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from:	General Secretariat
to:	Working Party on Company Law
on:	29-30 April 2013

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No Cion prop.:	16972/11 DRS 122 CODEC 2040

Subject:	Proposal for a Regulation of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities - Presidency compromise text on cooperation between competent authorities
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Delegations will find attached a compromise text on cooperation between competent authorities (ESMA) prepared by the Presidency. Changes to the previous document 6938/13 are underlined.

<u>6. ESMA</u>		
Article 46 Regulation ESMA	1. The cooperation between competent authorities shall be organised within the framework of ESMA. ESMA shall create a permanent internal committee pursuant to Article 41 of Regulation (EU) No 1095/2010 for this purpose. Such internal committee shall be at least composed of the competent authorities referred to in Article 35(1) of this Regulation. The competent authorities referred to in Article 32 of Directive 2006/43/EC shall be invited to attend the meetings of such internal committee concerning matters related to approval and registration of statutory auditors and audit firms and relations with third countries in so far as relevant to the statutory audit of public-interest entities. ESMA shall cooperate with EBA and EIOPA within the framework of the Joint Committee of the European Supervisory Authorities established in Article 54 of Regulation (EU) No 1095/2010. ESMA shall take over, as appropriate, all existing and ongoing tasks from the European Group of Audit Oversight Bodies (EAOB) created by Decision 2005/909/EC.	<u>1. Without prejudice to the national organisation of auditing oversight, the cooperation between competent authorities shall be organised within the framework of ESMA.</u> <u>For this purpose, ESMA shall create a permanent internal committee, to be referred to as Committee of European Auditing Oversight Bodies CEAOB, pursuant to Article 41 of Regulation (EU) No 1095/2010.</u> <u>1a. The CEAOB shall be composed of at least the competent authorities referred Article 32 of Directive 2006/43/EC which heretofore constitute the European Group of Audit Oversight Bodies (EAOB) created by Decision 2005/909/EC.</u> <u>1b. The CEAOB shall have decision making power pursuant to Article 41(1) of Regulation (EU) No 1095/2010.</u> <u>A draft decision of the CEAOB shall be deemed adopted, unless the ESMA Board of Supervisors, within a maximum period of ten working days, establishes that such draft decision undermines the principles set out in Article 1(5) of Regulation (EU) No 1095/2010.</u>

		[...] ESMA shall <u>assume</u> all existing and on-going tasks, <u>as appropriate</u>, <u>of the European Group of Audit Oversight Bodies (EGAOB) created by Decision 2005/909/EC.</u> New Recital 36a: <u>In order to ensure effective and efficient cooperation amongst national competent authorities and to carry out the tasks conferred on ESMA according to this Regulation, ESMA shall create a permanent internal committee, CEAOB, pursuant to Article 41 of Regulation (EU) No 1095/2010 which shall be composed of the national competent authorities in charge of audit, which constitute the European Group of Audit Oversight Bodies (EGAOB) created by Decision 2005/909/EC. Article 41(1) of Regulation (EU) No 1095/2010 provides for the possibility to delegate certain clearly defined tasks and decisions to internal committees. This Regulation provides that the Board of Supervisors of ESMA delegates tasks and decisions related to audit issues to the CEOAB which would allow competent authorities in the field of audit to take decisions in this regard.</u>
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