

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE CANADIAN PUBLIC ACCOUNTABILITY BOARD**  
**AND**  
**THE ABSCHLUSSPRÜFERAUFSICHTSBEHÖRDE**  
**(AUDIT OVERSIGHT BODY) OF AUSTRIA**  
**ON**  
**COOPERATION AND THE EXCHANGE OF INFORMATION RELATED TO THE**  
**OVERSIGHT OF AUDITORS**

The Canadian Public Accountability Board ("CPAB"), based on its obligations and authority under Canadian federal and applicable provincial laws;

and

the Austrian Federal Minister of Finance, at the suggestion of the Abschlussprüferaufsichtsbehörde (Audit Oversight Body) of Austria ("APAB"), based on its obligations and authority under the Abschlussprüfer-Aufsichtsgesetz ("APAG"), Federal Law Gazette I No. 83/2016, as amended, and the Regulation (EU) No. 537/2014, as amended, and considering Article 47 of Directive 2006/43/EC, as amended, and Decision 2010/64/EU, as amended;

recognising that the transfer of personal data from Austria to Canada must be in accordance with the Data Protection Act – Datenschutzgesetz ("DSG"), Federal Law Gazette I No. 165/1999, as amended, implementing Regulation (EU) 2016/679 and in particular Chapter V of Regulation (EU) 2016/679;

recognising the Commission Decision of 20 December 2001 pursuant to Directive 95/46/EC of the European Parliament and of the Council on the adequate protection of personal data provided by the Canadian Personal Information Protection and Electronic Documents Act, Decision No. 2002/2/EC or any subsequent regulation;

have agreed as follows:

**PURPOSE**

1. Both Parties seek to improve the quality, accuracy and reliability of the audit of public companies through audit regulation and auditor oversight so as to protect investors, help strengthen public trust in the audit process and increase investor confidence in their respective capital markets. Given the global nature of capital markets, the Par-



ties recognise the need for cooperation in matters related to the oversight of Auditors that fall within the regulatory jurisdiction of a Party, to the extent such cooperation is compatible with the Parties' respective Laws and/or Regulations, their important interests and their available resources.

2. The purpose of this Memorandum of Understanding ("MOU") is to facilitate cooperation between the Parties to the extent permitted by their respective national laws in the area of public oversight, registration, Inspections and Investigations of Auditors of companies that are subject to the regulatory jurisdictions of the CPAB and APAB. CPAB and APAB believe it is in their common interest to cooperate in the oversight of such Auditors to the extent such cooperation is compatible with the Parties' respective Laws and/or Regulations, their important interests and their reasonably available resources. Cooperation is intended to permit the Parties to meet their respective statutory oversight mandates.

## DEFINITIONS

3. For the purpose of this MOU,

**"Party"** or **"Parties"** means CPAB and/or APAB;

**"Auditor"** or **"Auditors"** means a natural person or an audit firm that is subject to a Party's regulatory jurisdiction in accordance with the APAG, as amended, and National Instrument 52-108 – Auditor Oversight;

**"Laws and/or Regulations"** means any laws, rules or regulations in force in the respective countries of the Parties;

**"Information"** refers to public and non-public information and/or documents which includes:

- (a) reports on the outcome of Inspections and Investigations, including information on firm-wide procedures, provided these reports relate to the Auditors of:
  - i. companies incorporated in Austria which have issued securities in Canada or which form part of a group issuing statutory consolidated financial statements in Canada; or
  - ii. companies incorporated in Canada which have issued securities in Austria or which form part of a group issuing statutory consolidated financial statements in Austria;

(b) audit working papers or other documents held by Auditors, provided this information relates to:

- i. audits of companies incorporated in Austria which have issued securities in Canada or which form part of a group issuing statutory consolidated financial statements in Canada; or
- ii. audits of companies incorporated in Canada which have issued securities in Austria or which form part of a group issuing statutory consolidated financial statements in Austria.

**"Inspections"** refers to external quality assurance reviews of Auditors generally undertaken on a regular basis with the aim of enhancing audit quality.

**"Investigations"** refers to investigations in response to a specific suspicion of infringement or violation of Laws and/or Regulations.

## COOPERATION

### *Scope of cooperation*

4. Cooperation includes the exchange of Information for the purpose of facilitating cooperation between the Parties in the area of public oversight, registration, Inspections and Investigations of Auditors.
5. A Party shall endeavour to inform the other Party, prior to or immediately after taking any significant oversight measures in respect of relevant Auditors that are registered or seek registration in the other country and which relate to a systemic defect in the quality of the audit work of such Auditor, to the extent permitted or required by Laws and/or Regulations.

### *Requests for information*

6. Each Party may, in its discretion, provide the other Party with Information upon request.
7. Requests will be made in writing (including e-mail) and be addressed to the contact person of the requested Party.



8. The requesting Party should specify the following:
  - (a) The Information requested;
  - (b) The purposes for which the Information will be used;
  - (c) The reasons why the Information is needed and, if applicable, the relevant Laws and/or Regulations or auditing standards that may have been violated;
  - (d) An indication of the date by which the Information is needed.
  - (e) To the best of the knowledge of the requesting Party, an indication whether the Information requested might be subject to further use or disclosure or transfer under paragraphs 20 to 23.
9. In the case where non-public Information is held exclusively by an Auditor subject to the regulatory jurisdictions of either Party, the other Party will not request the direct transfer of such Information from the Auditor. With respect to Information in the hands of Auditors in Canada, APAB may request Information directly from the Auditor with the consent of CPAB. Such Information will be requested and transferred via the Parties.
10. No Party is obligated under this MOU to cooperate with another Party in any particular circumstance, and either Party may deny requests for Information and assistance from another Party for any reason. If denying a request in whole or in part, the refusing Party shall inform the other Party of the reasons for its denial.

*Execution of requests for non-public Information*

11. Each request will be assessed on a case by case basis by the requested Party to determine whether non-public Information can be provided under the terms of this MOU. In any case where the request cannot be met in full within the desired time period, the requested Party will inform the requesting Party accordingly, and will consider whether other relevant Information or assistance can be given.
12. Each Party shall endeavour to provide a prompt and adequate response to requests for non-public Information.
13. In order to avoid unnecessary delays, the requested Party will provide, as appropriate, parts of the requested non-public Information as they become available.

14. The requested Party may refuse to act on a request where, for example:

- (a) It concludes the request is not in accordance with this MOU;
- (b) Accessing to the request would contravene Laws and/or Regulations of the requested Party's country or where such non-public Information are covered by solicitor/attorney-client privilege or legal professional privilege under the Laws and/or Regulations of the requested Party's country;
- (c) It would burden the requested Party disproportionately;
- (d) It concludes it would be contrary to the public interest of the requested Party's country for assistance to be given;
- (e) The provision of non-public Information would adversely affect the sovereignty, security or public order of the requested Party's country; or
- (f) Judicial proceedings have already been initiated in respect of the same actions and against the same persons before the authorities of the country of the requested Party.

15. Any non-public Information provided in response to a request under this MOU and any copies thereof shall be returned on request to the extent permitted by the applicable domestic Laws and Regulations.

## **CONFIDENTIALITY**

16. Each Party shall keep confidential all non-public Information received or created in the course of cooperating in accordance with the terms of this MOU, subject to paragraphs 21 to 23 to the extent consistent with its Laws and/or Regulations. The obligation of confidentiality shall apply to all persons who are or have been:

- (a) employed by the Parties;
- (b) involved in the governance of the Parties; or
- (c) otherwise associated with the Parties.



17. The Parties have established and will maintain such safeguards as are necessary and appropriate to protect the confidentiality of the Information, including storing the Information in a secure location when not in use.
18. The Parties have provided each other a description of their applicable information systems and controls and a description of their Laws and/or Regulations that establish appropriate limits on access to non-public Information.
19. The Parties will inform each other if the safeguards, information systems, controls, Laws and/or Regulations Regulations referred to in paragraphs 17 and 18 above change in a way that weaken the confidentiality of the Information provided by the other Party.

#### **USE OF NON-PUBLIC INFORMATION AND/OR DOCUMENTS**

20. The Parties may use non-public Information, received or created in the course of co-operation only for the exercise of their functions of public oversight, registration, Inspections and Investigations of Auditors. If any Party intends to use non-public Information received or created in the course of cooperating for any purpose other than those stated in the request it must obtain the prior written and specific consent of the requested Party. If the requested Party consents to the use of non-public Information for a purpose other than that stated, it may subject such use to conditions.

#### **EXCEPTIONS TO CONFIDENTIALITY**

21. In the event that a Party is legally obligated to disclose or transfer the non-public Information received or created in order to comply with its obligation under its Laws and/or Regulations or by a court order, or when legally obligated to notify a relevant regulatory authority or professional regulatory authority, it will provide at least three weeks in advance written notice to the other Party prior to its disclosure, stating the reasons as to why the Party is required to disclose such Information. If the other Party objects to such disclosure or transfer, the requesting Party will make best efforts to resist the disclosure or transfer of the non-public Information and will provide assistance to the objecting Party in its own efforts to resist disclosure.
22. A Party may publicly announce its sanctions or disciplinary measures imposed on Auditors that fall within the regulatory jurisdiction of CPAB and APAB, as permitted or required by Laws and/or Regulations of that Party's jurisdiction. Before making public such sanctions or disciplinary measures, the Party intending to announce the sanc-

tions or disciplinary measures shall give reasonable advance written notice to the other Party prior to the announcement.

23. A Party that intends to disclose or transfer to a third party any Information received or created in the course of cooperation, other than in cases referred to in paragraph 21 must obtain the prior written and specific consent of the Party which provided the non-public Information. The Party which intends to disclose or transfer the non-public Information shall indicate the reasons and the purposes for which it would be disclosed or transferred. The requested Party may make its consent to the disclosure of the non-public Information subject to conditions.

### **THE TRANSFER OF PERSONAL DATA**

24. The Parties will only transfer personal data in accordance with their respective Laws and/or Regulations, in particular shall the transfer of personal data from Austria to Canada be in accordance with the Datenschutzgesetz ("DSG"), Federal Law Gazette I No. 165/1999, as amended, and Regulation (EU) No. 2016/679, as amended.


### **OTHER**

25. This MOU does not create any binding legal obligations, nor does it modify or supersede any Laws and/or Regulations in Canada or Austria. This MOU does not give rise to a right on the part of CPAB, APAB or any other governmental or non-governmental entity or any private person to challenge, directly or indirectly, the degree or manner of cooperation by CPAB or APAB.

26. This MOU does not prohibit CPAB or APAB from taking measures with regard to the supervision of Auditors that are different from, or in addition to, the measures set forth in this MOU.

27. The Parties shall, at the request of either Party, consult on issues related to the matters covered by this MOU, and otherwise exchange views and share experiences and knowledge gained in the discharge of their respective duties, to the extent consistent with their respective laws and regulations.

28. The Parties may consult informally, at any time, about a request or proposed request or about any Information provided.



29. The CPAB and the Austrian Federal Minister of Finance may consult and revise the terms of this MOU in the event of changes in Laws and/or Regulations, or practices affecting the operation of this MOU, or if the Parties themselves wish to modify the terms of their cooperation.

**ENTRY INTO EFFECT AND TERMINATION**

30. This MOU will come into force from the date of signature.

31. This MOU may be terminated by the CPAB or the Austrian Federal Minister of Finance at any time upon prior written notice. The provisions concerning confidentiality and on the transfer of personal data shall remain in force thereafter.

For the  
Canadian Public Accountability Board

Date: April 5, 2019

Carol Paradine

Carol Paradine  
Chief Executive Officer

For the  
Austrian Federal Minister of Finance

Date: Vienna 28/3/2019

Mag. Alfred Lejsek

Mag. Alfred Lejsek  
Deputy Director General

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