 6a Sentence 2, it shall submit the decision to the Auditor Oversight Body first. ⁷For measures according to Sentences 1 to 4 against Professional Accountants in Public Practice or audit firms that conduct statutory audits of public interest entities according to § 319a Section 1 Sentence 1 HGB, the competence of the Auditor Oversight Body according to § 66a Section 6 remains unaffected.

(3) ¹If Professional Accountants in Public Practice or audit firms fail to comply with measures according to Section 2 the Commission for Quality Assurance may impose a fine of up to 25,000 Euro. ²If sanctions and other measures are not followed in a timely manner or are not followed in its entirety according to Section 2, despite repeated imposition of a fine, the entry of the notification according to § 38 No. 1 Letter h or No. 2 Letter f shall be deleted.

(4) ¹The Commission for Quality Assurance shall inform the Board of Directors of the Chamber of Public Accountants if the revocation of the appointment of a Professional Accountant in Public Practice or the licensing of an audit firm or the initiation of a disciplinary proceeding is considered.

(5) ¹The information provided and the documents and data transferred as part of the quality assurance review according to § 57d or for measures according to the sections 2 and 3 may also be used for such oversight proceedings which would otherwise be initiated or led by the Chamber of Public Accountants or the Auditor Oversight Body. ²As soon as the documents or data are no longer needed they shall be immediately returned or deleted.

(6) ¹Sections 2 to 4 apply accordingly if outside of a quality assurance review as defined in § 57a indicators for deficiencies in the quality control system of a Professional Accountant in Public Practice or an audit firm are identified. ²The Commission for Quality Assurance is bound to the determinations made in the proceedings according to § 62b.

(7) ¹The Commission for Quality Assurance investigates amongst quality assurance reviewers (§ 57a Section 3) whether they observed the legal requirements and the rules of professional practice during the quality assurance reviews. ²Section 2 Sentence 1 to 4 and 7, Section 3 Sentence 1 and Section 4 to 5 apply accordingly.

§ 57f
(Repealed)

§ 57g
Voluntary Quality Assurance Review

§ 57a Section 2 to 6a and §§ 57b to 57e apply accordingly in case a voluntary quality assurance review is carried out with sole practitioners and audit firms.

§ 57h
Quality Assurance Review of Cooperative Audit Offices of an Association of Savings and Clearing Banks

(1) ¹§ 57a Section 1 Sentence 1, Section 3 to 5 and Section 5b to 8, §§ 57b to 57d and § 66a Section 1 Sentence 1, Section 3 Sentence 1 to 3, Section 5 Sentence 1 and Section 8, § 66b and § 136 apply accordingly for quality assurance reviews at Cooperative Audit Offices of an Association of Savings and Clearing Banks, to the extent that these are members of the Chamber of Public Accountants and national law does not impose other provisions with regard to the obligation to carrying out quality assurance reviews. ²The standard, scope and timing of the quality assurance review are determined by the oversight authority as specified by national law and in compliance with § 57a Section 2. ³§ 57e Section 2 shall be applied in the case that the Commission for Quality Assurance does not decide on punitive measures against the Cooperative Audit Offices but rather informs the responsible oversight authority specified by national law immediately about the facts and conclusions that may be the basis for such measures. ⁴If the Chamber of Public Accountants recognizes that an entry according to § 57a Section 6a Sentence 2 shall be deleted then § 57e Section 2 Sentence 4 is to be applied with the provision that the case is to be referred to the oversight authority as specified by national law for a decision.

(2) ¹Cooperative Audit Offices of an Association of Savings and Clearing Banks can also be quality assurance reviewers, as specified in Section 1. ²A Cooperative Audit Office shall be registered by application according to § 57a Section 3, if the head of the Cooperative Audit Office according to § 57a Section 3 Sentence 2 is registered and the Audit Office fulfils the requirement according to § 57a Section 3 Sentence 3. ³If a Cooperative Audit Office of an Association of Savings and Clearing Banks is appointed to carry out a quality assurance review, the person responsible for the quality assurance review according to § 57a Section 3 Sentence 5 must be the head of the Cooperative Audit Office and must be registered according to § 57a Section 3 Sentence 2.

(3) ¹Article 26 of the Regulation (EU) No. 537/2014 does not apply to the Cooperative Audit Office of an Association of Savings and Clearing Banks if national law does not specify anything different. ²If the savings bank to be reviewed belongs to the companies mentioned in § 319a Section 1 Sentence 1 HGB and has total assets in excess of 3 billion Euros, appropriate use is made of Article 8 of the Regulation (EU) No. 537/2014 during an engagement quality control review, if national law does not specify anything different. ³The engagement quality control review shall only be conducted by pro-

professionally-qualified and personally-capable individuals who themselves do not collaborate on the conduct of the audit.

§ 58

Membership

(1) ¹Members of the Chamber of Public Accountants are Professional Accountants in Public Practice who have been appointed in accordance with this act and members of the Board of Directors, associated persons according to the PartGG, executive officers and partners with unlimited liability of audit firms who are not Professional Accountants in Public Practice themselves, as well as licensed audit firms. ²For Professional Accountants in Public Practice on leave of absence, membership is in abeyance during their period of leave. ³They continue to be subject to professional jurisdiction.

(2) ¹The Cooperative Audit Associations, the Associations of Savings and Clearing Banks for their Cooperative Audit Offices and non-local audit agencies for corporations under public law may become members of the Chamber of Public Accountants. ²The regulations in § 57 Section 1 to 4 do not apply to these members.

§ 59

Institutions, Chamber Assemblies

(1) The institutions of the Chamber of Public Accountants are

1. The Advisory Board,
2. The Board of Directors,
3. The President,
4. The Commission for Quality Assurance.

(2) ¹The members of the Advisory Board are elected by the members of the Chamber of Public Accountants via direct, free and secret postal vote. ²The Board of Directors is elected by the Advisory Board. ³If the members of the Board of Directors are selected amongst the members of the Advisory Board, they leave the Advisory Board; if the Advisory Board is selected by means of a personalized election, members of the respective lists succeed as Advisory Board members. ⁴Only individuals who are members of the Chamber of Public Accountants are eligible for election to the Advisory Board or Board of Directors. ⁴The President of the Chamber of Public Accountants and the Chairman of the Advisory Board must be Professional Accountants in Public Practice.

(3) ¹Members of the Advisory Board are elected separately according to groups. ²The group of Professional Accountants in Public Practice and audit firms elects a number of Advisory Board members, as specified in the Charter, proportionate to the number of members of the Chamber of Public Accountants who, according to the public register, belong to this group on 1st December of the calendar year preceding the Election Day. ³The group of the other members eligible to vote elects a number of members of the Advisory Board proportionate to the number of voting members

of the Chamber of Public Accountants belonging to this group on the day named in Sentence 2. ⁴At least one more than one half of the total members of the Advisory Board must be elected from the group of Professional Accountants in Public Practice and audit firms. ⁵Sentences 1 to 4 apply accordingly to the election of the Board of Directors; the President of the Chamber of Public Accountants is elected by the entire Advisory Board.

(4) ¹The Advisory Board and the Board of Directors report to the members annually. ²For that purpose the Chamber of Public Accountants may arrange regional chamber assemblies. ³At the request of the Advisory Board or if at least one twentieth of the members call for it in writing, specifying the topic to be discussed, the Chamber of Public Accountants shall arrange a chamber assembly, to which all members are invited.

(5) Further details are specified by the Chamber of Public Accountants in the Charter and in the Electoral Code pursuant to § 60 Section 1.

§ 59a

Committees of the Board of Directors and of the Commission for Quality Assurance

(1) ¹The Board of Directors may set up several committees if permitted by the Charter of the Chamber of Public Accountants. ²The board may delegate certain activities to the committees which they carry out independently.

(2) ¹Each committee must comprise at least three members of the Board of Directors. ²The members of the committee choose from their ranks a committee head and a deputy.

(3) ¹The Board of Directors determines the number of committees and members, delegates certain activities to the committees and chooses the members in each committee. ²Each member of the Board of Directors can belong to multiple committees. ³The instructions can only be issued or amended during the period of office when deemed necessary due to excessive workload on the Board of Directors or committee, or as a result of a change or permanent incapacitation on the part of individual members of the committee.

(4) Within their area of competence, the committees have all the rights and duties of the Board of Directors.

(5) The Board of Directors can make decisions in lieu of the committee if it is deemed necessary or if the committee or the committee head so requests.

(6) ¹The Commission for Quality Assurance may create committees. ²The responsibilities of the committees are to be specified in the Process Regulation for the Commission for Quality Assurance. ³Section 1 Sentence 2 and Section 2 to 5 apply accordingly. ⁴Appeals (§ 57e Section 1 Sentence 5 No. 6) against decisions of committees are decided by the Commission for Quality Assurance.

§ 60

Charter, Budget

(1) ¹The organization and administration of the Chamber of Public Accountants and in particular the establishment of regional offices shall be regulated in the Charter of the Chamber of Public Accountants adopted by the Advisory Board of the Chamber of Public Accountants. ²The Charter, the Electoral Code and amendments thereto require the approval of the Federal Ministry for Economic Affairs and Energy to become effective.

(2) ¹Prior to approval the Chamber of Public Accountants submits the budget for the following calendar year to the Federal Ministry for Economic Affairs and Energy. ²The parts of the budget that refer to the quality assurance review and the disciplinary oversight require the approval of the Federal Ministry for Economic Affairs and Energy.

§ 61

Dues and Fees

(1) ¹Members are obliged to pay dues on the basis of the dues schedule; the dues schedule may provide for different dues depending upon a member's field of activity. ²Part 2 of the VwKostG in the version applicable until 14 August 2013 applies accordingly. ³The dues schedule and amendments thereto require approval of the Federal Ministry for Economic Affairs and Energy to become effective. ⁴The dues schedule shall be determined by the Advisory Board of the Chamber of Public Accountants. ⁵The claim of the Chamber of Public Accountants to the payment of dues and fees is subject to the statute of limitations. ⁶§ 20 VwKostG in the version applicable until 14 August 2013 applies accordingly.

(2) ¹The Chamber of Public Accountants is entitled to charge fees, based on a fee schedule, for the provision of special facilities or services, in particular in the admission to examination, examination and appeal proceedings, as well as in quality assurance review and disciplinary proceedings, for the appointment and reappointment as a Professional Accountant in Public Practice, the licensing as an audit firm and the granting of certificates of exception according to § 28 Section 2 and 3. ²The fee schedule and amendments thereto are subject to approval by the Federal Ministry for Economic Affairs and Technology. ³§§ 3 to 7 and 9 to 21 of the Federal Fees Act (BGebG) should be applied appropriately.

(3) Dues and fees are collected according to the provisions of the Administrative Enforcement Act (VwVG).

Part Five

Disciplinary Oversight

§ 61a

Competence

¹The Chamber of Public Accountants is responsible for disciplinary oversight notwithstanding § 66a. ²If there are concrete indications for a breach of professional duties, the Chamber investigates the facts and decides upon whether disciplinary measures shall be initiated according to § 68. ³If the Chamber of Public Accountants intends to conclude a proceeding initiated according to Sentence 2 because no breach of professional duties has been found or does not require a sanction, it must present the proceeding to the Auditor Oversight Body beforehand. ⁴If Professional Accountants in Public Practice who are employed at the Auditor Oversight Body become active for the Auditor Oversight Body, sentences 1 to 3 do not apply.

§ 62

Duty of Personal Appearance before the Chamber of Public Accountants;

Duty to Provide Oral Information and Documents;

Right of Entry and Inspection

(1) ¹If summoned for a hearing, individual members of the Chamber of Public Accountants are obliged to appear in person before the Chamber of Public Accountants on disciplinary or complaint matters. ²Upon request they are obliged to provide oral information or submit their files or other materials that may be relevant to the disciplinary and complaint proceedings to the Board of Directors, a committee as defined in §59, the Advisory Board or a delegate of the Board of Directors, of the Advisory Board or of a committee. ³If the documents according to Sentence 2 are electronically stored by use of a data processing system, they are to be made available on a machine-readable data carrier. ⁴Sentences 1 to 3 apply analogously to other members of the Chamber of Public Accountants in as far as the hearing, the request for information or the demand to submit documentation concern the statutory audit.

(2) ¹Oral information can be withheld and the submission of documents can be refused if this would violate professional secrecy. ²Oral information may be withheld if disclosure would subject the member to the danger of prosecution due to a crime, a regulatory offence or a breach of professional duty; the member must invoke this right. ³The member shall be instructed about his right to withhold oral information. ⁴If the provision of information or documents has not been withheld, the member is obliged to provide correct and complete oral information and submit correct and complete documents.

(3) ¹Correct and complete provision of oral information and the submission of documents cannot be refused by members of the Chamber of Public Accountants who are entitled to carry out statutory audits or those who de facto carry out such audits without authorization if the oral information and submission of documents is associated with the audit of a company obliged to carry out a statutory

audit. ²Sentence 1 also applies to quality assurance reviewers' provision of oral information and the submission of documents which are related to this activity. ³Section 2 Sentence 2 and 3 shall apply accordingly.

(4) ¹Employees of the Chamber of Public Accountants, as well as additional persons retained by the Chamber of Public Accountants to conduct disciplinary oversight, are allowed to enter and visit the property and premises of Public Accountants in Public Practice and audit firms as well as of persons with whom they jointly practice their profession during normal office hours as well as review documents and make transcripts and copies. ²If the documents are stored electronically with the aid of a data processing system, the employees and persons named in Sentence 1 have the right to view the stored data, to use the data processing system to review these documents and to make copies of electronic data. ³The Professional Accountants in Public Practice and audit firms as well as persons with whom they jointly practice their profession have to tolerate these measures.

(5) ¹The information provided and documents and data transferred for measures according to the sections 1 to 4 may also be used for such oversight proceedings which would otherwise be initiated or led by the Chamber of Public Accountants or the Auditor Oversight Body. ²As soon as the documents or data are no longer needed, they shall be returned immediately or deleted.

§ 62a

Fines for Violation of the Duty to Cooperate

(1) ¹In order to hold members of the Chamber of Public Accountants to fulfilling their duties according to § 62 Section 1 to 3, the Chamber of Public Accountants can impose fines, even multiple times. ²Individual fines may not exceed 1.000 Euros.

(2) ¹The fine must be preceded by a written warning. ²The warning and the imposition of the fine must be served to the parties involved.

(3) ¹A court order against the warning and imposition of a fine can be requested within one month of being served (§ 72 Section 1). ²The request shall be submitted in writing to the Chamber of Public Accountants. ³If the request is found justified by the Chamber of Public Accountants, it is to be granted; otherwise the Chamber of Public Accountants shall submit the request to the court without delay and in compliance with § 66a Section 5 Sentence 2. ⁴The provisions in the StPO regarding complaints are to be applied accordingly. ⁵Any counter request is to be submitted by the Chamber of Public Accountants. ⁶The public prosecutor's office is not involved in the proceedings. ⁷The decision of the court cannot be contested.

(4) ¹The fine is credited to the budget of the Chamber of Public Accountants. ²It is collected on the basis of a facsimile of the fine order accompanied by a certificate of enforceability provided by the Chamber of Public Accountants pursuant to § 61 Section 3 Sentence 3.

§ 62b Inspections

(1) ¹Sole practitioners and audit firms are subject to an inspection by the Auditor Oversight Body according to Article 26 of the Regulation (EU) No. 537/2014 if they conduct statutory audits of public interest entities, as defined in § 319a Section 1, Sentence 1 HGB or statutory audits as defined in § 134 Section 1 of this law. ²In case of objections, the inspections may also be expanded to include other statutory audits. ³If an inspection is conducted related to an inquiry about international cooperation according to § 66c, other audits of companies named in § 57 Section 9 Sentence 5 No. 1 can be included in the inspection according to Sentence 1.

(2) In as far as Article 26 of the Regulation (EU) No. 537/2014 does not specify different, § 62 Section 1 to 5 and § 62a shall apply accordingly.

(3) ¹Findings obtained from the inspections can be taken into account in discharging Quality Assurance Reviews according to the guidelines established by the Chamber of Public Accountants in agreement with the Auditor Oversight Body. ²The Auditor Oversight Body submits the inspection report to the firm being reviewed. ³Notwithstanding Article 26 Section 8 and 9 of the Regulation (EU) No. 537/2014, § 57a Section 5 applies the inspection report accordingly.

§ 63 (Repealed)

§ 63a (Repealed)

§ 64

Duty of Confidentiality of the Members of the Board of Directors, the Advisory Board and Committees

(1) ¹Members of the Board of Directors, the Advisory Board and the committees are bound to absolute confidentiality towards everybody in relation to matters which became known to them during their activity as members of the Board of Directors, Advisory Board or committee about members of the Chamber of Public Accountants, candidates or other persons; this also applies after their retirement from the Board of Directors, Advisory Board or committees. ²The same applies to members who participate in the work of the Board of Directors, Advisory Board or committees and for members summoned according to § 62 to provide information during proceedings, within the scope of a disciplinary or complaint matter, in revocation proceedings or in non-public hearings according to § 99, as well as for employees and other delegates of the Chamber of Public Accountants.

(2) Without prior permission, the persons referred to in Section 1 may not give evidence or render information in any court proceedings or to any authorities on matters concerning members of the Chamber of Public Accountants, candidates or other persons that became known to them during their activity on the Board of Directors, the Advisory Board or in any committees.

(3) ¹The Board of Directors of the Chamber of Public Accountants shall give its permission based on its professional judgment. ²Permission shall only be withheld if deemed absolutely necessary due to consideration of the position or duties of the Chamber of Public Accountants or legitimate interests

of persons about whom facts have become known. ³§ 28 Section 2 of the Law Governing the Federal Constitutional Court (BVerfGG) remains unaffected.

(4) In order to carry out investigations in disciplinary or complaint matters, as well as revocation proceedings, persons named in Section 1 working for the Chamber of Public Accountants in an honorary or professional capacity are authorized to request information of persons that are not members of the Chamber of Public Accountants. ²Persons who are not members of the Chamber of Public Accountants are not duty-bound to provide information unless that information refers to statutory audits of public interest entities according to § 319a Section 1 Sentence 1 HGB and the persons who do not belong to the Chamber of Public Accountants fall under Article 3 of the Regulation (EU) No. 537/2014 Section 3 Sub-section 2 Letter b to e.

(5) If a breach of professional duties occurs during a proxy relationship, the persons mentioned in Section 1 may advise the represented party about a professional disciplinary proceeding against a member of the Chamber of Public Accountants.

§ 65

Notification of the Public Prosecutor's Office

(1) ¹If the Chamber of Public Accountants or the Auditor Oversight Body obtain facts which give cause to suspect that Professional Accountants in Public Practice have committed offences in connection with their professional practice, they will share the facts immediately or after conducting an investigation (§ 61a Sentence 2) with the responsible public prosecutor's office. ²The information may be accompanied by a professional evaluation.

(2) ¹Should facts become known to the public prosecutor's office that substantiate the suspicion of a wilful breach of duty by a member of the Chamber of Public Accountants that will justify a disciplinary measure according to § 68 Section 1, it will inform the Auditor Oversight Body about these facts. ²In as far as the notification is within the competence of the Chamber of Public Accountants, the Auditor Oversight Body will pass on the notification to the Chamber of Public Accountants.

§ 66

State Supervision

(1) ¹The Federal Ministry for Economic Affairs and Energy practices regulatory oversight over the Chamber of Public Accountants, including the Examination Unit in as far as it is not monitored by the Auditor Oversight Body according to § 66a Section 1 Sentence 1. ²It must monitor whether the Chamber of Public Accountants fulfils its duties within the scope of existing laws and by-laws. ³It can amongst other things order the decree of the by-laws according to § 57 Section 3 and § 57c Section 1 or order changes to these by-laws and, if the Chamber of Public Accountants does not respond to this order within a reasonable period of time, by way of execution by substitution, enact the by-laws or changes to the by-laws instead of the Chamber of Public Accountants.

(2) The Federal Ministry for Economic Affairs and Energy further practices regulatory oversight over the Auditor Oversight Body; Section 1 Sentence 2 applies appropriately. ²Otherwise oversight of the Federal Ministry for Economic Affairs and Energy over the Federal Office for Economic Affairs and Export Control remains unaffected.

§ 66a

Auditor Oversight

(1) ¹The Auditor Oversight Body is responsible for the public professional oversight over the Chamber of Public Accountants, as far as the latter fulfils tasks according to § 4 Section 1 Sentence 1 for which it is responsible towards Professional Accountants in Public Practice and firms that are authorized to carry out statutory audits and those that carry out statutory audits without being authorized; § 61a Sentence 3 shall remain unaffected. ²Prior to issuing rules of professional practice and changes to these (§ 57 Section 3 and § 57c), the Chamber of Public Accountants shall obtain the opinion of the Auditor Oversight Body and present them to the Federal Ministry for Economic Affairs and Energy.

(2) The Auditor Oversight Body is the responsible authority in the sense of Article 13 Section 1 Sub-section 3, Article 14 and 17 Section 8 Sub-section 3 as well as Article 20 Section 1 of the Regulation (EU) No. 537/2014.

(3) ¹The Auditor Oversight Body oversees the Chamber of Public Accountants to ensure that it fulfils the tasks named in Section 1 Sentence 1 in a sufficient (siehe § 57a Abs. 5b), appropriate and proportionate manner. ²For this purpose, the Auditor Oversight Body can participate in meetings of the Chamber of Public Accountants and has the right to request information and access to documents. ³The Auditor Oversight Body may take part in quality assurance reviews. ⁴The Auditor Oversight Body can instruct the Chamber of Public Accountants to carry out disciplinary investigations according to § 61a Sentence 2 in case of reports of breaches of professional duties and inquiries within the scope of collaboration according to § 66 c. ⁵The Auditor Oversight Body can take part in investigations of the Chamber of Public Accountants. ⁶In order to execute its tasks, the Auditor Oversight Body can involve representatives of the Chamber of Public Accountants, Professional Accountants in Public Practice and third parties as experts as required to offer advice. ⁷As far as the Auditor Oversight Body allows expert third parties to execute its tasks, it will ensure that there are no conflicts of interest existing with regard to the members of the profession to be reviewed and that the expert third parties have appropriate education as well as appropriate knowledge and experience.

(4) ¹The Auditor Oversight Body can return decisions of the Chamber of Public Accountants, for reconsideration by stating the reasons (second evaluation). ²If the Chamber of Public Accountants does not alter the decisions being questioned, the Auditor Oversight Body can repeal the decisions taken by the Chamber of Public Accountants and issue instructions or make decisions itself by way of execution by substitution and enact the required measures (ultimate decision). ³The Chamber of Public Accountants is obliged to conclude the matter by following the instructions. ⁴If it considers the

instructions or the substitute measures of the Auditor Oversight Body to be unlawful, it should submit the proceedings to the Federal Ministry for Economic Affairs and Energy.

(5) ¹The Chamber of Public Accountants is obliged, upon request of the Auditor Oversight Body on a case-by-case basis or on its own accord, based on general criteria set down by the Auditor Oversight Body, to report in a timely and adequate manner on individual, oversight-related matters, once the facts of the case have been ascertained. ²A matter is in particular considered relevant for oversight when it has been finalized by the Chamber of Public Accountants and a decision with direct legal outward effect is to be made. ³Direct or indirect relevance to the statutory audit engagement is not necessary.

(6) ¹The Auditor Oversight Body investigates at Professional Accountants in Public Practice and audit firms who have conducted statutory audits of public interest entities according to § 319a Section 1 Sentence 1 HGB,

1. Without a special reason according Article 26 of the Regulation (EU) No. 537/2014,
2. As far as the inspections mentioned under No. 1 or other circumstances produce concrete indications for breaches of professional duties while conducting statutory audits of public interest entities according to § 319a Section 1 Sentence 1 HGB,
3. On the basis of statements from the Examination Unit according to § 342b Section 8 Sentence 2 HGB or the BaFin according to § 37r Section 2 Sentence 1 WpHG or another national or international authority.

²If during investigations according to Sentence 1, breaches of profession law are determined, the Auditor Oversight Body can issue requirements to remove the deficits or order a special review; § 57e Section 2, 3 and 5 apply appropriately. ³The Auditor Oversight Body decides upon imposition of disciplinary measures, prohibition orders as well as temporary prohibition orders; §§ 67 to § 68a, 68b Sentence 1 and 3 to 4, §§ 68c as well as 69a to 71 apply appropriately, § 68 Section 7 provided that the fines which are not reviewed by law proceedings are credited to the federal budget, § 68c Section 3 in combination with § 62a Section 4 Sentence 1 provided that administrative fines are credited to the federal budget.

(7) ¹As far as Article 23 Section 3 and Article 26 of the Regulation (EU) No. 537/2014 does not require anything different, § 62 and § 62a shall apply appropriately in inspection and public oversight proceedings, § 62a Section 4 provided that fines are credited to the federal budget. ²Investigative measures with regard to statutory audits of public interest entities according to § 319a Section 1 Sentence 1 HGB may also be conducted towards the persons mentioned in Article 3 of the Regulation (EU) No. 537/2014 Section 3 Sub-section 2 Letter b to e. ³Notwithstanding Article 26 Section 5 Sub-section 2 of the Regulation (EU) No. 537/2014 the Auditor Oversight Body can have reviews or investigations for activities subject to this law conducted by such experts who are not involved in the decision processes of the Auditor Oversight Body.

(8) The Auditor Oversight Body will publish a work program and an activity report on an annual basis.

§ 66b

Confidentiality; Protection of Privacy

(1) ¹Officials and employees who are employed at the Auditor Oversight Body, members of its Advisory Board and other persons commissioned by it are sworn to secrecy; the Article 31 to 34 of the Regulation (EU) No. 537/2014 and § 66c Section 4 and 6 remain unaffected. ²§ 64 applies accordingly, the required approval shall be granted by the Federal Ministry for Economic Affairs and Energy.

(2) Persons mentioned in Section 1, even after termination of their activity, are not allowed to reveal or exploit third-party secrets, namely business or trade secrets to which they became privy during their activity.

§ 66c

Cooperation with other authorities and international cooperation

(1) ¹The Auditor Oversight Body can transmit confidential information to the following authorities as far as it is necessary to fulfil the respective tasks of these offices:

1. the Examination Unit according to § 342b Section 1 HGB,
2. The BaFin,
3. The supervisory authorities of the Cooperative Auditing Associations,
4. The supervisory authorities of the Cooperative Audit Offices of an Association of Savings and Clearing Banks
5. The German Central Bank,
6. The European Central Bank,
7. The Central Banks of the member states of the European Union, as well
8. The European Systemic Risk Board.

²At the authority named in Sentence 1 No. 1 the Auditor Oversight Body only transmits information as far as there are concrete indications for violation of accounting principles. ³The authorities named in Sentence 1 No. 1 to 5 can transmit information to the Auditor Oversight Body as far as this is necessary to fulfil the tasks of the Auditor Oversight Body.

(2) ¹Notwithstanding Article 31 to 33 of the Regulation (EU) No. 537/2014, the Auditor Oversight Body with respect to the tasks named in § 66a cooperates with competent authorities in member states of the European Union and the signatory states to the European Economic Area as necessary to perform the competent authorities' duties on a case by case basis. ²Within this framework the authorities, in particular, provide administrative assistance, exchange information and work together on investigations. ³§ 57 Section 6 Sentence 2 to 4 apply accordingly.

(3) ¹The cooperation with the responsible authorities of the member states particularly takes place within the Committee of the Regulatory Bodies according to Article 30 of the Regulation (EU) No. 537/2014. ²It also extends to areas of harmonization

1. Of the theoretical and practical initial professional development of Professional Accountants in Public Practice as well as the examination requirements according to Part Two, and
2. The requirements with regard to the aptitude test according to Part Nine.

(4) ¹If the Auditor Oversight Body receives concrete indication that a Professional Accountant in Public Practice from another member or signatory state has violated law of the European Community on statutory audits of annual financial statements and consolidated financial statements, it will inform the competent authority in that other member or signatory state. ²If the Auditor Oversight Body likewise receives indications from the competent authority of another member or signatory state regarding German members of the profession, the Auditor Oversight Commission shall take appropriate action and may inform the competent authority of the other member state of the outcome. ³Furthermore, the competent authority of another member or signatory state may require investigations via the Auditor Oversight Body in which representatives of the competent authority may participate if they are sworn to confidentiality. ⁴If Professional Accountants in Public Practice or audit firms are also registered in another member or signatory state, the Auditor Oversight Body informs ex officio the competent authorities of the other member or signatory state about the termination, the uncontested withdrawal or the uncontested revocation of the appointment as Professional Accountant in Public Practice or the deletion of the audit firms including the reasons for this. ⁵§ 57 Section 7 Sentence 2 to 4 apply accordingly.

(5) ¹Notwithstanding the Article 36 to 38 of the Regulation (EU) No. 537/2014, the Auditor Oversight Body cooperates with the competent authorities in other countries than those named in Section 2 Sentence 1 with regard to the tasks mentioned in § 66a Section 1 Sentence 1, as necessary on a case-by-case basis for the competent authority to carry out its tasks or if these authorities have requested that special inspections or investigations be launched. ²§ 57 Section 6 Sentence 2 to 4 apply accordingly.

(6) ¹§ 57 Section 9 applies accordingly. ²In derogation of § 57 Section 9 Sentence 5 Professional Accountants in Public Practice and professional firms under the requirements of § 57 Section 9 Sentences 1 to 4 may provide audit working papers and other documents directly to competent authorities at their request if they have informed the Auditor Oversight Body in advance about the inquiry and the conditions specified in § 57 Section 9 Sentence 5 have been fulfilled.

§ 67

Measures in Respect of Breach of Duty

(1) A Professional Accountant in Public Practice who wilfully breaches his professional duty shall be subject to disciplinary measures.

(2) Any misconduct of a Professional Accountant in Public Practice not connected with his profession constitutes a breach of professional duty liable to result in disciplinary measures, if according to the individual circumstances this misconduct is particularly likely to impair the respect and trust of the professional activity or the reputation of the profession in a significant way.

(3) Disciplinary measures may not be taken if at the time of the offence the Professional Accountant in Public Practice was not subject to professional jurisdiction.

§ 68

Disciplinary Measures

(1) ¹The Board of Directors of the Chamber of Public Accountants can impose disciplinary measures on Professional Accountants in Public Practice if they have breached their professional duties through their behavior. ²The disciplinary measures are

1. Reprimand,
2. A fine of up to 500,000 Euros,
3. Ban from certain types of activity for the duration of one to five years,
4. Ban from being active for public interest entities according to § 319a Section 1 Sentence 1 HGB for a period of one to three years,
5. Occupational ban from the profession for one to five years,
6. Final exclusion from the profession, as well as
7. Determination that the audit report does not fulfil the requirements of § 322 HGB and as far as public interest entities according to § 319a Section 1 Sentence 1 HGB are affected, Article 10 of the Regulation (EU) No. 537/2014 is not fulfilled.

(2) ¹The disciplinary measures according to Section 1 may be imposed next to each other. ²When deciding about disciplinary measures the Board of Directors of the Chamber of Public Accountants shall consider all breaches of duties that are known at the time of imposition of the measure.

(3) ¹When determining nature and extent of the measure the Board of Directors of the Chamber of Public Accountants shall consider all relevant circumstances. ²This includes in particular the nature, severity and duration of the breach of duty, the responsibility of the Professional Accountant in Public Practice for the breach of duty, the amount of any additional income or prevented loss due to the breach of duty, the existence of previous breaches and the financial strength of the Professional Accountant in Public Practice. ³The level of cooperation in clarifying the breach of duty shall also be considered to the benefit of the Professional Accountants in Public Practice. ⁴Normally a reprimand for a wilfully committed factual mistake may only be imposed if the mistake is of some significance.

(4) ¹Before measures are imposed, the Professional Accountant in Public Practice shall be heard. Notifications through which measures are imposed shall be justified. ²They shall be accompanied by information about legal remedies and shall be delivered to the Professional Accountants in Public Practice.

(5) ¹Professional Accountants in Public Practice may appeal against the decision according to Section 4 at the Board of Directors of the Chamber of Public Accountants within one month after delivery. ²The Board of Directors shall decide about the objection; Section 4 Sentence 2 and 36 shall apply accordingly.

(6) ¹As far as the appeal according to Section 5 against a disciplinary measure according to Section 1 Sentence 2 No. 2 to 7 is successful, the costs for employing a lawyer or another authorized person can be refunded when their assistance was needed. ²Costs are to be borne by the Chamber of Public Accountants. ³The Chamber of Public Accountants determines on request from the Professional Accountant in Public Practice whether the assistance of an authorized person was necessary and sets the level of the expenses to be refunded. ⁴A court order against decision according to Sentence 3 can be requested within one month of it being served. ⁵§ 62a Section 3 applies accordingly.

(7) ¹Notwithstanding § 66a Section 6 Sentence 3 fines that are not reviewed by law proceedings are credited to the budget of the Chamber of Public Accountants. ²§ 61 Section 3 applies accordingly.

§ 68a

Prohibition Order

¹If a disciplinary measure is imposed on a Professional Accountant in Public Practice due to a breach of duty which is not completed at the time the measure is imposed, the Chamber of Public Accountants, in addition to imposing the measure, can also prohibit the continued professional misbehavior. ²In the case of measures already being imposed after the breach of duty has been completed, the Chamber of Public Accountants can also prohibit the member of the profession from engaging in the same type of misbehavior in the future, if due to such a breach of duty a disciplinary measure has already been imposed, or the member of the profession has already been instructed by the Chamber of Public Accountants about the fact that their behavior is in breach of conduct.

§ 68b

Provisional Prohibition Order

¹If a prohibition order is issued against a Professional Accountant in Public Practice according to § 68a, the Chamber of Public Accountants can together with the issuing or up to initiation of the disciplinary proceeding impose a provisional prohibition order. ²It requires a two-thirds majority in the Board of Directors of the Chamber of Public Accountants to impose a provisional prohibition order. ³Provisional prohibition orders are effective from the point in time of their service. ⁴§ 62a Section 3, § 68 Section 4 as well as §§ 119 and 120 Section 1 apply accordingly.

§ 68c

Administrative fine

(1) ¹If Professional Accountants in Public Practice consciously ignore an occupational ban or a ban from certain professional activities (§ 68 Section 1 Sentence 2 No. 3 to 5), a prohibition order (§ 68a) or a provisional prohibition order (§ 68b), the Chamber of Public Accountants can impose an admin-

istrative fine on them due to each violation. ²Each individual fine must not exceed the amount of 100,000 Euros. ³§ 61 Section 3 applies accordingly.

(2) In the case of imposition of an administrative fine, § 62a Abs. 3 applies accordingly.

(3) § 62a Section 4 applies accordingly.

§ 69

Publication of measures

(1) ¹Each uncontestable disciplinary measure shall be made publically available by the Chamber of Public Accountants and the Auditor Oversight Body on their websites and information about the nature and character of the violation shall be provided. ²The publication must not contain any personal data.

(2) Measures shall be published in an anonymized way if, in the case of a publication according to Section 1 the stability of the financial markets or ongoing criminal investigations were endangered or adisproportionate damage were incurred by the parties involved.

(3) Measures shall remain publicly available for five years after non-appealability.

(4) ¹The Auditor Oversight Body informs the Committee of European Auditing Oversight Bodies (Article 30 of the Regulation (EU) No. 537/2014) immediately about all disciplinary measures according to § 68 Section 1 Sentence 2 No. 3 to 6. ²The Auditor Oversight Body annually submits aggregated information about all disciplinary measures to the Committee of European Auditing Oversight Bodies.

(5) ¹If a measure is imposed in a complaint proceedings according to § 68 Section 1 and published according to Section 1, the complainant will be notified accordingly. ²The notification is not contestable.

§ 69a

Other Measures

(1) ¹If a court or a public authority imposes a penalty, a disciplinary measure, an other professional or administrative measure, no additional disciplinary measures are to be instituted on account of the same conduct unless they are deemed additionally necessary to compel the Professional Accountant in Public Practice to fulfil his duties and to protect the reputation of the profession. ²Imposition of a measure according to § 68 Section 1 Sentence 2 No. 3 to 6 is not prevented by another imposed penalty or measure.

(2) § 83 applies accordingly.

(3) ¹During disciplinary proceedings no decision about a breach of duty of a Professional Accountant in Public Practice will be made who is, at the same time, subject to the disciplinary or professional jurisdiction of another profession if the breach of duty occurred predominantly while carrying out the

other profession. ²This does not apply when due to the severity of the breach of duties there is the possibility of imposing a measure according to § 68 Section 1 Sentence 2 No. 3 to 6.

(4) ¹The Chamber of Public Accountants and the Auditor Oversight Body as well as the authorities competent for initiation of other disciplinary or professional proceeding will inform each other about initiation of proceedings against the members of the profession who, at the same time, are subject to the disciplinary or professional jurisdiction of the other profession. ²If the court of a disciplinary or professional jurisdiction has by final ruling previously declared itself as being responsible or not responsible for deciding on the breach of duty of a member of the profession, who at the same time is subject to disciplinary or professional jurisdiction of another profession, other courts are bound by this decision.

(5) Paragraphs 3 to 4 do not apply to Professional Accountants in Public Practice whose employment status is regulated by public law and who are not allowed to exercise their profession as Professional Accountant in Public Practice (§ 44a).

§ 70

Statute of Limitations in the Prosecution of Breach of Duty

(1) ¹Prosecution of a breach of duty that does not justify measures pursuant to § 68 Section 1 Sentence 2 No. 3 to 6, becomes statute-barred after five years. ²§ 78 Section 1, § 78a Sentence 1 as well as §§ 78b and 78c Section 1 to 4 StGB apply accordingly; the hearing pursuant to § 78c Section 1 Sentence 1 No. 1 StGB is equivalent to a hearing by the Chamber of Public Accountants (§ 68 Section 4 Sentence 1) or the Auditor Oversight Body.

(2) If according to Section 1 Sentence 1 criminal proceedings are initiated due to the same matter before the statute of limitations expires, the statute of limitations shall be suspended for the duration of the criminal proceedings.

§ 71

Provisions for Members of the Chamber of Public Accountants who are not Professional Accountants in Public Practice and audit firms

(1) ¹The provisions in Part Five and Part Six apply accordingly to members of the Board of Directors, managers and partners with unlimited liability of audit firms who are not themselves Professional Accountants in Public Practice. ²Instead of final exclusion from the profession, they forfeit the right to represent and manage an audit firm.

(2) ¹The provisions in Part Five and Part Six apply accordingly to audit firms when someone

1. Operates as the organ authorized to represent the audit firm or as a member of such an organ,
2. As a shareholder authorized to represent the audit firm,
3. As a chief representative or in a leading role as an authorized officer or officer of the audit firm,
4. As a key audit partner according to § 319a Section 1 Sentence 4 HGB, or

5. As any other person who responsibly acts as a manager for the audit firm, wherefore also monitoring the company management or exercising other supervision is included in the remit of the leading position,

has violated professional duties of the audit firm concerning the conduct of statutory audits.

²Concerning the decision about whether disciplinary measures shall be imposed against an audit firm and whether these should be imposed in addition to disciplinary measures against the Professional Accountants in Public Practice representing the audit firm, the Board of Directors of the Chamber of Public Accountants shall consider all relevant circumstances. ³Apart from the general principle of proportionality and the criteria mentioned in § 68 Section 3, these include, in particular, the uniformity and frequency of occurrence of breaches of duties within the audit firm and the main focus of the object of blame. ⁴§ 68 Section 1 Sentence 2 No. 4 and 6 do not apply.

Part Six
Professional jurisdiction

Section One
Decision according to Professional Jurisdiction

§ 71a
Application for a Decision according to Professional Jurisdiction

If the objection to a disciplinary measure is rejected Professional Accountants in Public Practice can, within a period of one month of its service, apply in writing for the decision according to professional jurisdiction.

Section Two
The Courts

§ 72
Court for Matters of Professional Accountants in Public Practice

(1) In disciplinary proceedings a division of the Regional Court (Court for Matters of Professional Accountants in Public Practice) in the district in which the Chamber of Public Accountants is located shall decide in the first instance.

(2) ¹Except in the main trial, the Court for Matters of Professional Accountants in Public Practice is composed of three members, the chairman included. ²In the main trial, the Court is composed of the chairman and two Professional Accountants in Public Practice as associate judges.

§ 73
Senate for Matters of Professional Accountants in Public Practice
at the Higher Regional Court

(1) A Senate of the Higher Regional Court (Senate for Matters of Professional Accountants in Public Practice at the Higher Regional Court) decides in the second instance disciplinary proceedings.

(2) ¹Except for the main trial, the Senate for Matters of Professional Accountants in Public Practice at the Higher Regional Court is composed of three members, including the chairman. ²In the main trial, two additional Professional Accountants in Public Practice participate as associate judges.

§ 74

Senate for Matters of Professional Accountants in Public Practice at the Federal Court of Justice

(1) ¹The third instance of the disciplinary proceedings is a Senate at the Federal Court of Justice (Senate for Matters of Professional Accountants in Public Practice at the Federal Court of Justice).

²It is considered a criminal court as defined in § 132 GVG.

(2) The Senate for Matters of Professional Accountants in Public Practice at the Federal Court of Justice is comprised of a chairman and two members of the Federal Court of Justice as well as two Professional Accountants in Public Practice as associate judges.

§ 75

Professional Accountants in Public Practice as Associate Judges

(1) The associate judges selected from the ranks of the Professional Accountants in Public Practice are honorary judges.

(2) ¹For the courts of first and second instance the honorary judges are appointed by the State Ministry of Justice and for the Federal Court of Justice by the Federal Ministry of Justice and Consumer Protection to terms of five years. ²They may be re-appointed on the expiry of their term of office.

(3) ¹The honorary judges shall be selected from the lists of recommendations submitted by the Board of Directors of the Chamber of Public Accountants in consultation and agreement with the Auditor Oversight Body to the State Ministry of Justice for the courts of first and second instance and to the Federal Ministry of Justice and Consumer Protection for the Federal Court of Justice. ²The State Ministry of Justice and the Federal Ministry of Justice and Consumer Protection determine the number of associate judges required for each court; the Board of Directors of the Chamber of Public Accountants shall be consulted first. ³Each list of recommendations shall contain at least twice the number of Professional Accountants in Public Practice to be appointed.

(4) In the event that an honorary judge retires before the expiry of his term of office, a successor shall be appointed for the remaining term of office.

(5) § 6 of the Introductory Act of the GVG shall apply accordingly.

(6) The State Ministry of Justice and the Federal Ministry of Justice and Consumer Protection may on application release an honorary judge appointed by them in the event that he is unable to exercise his office properly in the foreseeable future on account of illness or infirmity.

(7) The office of an honorary judge who becomes appointed honorary judge to a court of higher instance expires with the appointment.

§ 76

Requirements for the Appointment as an Associate Judge and the Right of Refusal

(1) ¹Only Professional Accountants in Public Practice who are eligible for election to the Board of Directors of the Chamber of Public Accountants may be appointed as an honorary judge. ²They may only be appointed as an associate judge for the Court of Matters of Professional Accountants in Public Practice, Senate for Matters of Professional Accountants in Public Practice at the Higher Regional Court or Senate for Matters of Professional Accountants in Public Practice at the Federal Court of Justice.

(2) The honorary judges shall not at the same time be members of the Board of Directors or of the Advisory Board of the Chamber of Public Accountants or be in employment with the Chamber of Public Accountants on a full-time or part-time basis.

(3) Acceptance of appointment as an associate judge may be refused

1. For a person who has completed the 65th year of his life,
2. For a person who within the last four years has been member of the Board of Directors of the Chamber of Public Accountants,
3. For a person handicapped on account of illness or infirmity.

§ 77

Removal of an Associate Judge from Office

(1) An honorary judge shall be removed from office on application of the Ministry of Justice by which he has been appointed,

1. If it subsequently becomes known that he should not have been appointed,
2. If subsequently circumstances arise which preclude his appointment as an associate judge,
3. If the Professional Accountant in Public Practice grossly violates his official duties as associate judge.

(2) ¹A Senate for Civil Matters of the Higher Regional Court shall decide on the application of the State Ministry of Justice and a Senate for Civil Matters of the Federal Court of Justice shall decide on the application of the Federal Ministry of Justice and Consumer Protection. ²Members of the Senate for Matters of Professional Accountants in Public Practice shall not take part in the decision.

(3) ¹Before the decision, the honorary judge is to be heard. ²The decision is final.

§ 78

Status of the Honorary Judges and their Duty of Confidentiality

(1) In court sessions in which they participate, the honorary judges have the status of a professional judge.

(2) ¹The honorary judges shall keep all matters which become known to them during their activity in the strictest of confidence. ²§ 64 Sections 2 and 3 apply accordingly. ³Authorisation to testify is given by the president of the court.

§ 79

Order of Participation in Court Sessions

(1) The honorary judges shall be called upon to participate in individual court sessions in the sequence of a list prepared at the beginning of the court year by the chairman of the court after consulting the two oldest honorary judges.

(2) For the release of an honorary judge from service on certain days of session § 54 GVG shall apply accordingly.

§ 80

Compensation of Honorary Judges

The honorary judges are compensated in accordance with JVEG.

Section Three

Process Regulation

1. General

§ 81

Procedural Provisions

Disciplinary proceedings are subject to the provisions set out below as well as to § 62 accordingly.

§ 82

No Arrest of Professional Accountants in Public Practice

¹For the implementation of the disciplinary proceedings Professional Accountants in Public Practice must not be taken into temporary custody, arrested or arraigned. ²Furthermore, they must not be sent to a psychiatric hospital for the preparation of a medical report on their mental health.

§ 82a

Defense

(1) In addition to the persons mentioned in § 138 Section 1 StPO, Professional Accountants in Public Practice are eligible to act as defending counsel in disciplinary proceedings before the Regional or Higher Regional Court.

(2) § 140 Section 1 No. 1 to 3, 6, 7 and 9 StPO do not apply to the defense in disciplinary proceedings.

§ 82b

Inspection of Files; Involvement of the Chamber of Public Accountants and the Auditor Oversight Body

(1) ¹The Chamber of Public Accountants, the Auditor Oversight Body and the Professional Accountants in Public Practice concerned are entitled to inspect all files submitted to the court along with articles of evidence held in official custody. ²§ 147 Section 2 Sentence 1, Section 3, 5 and 6 StPO apply accordingly.

(2) ¹The Chamber of Public Accountants and the Auditor Oversight Body shall be informed about the time and place of the main trial; delegated persons shall be heard upon request. ²§ 99 Section 2 Sentence 1 remains unaffected. ³Suspensions according to §§ 153 to 153b and 154 StPO require additional approval by the Auditor Oversight Body. ⁴The same applies for the case that according to § 154a StPO parts of a crime shall not be further investigated. ⁵If the suspension or desist from prosecution occurs in the main trial, sentences 3 and 4 only apply when a representative of the Auditor Oversight Body takes part in the main trial.

§ 83

Relationship of Disciplinary Proceedings to Criminal or Administrative Fine Proceedings

¹If Professional Accountants in Public Practice are found guilty or not guilty in court proceedings concerning a crime or a regulatory offence, for the decision in disciplinary proceedings, the actual findings on which a court decision is based in criminal or administrative fine proceedings are binding. ²In disciplinary proceedings a court can, however, determine that such findings, where the majority of members have reservations about their accuracy, can be reviewed; this is to be expressed in the findings of the disciplinary proceedings.

§ 83a (Repealed)

§ 83b

Suspension of Disciplinary Proceedings

Disciplinary proceedings can be suspended if

1. Investigations are taking place against the Professional Accountant in Public Practice in another disciplinary proceeding of the Chamber of Public Accountants or the Auditor Oversight Body with regard to further breaches of professional duties, and for the case that in the other disciplinary proceeding an

application is made for a court decision according to professional law, where a connection between the two proceedings would be appropriate,

2. A decision has yet to be reached on a circumstance or a legal question in another legal proceeding, without which a decision in the disciplinary proceeding is not possible or not practical, or
3. The legally binding conclusion of another legal proceeding in which a circumstance or a legal question is to be decided, the ruling on which is significant for the decision in the disciplinary proceedings, is expected within six months.

§ 83c

Resumption of Disciplinary Proceedings

¹The resumption of legally concluded disciplinary proceedings is permissible if the actual findings on which the conviction or acquittal in disciplinary proceedings were based, contradict the findings of criminal proceedings concerning the same behavior. ²The public prosecutor's office or the members of the profession involved can file for resumption of proceedings within one month following the final legal conclusion of a ruling in criminal proceedings.

2. The Procedure in the First Instance

§ 84

Participation of the Public Prosecutor's Office

The public prosecutor's office at the Higher Regional Court where the Senate for Matters of Professional Accountants in Public Practice has its seat, assumes the duties of the public prosecutor's office in proceedings before the Court for Matters of Professional Accountants in Public Practice.

§ 84a (Repealed)

§ 85

Initiation of Disciplinary Proceedings

Disciplinary proceedings are initiated in that the Professional Accountant in Public Practice submits the application according to § 71a in writing to the regional court.

§ 86

Proceedings

(1) If the application for a court decision according to professional law is submitted late or is otherwise impermissible, the regional court will reject it without a main trial by means of a resolution; an immediate complaint against the resolution can be filed.

(2) ¹Otherwise the regional court will schedule a main trial. ²The provisions of the StPO apply accordingly for this trial, unless otherwise specified in this law.

§ 87 (Repealed)

§§ 88 – 93 (Repealed)

§ 94

Reading of the Disciplinary Decision

In the main trial instead of reading the bill of indictment according to § 243 Section 3 StPO a reading of the tenor of the contested decision concerning imposition of the disciplinary measure takes place.

§ 95 (Repealed)

§ 96 (Repealed)

§ 97 (Repealed)

§ 98

Main Trial despite the Absence of the Professional Accountants in Public Practice

¹The main trial can be carried out against Professional Accountants in Public Practice who are absent if they were summoned in an orderly manner and were instructed in the summons that the proceedings may be carried out in their absence. ²A public summons is not permissible.

§ 99

Non-public Main Trial

(1) ¹The main trial is not open to the public. ²Proceedings may, upon a motion by the public prosecutor's office, and must, upon a motion of the members of the profession involved, be open to the public. ³Furthermore, the main trial is always public if the alleged breach of duty is in relation to the conduct of an audit according to § 316 HGB. ⁴In cases of public trials according to Sentence 2 or 3, the provisions on public trials in the GVG are to be applied accordingly.

(2) ¹Persons authorized to enter non-public trials include the President of the Higher Regional Court or his delegate, officials of the public prosecutor's office at the Higher Regional Court, representatives of the Federal Ministry for Economic Affairs and Energy representatives of the Audit Oversight Body, representatives of the highest state agency, representatives of the Chamber of Public Accountants and the Professional Accountants in Public Practice. ²The Court for Matters of Professional Accountants in Public Practice may, after hearing those involved, admit other persons as observers.

§ 100 (Repealed)

§ 101

Hearing of Evidence by the Requested Judge

¹The Court for Matters of Professional Accountants in Public Practice may ask a local court to question witnesses or experts. ²The witness or expert shall, however, be questioned during the main trial upon request of the public prosecutor's office or the Professional Accountants in Public Practice, unless he will presumably be prevented to appear in the main trial or an appearance would be unreasonable due to long distance.

§ 102

Reading of Protocols

(1) The Court for Matters of Professional Accountants in Public Practice decides according to its best judgment whether to allow the reading of the testimony of a witness or an expert who has already been questioned in disciplinary proceedings or other orderly legal proceedings.

(2) ¹Before a court ruling is made, the public prosecutor or the Professional Accountants in Public Practice can petition to question the witness or expert during the main trial. ²Such a petition shall be granted unless the witness or expert will presumably be prevented to appear in the main trial or it would be unreasonable to expect the witness or expert to appear in the main trial due to long distance. ³If the petition is granted, the protocol of the earlier questioning may not be read.

(3) ¹If a witness or expert has been questioned by the requested judge (§ 101), the reading of the protocol cannot be contested. ²The public prosecutor or the Professional Accountants in Public Practice, however, can contradict the reading, if a petition has been denied according to § 101 Sentence 2 and there are no longer reasons for denying the petition.

§ 103

Decision

(1) The oral trial concludes after consultation with the pronouncement of the judgement.

(2) ¹The court decides the matter in respect of all breaches of professional duties which are object of the contested decision according to § 68. ²It decides for rejection of the application for a decision according to professional law or, under cancellation of the uncontested decision for an order regarding one or a number of the measures mentioned in § 68 Section 1 and § 68a, for acquittal or closing of the proceedings according to Section 3.

(3) The disciplinary proceeding shall be dismissed, with the exception of the case specified in § 260 Section 3 StPO,

1. If the appointment as Professional Accountant in Public Practice or the licensing as an audit firm has expired, has been withdrawn or revoked (§§ 19, 20, 33, 34), or
2. If according to § 69a Section 1 a professional law punishment shall be waived.

3. Legal Redress

§ 104

Complaint

Complaints are to be adjudicated and decided by the Senate for Matters of Professional Accountants in Public Practice at the Higher Regional Court.

§ 105

Appeal

(1) Against the judgment of the Court for Matters of Professional Accountants in Public Practice an appeal is permissible to the Senate for Matters of Professional Accountants in Public Practice.

(2) ¹The appeal must be submitted in writing within a period of one week after the pronouncement of the judgment to the Court for Matters of Professional Accountants in Public Practice. ²If the judgment is not pronounced in the presence of the Professional Accountant in Public Practice, the period begins with service of the judgment.

(3) Materials supporting the appeal can be submitted in writing only.

(4) In addition to the provisions in the StPO relating to appeals, §§ 98 to 103 of this act shall be applied accordingly.

§ 106

Participation of the Public Prosecutor's Office before the Senate for Matters of Professional Accountants in Public Practice

The duties of the public prosecutor's office in proceedings before the Senate for Matters of Professional Accountants in Public Practice are exercised by the public prosecutor's office at the Higher Regional Court where the Senate has its seat.

§ 107

Appeal on Points of Law

(1) It is permissible to appeal a judgment of the Senate for Matters of Professional Accountants in Public Practice at the Higher Regional Court by filing an appeal to the Federal Court of Justice,

1. If the judgment calls for exclusion from the profession,
2. If the Senate for Matters of Professional Accountants in Public Practice at the Higher Regional Court decided against exclusion contrary to a petition by the public prosecutor's office,
3. If the Senate for Matters of Professional Accountants in Public Practice at the Higher Regional Court allowed for appeals on points of law in its judgment.

(2) The Senate for Matters of Professional Accountants in Public Practice at the Higher Regional Court may only allow an appeal on points of law if it decided on issues of law or questions of professional duties that are of basic significance.

(3) ¹The non-admission of an appeal on points of law can be independently contested by filing a complaint within one month after judgment has been served. ²The complaint is to be filed at the Higher Regional Court. ³The basic point of law must be explicitly stated in the complaint petition.

(4) The complaint suppresses the legal effect of the judgment.

(5) ¹If a complaint is not satisfied, the Federal Court of Justice shall decide by ruling. ²The ruling does not require reasons if the complaint was unanimously struck down or dismissed. ³With the rejection of the complaint by the Federal Court of Justice, the judgment becomes final. ⁴If the complaint is sustained, the period for an appeal on points of law begins with the service of the notice of complaint.

§ 107a

Filing an Appeal on Points of Law and Proceedings

(1) ¹An appeal on points of law must be submitted in writing to the Higher Regional Court within one week. ²The period begins with the pronouncement of the judgment. ³If the judgment is not pronounced in the presence of the Professional Accountant in Public Practice, the period begins with service of the judgment.

(2) Professional Accountants in Public Practice may submit petitions and their supporting arguments in writing only.

(3) ¹For proceedings before the Federal Court of Justice, in addition to the provisions in the StPO relating to appeals on points of law, § 99 and § 103 Section 3 of this act shall apply accordingly. ²Cases specified in § 354 Section 2 StPO are to be remanded to the Senate for Matters of Professional Accountants in Public Practice responsible according to § 73 at the Higher Regional Court.

§ 108

Participation of the Public Prosecutor's Office before the Federal Court of Justice

The duties of the public prosecutor's office in proceedings before the Federal Court of Justice are performed by the Federal Public Prosecutor.

4. Securing Evidence

§ 109

Judicial Order to Secure Evidence

(1) ¹If disciplinary proceedings are dismissed because the appointment as a Professional Accountant in Public Practice has expired or has been revoked, the decision may also contain instructions upon petition of the public prosecutor's office to secure evidence, if it can be expected that the verdict would have called for exclusion from the profession. ²This order cannot be contested.

(2) ¹The pieces of evidence are received by the Court for Matters of Professional Accountants in Public Practice at the Regional Court. ²The Court for Matters of Professional Accountants in Public Practice can instruct one of its disciplinary judges to handle the taking of evidence.

§ 110

Proceedings

(1) ¹The Court for Matters of Professional Accountants in Public Practice at the Regional Court is charged *ex officio* with the collection of evidence that may support a decision of whether dismissed proceedings would have led to exclusion from the profession. ²The Court for Matters of Professional Accountants in Public Practice at the Regional Court decides on the scope of the proceedings after duly assessing the circumstances, without being bound by petitions; to this extent, the Court's instructions cannot be contested.

(2) Unless exceptions are prescribed or permitted, witnesses are to be heard under oath.

(3) ¹The public prosecutor's office and the former Professional Accountant in Public Practice shall be involved in the proceedings. ²The former Professional Accountant in Public Practice is only entitled to notification of the times scheduled for the securing of evidence if he is present in Germany and has provided the Regional Court with his current address.

5. Provisional Prohibition on Exercising and Practicing the Profession

§ 111

Prerequisites for Prohibition

(1) If there are ample grounds to assume that a Professional Accountant in Public Practice may be prohibited from practicing the profession, a provisional prohibition may be issued by ruling on exercising or practicing the profession.

(2) ¹Prior to initiating disciplinary proceedings, the Chamber of Public Accountants or the Auditor Oversight Body can, in their respective areas of competence, petition for a provisional prohibition on exercising or practicing the profession. ²The petition shall list the breach of duty that the Professional Accountant in Public Practice is alleged to have committed, along with the pieces of evidence.

(3) The competent court for the proceedings and the decision is the court which is responsible for the disciplinary proceedings against the Professional Accountant in Public Practice or at which the disciplinary proceedings are pending.

§ 112

Oral Hearing

(1) The ruling by which a provisional prohibition on exercising and practicing the profession is imposed can only be based on a court hearing.

(2) The adjudicating court shall apply the provisions concerning the composition of the court, the summons and the verbal proceedings that are valid for main trial, unless otherwise specified in the following provisions.

(3) ¹In the first summons, the Professional Accountant in Public Practice's alleged breach of duty shall be named by specifying the substantiating facts of the case; any evidence shall also be listed. ²This is not necessary, however, if the Professional Accountant in Public Practice has already received the list of allegations.

(4) The scope of evidence admitted is up to the court to determine according to its best judgment, without being bound to the public prosecutor's office or the Professional Accountant in Public Practice.

§ 113

Voting on the Prohibition

It requires a two-thirds majority to impose a provisional prohibition on exercising or practicing the profession.

§ 114

Prohibition immediately following the Main Trial

¹If the court has found for exclusion from the profession, it can also deliberate and decide upon the imposition of a provisional prohibition on exercising the profession immediately following the main trial. ²This also applies even if the Professional Accountant in Public Practice did not appear at the main trial.

§ 115

Service of the Ruling

¹The ruling is to be accompanied by supporting opinions. ²It is to be served to the Professional Accountant in Public Practice. ³If the Professional Accountant in Public Practice was not present during the pronouncement of the ruling, the ruling without supporting opinions is to be served immediately following the pronouncement.

§ 116

Effects of the Prohibition

(1) The ruling takes effect with its pronouncement.

(2) ¹Professional Accountants in Public Practice, against whom a temporary exclusion from activities has been imposed, are not allowed to practice the activities named in the ruling. ²Professional Accountants in Public Practice, against whom a temporary exclusion from the profession has been imposed, are not allowed to practice their profession.

(3) Professional Accountants in Public Practice against whom a provisional prohibition on exercising or practicing the profession has been imposed, are allowed, however, to handle their own business affairs, the business affairs of his spouse, partner or minor children, to the extent that this does not involve the issuing of an audit opinion.

(4) ¹The validity of legal transactions carried out by the Professional Accountants in Public Practice is not affected by the provisional prohibition on exercising or practicing the profession. ²The same applies to legal transactions that are carried out towards him.

§ 117

Violations against the Prohibition

(1) Any Professional Accountant in Public Practice who knowingly violates a provisional prohibition on exercising or practicing the profession shall be excluded from the profession unless there are extenuating circumstances that would warrant a less severe disciplinary measure.

(2) Courts or public authorities shall turn away Professional Accountants in Public Practice who appear before them despite a provisional prohibition on exercising or practicing the profession.

§ 118

Complaint

(1) ¹It is possible to immediately file a complaint against a ruling by which the Regional Court or Higher Regional Court imposes a provisional prohibition on exercising or practicing the profession. ²The complaint has no suspensory effect.

(2) The public prosecutor's office has the option of filing an immediate complaint against the ruling by which the Regional Court or the Higher Regional Court rejects a provisional prohibition on exercising or practicing the profession.

(3) ¹The immediate complaint shall be decided by the Higher Regional Court if the contested ruling was issued by the Regional Court, or by the Federal Court of Justice if the ruling was issued by the Higher Regional Court. ²For the proceedings, § 112 Section 1, 2 and 4 as well as §§ 113 and 115 of this act shall apply, in addition to provisions in the StPO pertaining to complaints.

§ 119

Suspension of the Exclusion

¹Provisional prohibitions on exercising or practicing the profession cease to be in force when the disciplinary proceedings which are the basis for their imposition are discontinued or legally concluded. ²A provisional prohibition on practicing the profession ceases to be in force beyond Sentence 1 when a judgment is delivered in which there is recognition not to impose exclusion from the profession nor a prohibition on practicing the profession. ³A provisional prohibition on exercising the profession ceases to be in force beyond Sentence 1 when a judgment is delivered in which there is recognition not to impose exclusion from the profession nor a provisional prohibition on exercising or practicing the profession.

§ 120

Repeal of the Prohibition

- (1) The provisional prohibition on exercising or practicing the profession shall be repealed if it turns out that the preconditions for the imposition are not or no longer fulfilled.
- (2) The court competent according to § 111 Section 3 shall decide on the repeal of the prohibition.
- (3) ¹If the Professional Accountant in Public Practice petitions to have the prohibition repealed, new verbal proceedings can be ordered. ²The petition cannot be filed as long as an immediate complaint of a Professional Accountant in Public Practice according to § 118 Section 1 has not yet been decided. ³It is not permissible to file a complaint against the ruling by which a petition has been refused.

§ 120a

Notification of the Prohibition

- (1) Notification of the ruling by which a provisional prohibition on exercising or practicing the profession is imposed shall be sent out at once as a notarized facsimile to the Chamber of Public Accountants.
- (2) If the provisional prohibition on exercising or practicing the profession is suspended or repealed, Section 1 shall apply accordingly.

§ 121

Appointment of a Representative

- (1) ¹If necessary, the Chamber of Public Accountants may appoint a representative for the Professional Accountant in Public Practice against whom provisional prohibition on exercising or practicing the profession has been imposed. ²Prior to appointment, the Professional Accountant in Public Practice facing provisional prohibition on exercising or practicing the profession is to be heard; he can nominate an appropriate representative.
- (2) The representative must be a Professional Accountant in Public Practice.

(3) ¹A Professional Accountant in Public Practice who is named as a representative may only refuse for good reason. ²The Chamber of Public Accountants shall decide upon the refusal.

(4) ¹The representative carries out his office self-responsibly, however by order and for account of the person being represented. ²He shall not be bound by the instructions from the person represented.

(5) ¹The person represented shall remunerate the representative appropriately. ²Upon request of the person represented or the representative, the Board of Directors of the Chamber of Public Accountants will stipulate the level of remuneration. ³The representative is entitled to receive an advance on the negotiated or stipulated amount of remuneration. ⁴The Chamber of Public Accountants is liable as a guarantor for the stipulated remuneration.

6. Provisional Injunctions

§ 121a

Prerequisites of Proceedings

(1) If there are ample grounds for presuming that the members of the profession will be prevented from continuing or carrying out behavior that is in breach of duty, a provisional injunction can be invoked against them by ruling.

(2) For further proceedings, § 111 Section 2 to § 120a shall apply accordingly.

Section Four

Costs of Professional Disciplinary Proceedings Enforcement of Disciplinary Measures and Costs.

Erasure

§ 122

Court Costs

¹In legal proceedings according to this law, fees are applied according to the fee schedule included as an attachment to this act. ²Otherwise, costs in criminal cases are to be applied according to prevailing provisions in the GKG.

§ 123 (Repealed)

§ 124

Cost Obligations

(1) ¹Professional Accountants in Public Practice who withdraw their application for a decision according to professional law or who are found guilty in the professional disciplinary proceedings shall be responsible for part or all of the costs resulting from the proceedings. ²The same applies if disciplinary proceedings concerning expiration, withdrawal or revocation of an appointment are dismissed and, based on the results of the proceedings thus far, the imposition of disciplinary measures would have been justified; the costs of the disciplinary proceedings in this case also include costs that could occur in supplementary proceedings for the purpose of securing evidence (§§ 109 and 110). ³If proceedings are dismissed according to § 103 Section 3 No. 2, the court can impose part or all of the costs incurred during the proceedings on the Professional Accountant in Public Practice, if appropriate.

(2) ¹Professional Accountants in Public Practice who have withdrawn a legal remedy in the disciplinary proceedings or filed an unsuccessful appeal shall bear the costs involved in this process. ²If the legal remedy was a partial success a reasonable part of these costs can be imposed on the Professional Accountants in Public Practice.

(3) For the costs which were caused by an application for resumption of the proceedings which have been closed due at final judgment, Section 2 applies appropriately.

(4) ¹If Professional Accountants in Public Practice are found not guilty through annulment of the contested decision the required costs for the Professional Accountant in Public Practice will be covered by the public treasury. ²Expenses that can be imposed neither on the Professional Accountants in Public Practice nor on a third party or cannot be collected from the Professional Accountants in Public Practice shall be borne by the public treasury.

§ 124a (Repealed)

§ 125 (Repealed)

§ 126

Enforcement of Disciplinary Measures and Costs

(1) Exclusion from the profession becomes effective when judgment concerning the disciplinary measure is uncontestable.

(2) ¹The fact that after the final legal conclusion of the proceedings the Professional Accountant in Public Practice is excluded from the profession shall not impede the enforcement of the fine and a prohibition on practicing the profession according to § 68 Section 1 Sentence 2 No. 4 as well as the collection of any costs. ²If the cost of the proceedings is collected together with a punitive fine, the rules governing the enforcement of the fine also apply to the costs.

§ 126a
Erasure

(1) ¹Entries of disciplinary measures according to § 68 Section 1 No. 2 in the personal records of the Professional Accountant in Public Practice shall be erased after ten years. ²This term is only five years for

1. Reprimands according to § 68 Section 1 Sentence 2 No. 1,
2. Fines according to § 68 Section 1 Sentence 2 No. 2 of to 10,000 Euros, and
3. Findings according to § 68 Section 1 Sentence 2 No. 7.

³Any records concerning these disciplinary measures shall be removed upon expiry of that period from the personal files of the Professional Accountant in Public Practice and destroyed. ⁴Once this period has elapsed these measures may not be taken into consideration in connection with in any further disciplinary measures.

(2) ¹The period begins on the day on which the disciplinary measure has become uncontestable. ²For removal and destruction the period begins with the year following the year in which the disciplinary measure has become uncontestable.

(3) The period does not expire as long as criminal proceedings, disciplinary court proceedings or disciplinary actions are pending, another disciplinary court measure may be taken into account or a judgment imposing a fine has not yet been enforced.

(4) After the period has expired, the Professional Accountant in Public Practice is considered free of any disciplinary measures.

(5) ¹Entries of criminal convictions or other decisions from proceedings involving criminal offences, breaches of administrative regulations or breaches of professional duty that did not lead to disciplinary measures, as well as cautions by the Chamber of Public Accountants shall be erased after five years. ²Section 1, Sentence 3 and Sections 2 and 3 apply accordingly.

Section Five
Applicable Provisions

§ 127

For disciplinary jurisdiction the GVG and the StPO apply accordingly.

Part Seven
Sworn Auditors and Firms of Sworn Auditors

§ 128

Professional Membership and Professional Title

(1) ¹Sworn Auditors are persons who according to the provisions of this act are recognized or appointed as such; if a Sworn Auditor is appointed as Professional Accountant in Public Practice, the appointment as Sworn Auditor expires automatically. ²Firms of Sworn Auditors are those that are recognized as such according to the provisions of this act; if a firm of Sworn Auditors is appointed as an audit firm, its recognition as a firm of Sworn Auditors expires automatically.

(2) ¹In their professional practice, Sworn Auditors shall use the official professional title "vereidigter Buchprüfer" and firms of Sworn Auditors shall carry the title "Buchprüfungsgesellschaft". ²Female members of the profession may use the professional title "vereidigte Buchprüferin".

(3) ¹Sworn Auditors and firms of Sworn Auditors are members of the Chamber of Public Accountants. ²Furthermore, § 58 Section 1 applies accordingly.

§ 129

Scope of Practice

(1) ¹Sworn Auditors have the professional duty to conduct audits of accounting records and, in particular, accounts and balance sheets. ²They may issue audit opinions upon completion of audits. ³Audit opinions include attestations and approvals, which Sworn Auditors issue on the basis of statutory requirements. ⁴The professional duties of a Sworn Auditor include, in particular, the conduct of audits of annual financial statements of mid-sized limited liability companies and partnerships as defined in § 264a HGB (§ 267 Section 2 HGB) according to § 316 Section 1 Sentence 1 HGB.

(2) ¹ Sworn Auditors are authorized to advise and represent their clients in tax matters in accordance with existing regulations. ²In matters relating to taxation in foreign states, they are authorized to assist in routine tax matters; this does not affect the rights of third parties.

(3) Sworn Auditors are furthermore authorized:

1. To act officially as experts in the field of accounting matters with reference to their professional oath,
2. To advise on business matters and safeguard third-party interests,
3. To act as trustees.

§ 130

Application of Provisions of this Act

(1) ¹§ 1 Section 2 and § 3 as well as the provisions in Sections 3, 6, 7 and 8 in Part 2 and Parts 3, 5, and 6 shall apply accordingly to Sworn Auditors. ²In disciplinary proceedings against Sworn Auditors, both Sworn Auditors and Professional Accountant in Public Practice may be appointed as associate judges.

(2) ¹§ 1 Section 3 and § 3 as well as the provisions in Sections 3, 5, 6, 7 and 8 in Part 2 and Part 3 as well as § 71 Section 2 shall apply accordingly to firms of Sworn Auditors. ²If the number of legal representatives (§ 28 Section 1) who are members of the profession exceeds the number of legal representatives who are Sworn Auditors, the application shall be submitted for licensing particularly as an audit firm, as long as the other requirements for licensing are met according to § 28. ³Licensing as a firm of Sworn Auditors shall be withdrawn or revoked if despite the requirements being fulfilled in Section 2 Sentence 2, no application is submitted for licensing as an audit firm.

(3) ¹§§ 57a to 57g apply accordingly to quality assurance reviews for Sworn Auditors working as sole practitioners and firms of Sworn Auditors. ²Quality assurance reviewers can also be Sworn Auditors or firms of Sworn Auditors; but they can only carry out quality assurance reviews for Sworn Auditors and firms of Sworn Auditors. ³For registration of Sworn Auditors or firms of Sworn Auditors § 57a Section 3 applies accordingly.

§§ 131 to 131d (Repealed)

Part Eight (Repealed)

Part Eight

EU or EEA audit firms

§ 131

Audit work of EU or EEA audit firms

¹An EU or EEA audit firm may conduct statutory audits under the professional title of its country of origin according to § 316 HGB if the key audit partner as defined in § 319a Section 1 Sentence 4 and Section 2 Sentence 2 HGB is approved according to the provisions of Section Two of the Second Part or the Ninth Part. ²The same applies for other activities according to § 2 Section 1 and 3 and tasks which are within the exclusive legal responsibility of Professional Accountants in Public Practice. ³The EU or EEA audit firm is required to register itself according to § 131a; as far as statutory audits are conducted according to § 316 HGB, it is required to notify its activity according to § 57a Section 1 Sentence 2.

§ 131a

Registration procedure

¹EU or EEA audit firms that wish to operate according to § 131 shall notify the details mentioned in § 38 No. 4 in combination with No. 2 and 3 to the Chamber of Public Accountants for the purposes of their registration as well as submit a certificate from the competent authority of their country of origin about the respective approval and registration. ²The certificate must not be older than three months. ³The Chamber of Public Accountants will enquire at the competent authority in the country of origin whether the audit firm is approved and registered there. ⁴The Chamber of Public Accountants will inform the competent authority in the country of origin about the entry according to § 38 No. 4.

§ 131b

Monitoring EU or EEA audit firms

¹Unless otherwise provided for, EU or EEA audit firms with regard to their activities according to § 131 Sentence 1 and Sentence 2 of the regulations are subject to this law, in particular those requirements concerning professional disciplinary oversight (§§ 61a to 71) and disciplinary jurisdiction (§§ 71a to 127). ²Concerning inspections and other quality assurance reviews according to Article 29 of the Directive 2006/43/EC they are subject to the disciplinary oversight of the country of origin. ³The Auditor Oversight Body cooperates with the competent authorities in the countries of origin according to § 66c and, if necessary, with other host countries.

Part Nine
Aptitude Test as Professional Accountant in Public Practice

§ 131g

Admission to the Aptitude Test as Professional Accountant in Public Practice

(1) A person who is approved as statutory auditor in a member state of the European Union or treaty nation in the European Economic Area or Switzerland beyond the scope of this act can be appointed as Professional Accountant in Public Practice in derogation of the provisions of the Sections One and Two in Part Two, if he has completed an aptitude test as Professional Accountant in Public Practice.

(2) ¹The Examination Unit decides upon admission to the aptitude test; the application shall be submitted in writing or electronically. ²§§ 13 to 13b apply accordingly.

§ 131h

Aptitude Test as Professional Accountant in Public Practice

(1) Applicants who have been admitted shall complete the aptitude test before the Examination Board.

(2) ¹The aptitude test verifies whether the applicant has adequate knowledge of the relevant legal provisions of the Federal Republic of Germany about the conduct of statutory audits. ²The aptitude test must take into account that the applicant possesses the professional qualifications of a member state of the European Union or of another treaty nation in the European Economic Area or Switzerland that are necessary for the admission to conduct statutory audits of annual financial statements and other accounting documents in that state.

(3) ¹The test is comprised of a written and an oral examination. ²The examination is taken in German. ³Examination subjects are Financial Auditing (legal provisions), Business Law, Tax Law and Professional Law to be specified by statutory regulation.

(4) (Repealed)

§ 131i

Application of the BQFG

The BQFG is not applicable except for § 17.

§ 131j (Repealed)

§ 131k
Appointment

Section Three in Part Two applies to the appointment of persons as Professional Accountant in Public Practice who completed the test according to § 131h.

§ 131l
Statutory Regulation

¹The Federal Ministry for Economic Affairs and Energy is authorized to issue by statutory regulation relating to the examinations in accordance with § 131h concerning the composition of the Examination Board and the appointment of this members, the details of the examination, the subjects of examination and the examination procedure, in particular the matters referred to in § 14, the exemption from examination procedures as well as the admission to the aptitude test of candidates who fulfil the requirements of Article 13 Section 2 of the Directive 2005/36/EEC of the European Parliament and the Council from 7th September 2005 concerning recognition of professional qualifications (ABl. L 255 from 30.9.2005, p. 22) in the currently valid version. ²The statutory regulation does not require approval of the Federal Council.

§ 131m
Certificates of the Member State of Origin

As far as the decision on the official appointment as Professional Accountant in Public Practice requires the submission of or request for

1. Certificates or documents certifying that no serious professional misconduct, criminal offenses or other circumstances exist that would cast doubt on the suitability of the candidate for the profession of Professional Accountant in Public Practice,
2. Certificates or documents certifying that the applicant is not bankrupt,
3. Certificates to physical or mental health,
4. Certificates of good conduct,

issued by the member state of origin, it is sufficient to submit a certificate or document as defined in Article 50 Section 1 in combination with Appendix VII No. 1 Letter d and e of the Directive 2005/36/EEC.

§ 131n (Repealed)

Part Ten
Provisions on Criminal and Punitive Fines

§ 132

Prohibition of Misleading Professional Titles; Counterfeit Seals

(1) It is forbidden to

1. Use the professional title of "Buchprüfer“, "Bücherrevisor" or "Wirtschaftstreuhänder“, or
2. To bear the professional title according to the law of another country for the professions of "Wirtschaftsprüfer“, "Wirtschaftsprüferin", "vereidigter Buchprüfer“ or "vereidigte Buchprüferin" without specifying the other state.

(2) Seals are only allowed in business transactions if they fulfil the provisions concerning the design of seals as specified in the professional code according to § 48 Section 2.

(3) It is an administrative offence to

1. Bear a professional title contrary to Section 1 No. 1 or 2, or
2. Use a seal contrary to Section 2.

(4) This offence can lead to the imposition of an administrative fine of up to 5.000 Euros.

§ 133

**Protection of the Designation "Wirtschaftsprüfungsgesellschaft" and
"Buchprüfungsgesellschaft"**

(1) It is an offence to use the designation "Wirtschaftsprüfungsgesellschaft" or "Buchprüfungsgesellschaft" or a similar misleading designation for a firm even though it has not been recognized as such.

(2) This offence can lead to the imposition of an administrative fine of up to 10,000 Euros.

§ 133a

Unauthorized employment in an executive position in an audited company

(1) It is an offence to be employed in an important executive position in violation of § 43 Section 3.

(2) This offence can lead to the imposition of an administrative fine of up to 50,000 Euros.

§ 133b

Unauthorized utilization of third-party professional and trade secrets

- (1) Utilizing a third-party secret in violation of § 66b Section 2 is punishable by imprisonment of up to two years or a punitive fine.
- (2) This offence is only investigated upon petition.

§ 133c

Unauthorized Revealing of Third-party Professional or Trade Secrets

- (1) Revealing a third-party secret in violation of § 66b Section 2 is punishable by imprisonment of up to one year or a punitive fine.
- (2) If the perpetrator acts with the motive of remuneration or with the intent of realizing a financial gain for himself or for others or for the purpose of damaging a third party, the penalty shall be imprisonment of up to two years or a punitive fine.
- (3) This offence is only investigated upon petition.

§ 133d

Administrative Authority

The administrative authority, as defined in § 36 Section 1 No. 1 OWiG, for administrative offences according to § 132 Section 3, § 133 Section 1 and § 133a Section 1, is the Chamber of Public Accountants. The same applies to administrative offences according to § 17 of the German GWG and according to § 6 of the DL-InfoV committed by members of the Chamber of Public Accountants as defined in § 58 Section 1 Sentence 1.

§ 133e

Use of Fines

- (1) In the cases of § 132 Section 3, § 133 Section 1, § 133a Section 1 as well as § 17 of the GWG and § 6 of the DL-InfoV, fines flow into the budget of the administrative authority that has issued the administrative order imposing the fine.
- (2) ¹The budget responsible according to Section 1 shall bear any necessary expenses, in derogation from § 105 Section 2 OWiG. ²It is also liable for compensation as defined in § 110 Section 4 OWiG.

Part Eleven Transitional and Final Provisions

§ 134

Application of Provisions of this Act on Auditors and Audit Firms from Third-Party States

(1) ¹Statutory auditors and audit firms from third countries are obliged, if no appointment or licensing exists according to this act or the law of another member state of the European Union or another party to the Agreement on the European Economic Area (third country auditors and third country audit firms), to be registered according to the provisions of Section Seven in Part Two if they intend to provide an audit report on the statutory audit of annual financial statements or consolidated financial statements of a company incorporated outside the European Union, whose transferable securities offered for trading in a regulated market as defined in Article 4 Section 1 No. 14 of Directive 2004/39/EC of the European Parliament and Commission from 21st April 2004 about markets for financial instruments to change the Directives 85/611/EEC and 93/6/EEC of the Commission and the Directive 2000/12/EC of the European Parliament and Commission and to repeal der Directive 93/22/EEC of the Commission (ABl. L 145 from 30.4.2004, p. 1) in the currently valid version are registered in Germany. ²This duty does not apply to audit reports for companies that exclusively offer licensed debt instruments in a regulated market of a member state of the European Union as defined in Article 2 Section 1 Letter b of the Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (Official Journal of the European Union No. L 390 from 31.12.2004, p. 38) in the currently valid version, when these debt instruments

1. Have a minimum denomination of 100,000 Euros in another currency on the date of issue, or
2. Have a minimum denomination of 50,000 Euros or the equivalent of at least 50,000 Euros in another currency on the date of issue and were issued before 31st December 2010.

(2) ¹Audit firms from third countries can only be registered if

1. They fulfil the requirements that are equivalent to those in Section Five in Part Two,
2. The person who is conducts the audit in the name of the third country audit firm fulfils the requirements equivalent to those in Section 1 Part 2,
3. The audits are conducted according to international auditing standards and conform to the requirements of independence or according to equivalent standards and requirements, and
4. They publish an annual transparency report on their website which contains information as specified in Article 13 the Regulation (EU) No. 537/2014 or equivalent disclosures.

²The same applies for third country statutory auditors when the requirements according to Section 1 and Nos. 2 to 4 are met.

(2a) If the conditions in Sections 1 and 2 are met, the Chamber of Public Accountants will issue the registered statutory auditor or statutory audit firm a certificate of registration.

(3) ¹The third country auditors and third country audit firms registered according to Sections 1 and 2 are in relation to their activities according to Section 1 subject to the provisions of quality control (§§ 57a to 57g), professional oversight (§§ 67 to 71), as well as professional jurisdiction (§§ 71a to 127). ²A quality assurance review may be waived if the registered third country auditor and third country audit firm has already been subject to a quality assurance review in another member state of the European Union within the past three years. ³Sentence 2 applies accordingly if within the past three years a quality assurance review of the third country auditor or third country audit firm has been performed in a third country, provided that the quality assurance review of that country was recognized as being equivalent based on an evaluation according to Section 4.

(4) ¹Registration and its consequences according to Section 3 are to be waived on the basis of reciprocity if the persons and firms named in Section 1 Sentence 1 are subject in their third country to a public authority, quality assurance as well as professional disciplinary oversight that fulfil the requirements equivalent to the regulations named in Section 3 or if the European Commission provides for this in a transitional period according to Article 46 Section 2 Sentence 5 of the Directive 2006/43/EC. ²The equivalency named in Sentence 1 is evaluated and certified by the Commission of the European Communities in collaboration with the member states. ³As long as the Commission of the European Communities still has not issued a transitional decision according to Sentence 1 or certification according to Sentence 2, the Federal Ministry for Economic Affairs and Energy may evaluate and certify the equivalency itself. ⁴In its evaluation, it will take into account the evaluations and certifications of other member states as well as the criteria which the European Commission determines on the basis of Article 46 Section 2 Subsection 2 of the Directive 2006/43/EC in delegated legal acts. ⁵If the Federal Ministry for Economic Affairs and Energy concludes such a certification it will publicly announce it in the Federal Legislative Journal. ⁶If the Federal Ministry for Economic Affairs and Energy rejects the equivalency according to Sentence 1, it may grant the persons and firms named in Section 1 Sentence 1 a reasonable transition period to continue their audit activity in accordance with the relevant German regulations. ⁷The Auditor Oversight Body shall be informed about certification and rejection of equivalency, so that it may consider this decision according to § 66c Section 6. ⁸If according to the provisions in this section no entry is made pursuant to Section 1, the Chamber of Public Accountants will notify the auditor or auditing firm in writing upon request.

(5) If the requirements for registration as defined in Sections 1 and 2 are no longer met, registration shall be erased ex-officio.

§ 134a

Transitional Provisions

(1) ¹Professional Accountants in Public Practice who were officially appointed as of 31 December, 1989, retain their official appointments even if they do not fulfil the requirements of Article 6 BiRiLiG

of 19 December, 1985 (Federal Law Gazette part I page 2355). ²The same applies to audit firms and firms of Sworn Auditors who were recognized as of 31 December, 1989. ³The recognition of an audit firm and a firm of Sworn Auditors shall be revoked, however, if the requirements of § 28 Sections 2 and 3 in the version effective as of 1 January 1990, have not been met after 31 December 1994.

(2) ¹Audit firms and firms of Sworn Auditors which were recognized at the time Article 6 No. 6 Letter b BiRiLiG came into force shall continue to be recognized. ²The recognition of such an audit firm or firm of Sworn Auditors shall be revoked by the Chamber of Public Accountants if after 31 December, 1987, the composition of the shareholders or partners or their relative participations or voting rights are changed by legal transaction or hereditary succession and the provisions of § 28 Section 4 are not met. ³§ 34 Section 1 No. 2 applies accordingly.

(3) (Repealed)

(4) (Repealed)

§ 135 (Repealed)

§ 136

Transitional Provision for § 57a

(1) ¹Professional Accountants in Public Practice and audit firms which are in possession of a valid certification of participation or a certificate of exemption according to § 57a Section 1 valid until 16th June 2016 will ex-officio be registered in the register as statutory auditors according to § 38 No. 1 Letter h or No. 2 Letter f. ²Also Cooperative Audit Associations which are in possession of a valid certification of participation or a certificate of exemption according to § 57a Section 1 valid until 16th June 2016 in combination with § 63g Section 2 Sentence 1 GenG will ex-officio be registered in the register according to § 40a Section 1 Sentence 1. ³The notification duty according to § 57a Section 1 Sentence 2 and 3 does not apply.

(2) Professional Accountants in Public Practice and audit firms which on 16th June 2016 are in possession of a certification of participation limited until 31st July 2017 or a certificate of exemption according to § 57a Section 1 Sentence 2 and Section 6 Sentence 7 valid until 16th June 2016 shall perform the quality assurance review by the end of this deadline and submit the reviewer's report.

(3) The first verification of special continuing professional development according to § 57a Section 3a Sentence 2 No. 4 should be produced by 16th June 2019 at the latest.

§ 136a (Repealed)

§ 137

Transitional Provision for § 57 Section 4 No. 1 Letters e and i

As long as the Chamber of Public Accountants has not adopted the provisions regarding seals and provisions regarding professional indemnity insurance according to § 57 Section 4 No. 1 Letter e and i in the Professional Charter and in as far as there is nothing different specified in this law, the law effective on 5 September 2007 shall apply.

§ 137a (Repealed)

§ 138

Treatment of Pending Proceedings

(1) ¹Proceedings at the Auditor Oversight Commission which have not been completed by 16th June 2016 are passed on to the Auditor Oversight Body. ²The proceedings shall be submitted to the Auditor Oversight Body.

(2) ¹Proceedings at the Chamber of Public Accountants which have not been completed by 16th June 2016 are passed on to the Auditor Oversight Body in as far as the competence for these proceedings according to the version of this law from 17th June 2016 no longer lies with the Chamber of Public Accountants, but instead lies with the Auditor Oversight Body. ²The proceedings shall be submitted to the Auditor Oversight Body.

(3) Concerning disciplinary proceedings which have not been legally concluded on 16th June 2016, this law is to be used in its current version valid until 16th June 2016.

§ 139 (Repealed)

§ 139a

Transitional Provision for Treating Pending Petitions and Proceedings within the Scope of the Admission and Examination Process according to §§ 131 to 131d and §§ 131i and 131j remaining in Effect until 31 December 2003

(1) ¹Petitions for admission to the examination as Sworn Auditor according to §§ 131 to 131d, valid until 31 December 2003 and admission to the aptitude test according to §§ 131i und 131j, valid until 31 December 2003, which are not made available for a repeat examination, must be duly submitted by 31 December 2004; they shall be treated according to the law in effect until 31 December 2003. ²The jurisdictions according to § 139 shall remain unaffected by this; for admission and examination cases beginning after 1 January 2004, the jurisdictions according to § 5 shall apply accordingly.

(2) The examinations following admission procedure according to Section 1 shall be conducted according to the law in effect until 31 December 2003.

(3) ¹The examinations must be completed by 31 December 2006 at the latest. ²The same deadline applies to examinations that follow normal examinations as a result of withdrawal or repetition according to §§ 20 and 21 of the examination code for Professional Accountants in Public Practice in effect until 31 December 2003 and according to §§ 11 and 12 of the examination code for the aptitude test in Part Eight of the WPO in effect until 31 December 2003; there is no longer any entitlement to this test being conducted after the deadline has expired.

(4) ¹If a person has completed the examination as Sworn Auditor but has not yet been appointed, an application for appointment must be filed up to one year after completion of the examination at the latest. ²In hardship cases, the Chamber of Public Accountants may consider certain petitions as an exception.

§ 139b

Transitional Provision for § 51a remaining in effect until 31 December 2003

(1) The regular statute of limitations according to § 195 BGB shall be applied to a principal's claims for damages resulting from a contractual agreement between the petitioner and a Professional Accountant in Public Practice existing on 1 January 2004 when the statute of limitations has not run out yet.

(2) ¹The regular statute of limitations according to § 195 BGB shall begin on 1 January 2004. ²If, however, the statute of limitations according to § 51a in effect up until this day is shorter than the regular statute of limitations according to § 195 BGB, the statute of limitations is therefore complete if it has reached the date in effect according to § 51a.

§ 140 (Repealed)

§ 141

Ratification

(1) This act shall come into effect on the first calendar day of the fourth month following its promulgation.

(2) §§ 14, 48, 54, 131 Section 4 shall come into effect on the day of its promulgation.