

BACKGROUND NOTE ON ACTION PLANS

The SMO Action Plan is intended to provide a summary of:

1. The legal and regulatory environment for the profession;
2. The status of adoption of international standards and best practices in the jurisdiction; and
3. The actions undertaken by IFAC Members and Associates to fulfill the IFAC membership requirements.

IFAC [Statements of Membership Obligations](#) (SMOs) require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards (IAASB, IESBA, IPSASB), and the IES, as well as by the International Accounting Standards Board (IASB); and to establish a quality assurance (QA) review and investigation and disciplinary (I&D) systems. The SMOs are recognized as the international benchmarks for credible and high-quality PAOs that are focused on and have the necessary expertise to serve the public interest and meet the market demands of their respective jurisdictions.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where, if any, improvements are needed. Members and Associates should develop an Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment. Action Plans are designed to be ever-green documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment* – page 2), an Action Plan may not be necessary for each SMO section and instead the 'Attestation of Ongoing SMO Compliance' is used to confirm their ongoing commitments. However, PAOs may wish and are welcome to utilize the Action Plan as a tool to demonstrate how they are using 'best endeavors' and going beyond their mandate with innovative approaches to fulfilling the SMOs and strengthening the national profession.

The specific details of each organization's actions will vary even where two PAOs are involved in the same SMO area. Each PAO operates in its own unique regulatory and standard-setting framework and has different operating, technical, and resource capacities. Moreover, in deciding when and how a particular SMO requirement is to be addressed, PAOs might have differing timeframes and objectives to achieve. Notwithstanding these inevitable differences, seeking the advice and assistance of other PAOs who have already faced and dealt with similar challenges can save significant time and resources. IFAC staff will offer assistance as needed.

Use of Information

Please refer to the [Disclaimer](#) published on the IFAC website.

¹ *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to affect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.















² *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop, or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

The regular updates of the SMO Action Plans are required as part of the [IFAC Member Compliance Program](#). The SMO Action Plans are also essential to IFAC's [reporting on the global status of international standards](#). Therefore, it is important that the SMO Action Plan contains the most up-to-date, relevant information and actions related to the SMOs.

ACTION PLAN

IFAC Member: Institut des réviseurs d'entreprises - Luxembourg
Approved by Governing Body: President on behalf of Council
Last Updated: September 2023

IFAC's Summary Assessment: IFAC staff will complete this section at the conclusion of each SMO Action Plan review and update process. PAOs are encouraged to take staff's recommendation into consideration as part of future strategic planning conversations at the PAO. For more information on IFAC Member Compliance Program Dashboard Reports and the legends used to describe the status of adoption of international standards, best practices, and fulfillment of SMO requirements, please refer to the Status of Adoption [methodology](#) and SMO Fulfillment [methodology](#).

FOR IFAC COMPLETION	PAO Level of Responsibility for Adoption	Jurisdiction Adoption Status as of 2023	Level of SMO Fulfillment as of 2023
QA / SMO 1	Shared	 Adopted	 Sustain
IES / SMO 2	No Direct	 Adopted	 Sustain
ISA / SMO 3	Shared	 Adopted	 Sustain
IESBA / SMO 4	No Direct	 Adopted	 Sustain
IPSAS / SMO 5	No Direct	 Not Adopted	 Sustain
I&D / SMO 6	Shared	 Adopted	 Sustain
IFRS / SMO 7	No Direct	 Partially Adopted	 Sustain

Attestation of SMO Compliance

The **IRE** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs. The abovementioned Governing Body has reviewed the information contained within the SMO Action Plan and affirms that the **IRE** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations where IFAC's assessments are at *Review & Improve* and/or *Sustain*.

On behalf of the **IRE**, the *Governing Body* endorses the information contained within the SMO Action Plan as of the publication date and its publication on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Acronyms

Accounting Directive	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC Text with EEA relevance
Audit Directive	Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts as amended by the directive 2008/30/EC of 11 March 2008, the directive 2013/34/EU of 26 June 2013 and the directive 2014/56/EU of 16 April 2014
AML/FT	Fight against money laundering and terrorist financing
Audit Law	Law of 23 July 2016 concerning the audit profession
CAA	Commissariat aux Assurances (Insurance regulator)
CNC	Commission des Normes Comptables (Accounting Advisory Board)
CPD	Continuing professional development
CSSF	Commission de Surveillance du Secteur Financier (Public audit oversight body and financial services regulator)
EU / EC	European Union / European Commission
EU Audit regulation	EU regulation No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities
LuxGAAP	Luxembourg Generally Accepted Accounting Standards
I&D	Investigative and disciplinary system
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board

IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFIAR	International Forum of Independent Audit Regulators
IFRS	International Financial Reporting Standards
IPD	Initial professional development
IPSAS	International Public Sector Financial Reporting Standards
IPSAB	International Public Sector Accounting Standards Board
IRE	Institut des Réviseurs d'Entreprises (the professional auditing organization)
ISA	International Standards on Auditing
ISQC	International Standards on Quality Control
OEC	Ordre des Experts-Comptables (the professional accountancy organization - PAO)
PIE(s)	Public Interest entity(ies)
QA	Quality assurance
SMO	Statements of membership obligations

ADDITIONAL INFORMATION

Description	URL address
Law of 23 July 2016 on the audit profession, as amended	https://www.cssf.lu/fr/Document/loi-du-23-juillet-2016-version-coordonnee-2/
Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities	https://www.cssf.lu/en/Document/regulation-eu-no-537-2014-of-the-european-parliament-and-of-the-council-of-16-april-2014/
Grand-ducal Regulation of 14 December 2018 determining the requirements for the professional qualification of réviseurs d'entreprises (statutory auditors) and réviseurs d'entreprises agréés (approved statutory auditors)	https://www.cssf.lu/en/Document/grand-ducal-regulation-of-14-december-2018/
CSSF Regulation No 16-10 organising the réviseurs d'entreprises and réviseurs d'entreprises agréés continuing education	https://www.cssf.lu/en/Document/cssf-regulation-n-16-10/
CSSF Regulation N° 22-01 relating to: 1) the adoption of audit standards in the field of statutory audit under the Law of 23 July 2016 concerning the audit profession; 2) the adoption of standards on professional ethics and internal quality control under the Law of 23 July 2016 concerning the audit profession (only in French)	https://www.cssf.lu/en/Document/cssf-regulation-no-22-01/
Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts as subsequently amended	https://www.cssf.lu/en/Document/directive-2006-43-ec-of-the-european-parliament-and-of-the-council-of-17-may-2006/

Action Plan Subject: SMO 1 - Quality Assurance
Action Plan Objective: Further improvements of the Quality Assurance system

Background:

In accordance with the Law of 23 July 2016 concerning the audit profession (hereafter "Audit Law"), transposing EU Directive 2006/43/EU as subsequently amended (hereafter "EU Audit Directive") and implementing the EU Regulation No 537/2014 (hereafter "EU Audit Regulation"), a mandatory QA system is established and operational in Luxembourg. The public oversight body and financial services regulator, "Commission de Surveillance du Secteur Financier" (hereafter "CSSF") has the responsibility for the oversight of the quality assurance systems.

The approved statutory auditors ("réviseurs d'entreprises agréés") and the approved audit firms ("cabinets de révision agréés") are subject to a system of quality assurance for the assignments which they carry out in connection with statutory audits. The system of quality assurance includes quality assurance reviews. The CSSF is responsible for the implementation of a quality assurance system and to carry out those reviews.

The scope of the quality assurance review comprises adequate testing of selected audit files, assessment of compliance with the auditing standards referred to in Article 33 of the Audit Law ("ISA's as adopted by the CSSF"), the rules of professional ethics (IFAC code of Ethics), in particular of independence and of the quantity and quality of resources spent, of the audit fees charged and of the internal quality control system (ISQC) of the approved audit firm.

Quality assurance reviews are taking place at least every three years for PIE audits and six years for non-PIE audits. A risk-based approach has been implemented.

In case of unsatisfactory results, the approved statutory auditor, the approved audit firm may, depending on the seriousness, be subject to preventive measures in accordance with Article 42 of the Audit Law or to a disciplinary procedure which may give rise to sanctions or other appropriate administrative measures referred to in Article 43 of the Audit Law.

The CSSF's QA system is fully compliant with EU Audit Directive and the EU Audit Regulation. The QA system is also compliant with SMO 1 requirements.

IRE has no direct responsibility for the QA system described above. However, by its involvement in the CSSF committees, IRE uses its best endeavors to encourage those responsible for the QA system to promote the SMO provisions and to assist in their implementation.

By law, IRE is responsible to ensure compliance by its members to: (1) professional standards and duties except for those applicable to statutory audit; (2) their professional obligations arising from the legislation relating to the fight against money laundering and terrorist financing (hereafter "AML/FT").

IRE has implemented a peer review system also using a risk-based approach. Those reviews are taking place at least every six years. In case of unsatisfactory results, the statutory auditor and audit firm may, depending on the seriousness, be subject to follow-up measures or to a disciplinary procedure which may give rise to disciplinary sanctions as foreseen in article 75, 76 and 78 of the Audit Law.

Compliance with SMO 1 is reviewed periodically and updated as necessary.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Adopting new Quality Assurance Standards					
1.	On-going	Support and actively promote endorsement of the IESBA code of Ethics, SMO's, ISQC's and ISA's by the national regulator.	On-going	Regulator	Regulator and IRE Council
2.	On-going	Maintain IRE peer review system compliant to SMO 1.	On-going	IRE Council	IRE Council
Maintaining Ongoing Processes					
3.	On-going	Manage best endeavor to promote best practices QA guidance and promote updated QA standards by maintaining quality representatives in all the oversight body committees and a communication line with IRE Council.	Ongoing	IRE Council	Through representatives within the different CSSF working parties.
4.	On-going	Deliver Continuing education program, which includes training on the quality control standards (published on IRE website).	Ongoing	IRE Director	IRE Education Committee

Action Plan Subject: SMO 2 - International Education Standards
Action Plan Objective: Continue to use best endeavors to ensure convergence and compliance with IES

Background:

In Belgium, accountancy education requirements are aligned with 2019 revised IES.

The Audit Law, the grand-ducal regulation determining the requirements for the professional qualification of “réviseurs d'entreprises” (statutory auditors) and approved statutory auditors and the CSSF Regulation organizing continuing education of statutory auditors and approved statutory auditors organize the initial professional development (hereafter “IPD”) and continuing professional development (hereafter “CPD”) requirements for statutory auditors and approved statutory auditors in Luxembourg. In accordance with the above, the CSSF is responsible for the approval and registration of statutory auditors and audit firms and for the continuing education system.

Accessing the audit profession

The candidate must hold one or more Masters degrees or have undergone equivalent training. The content of those qualifications is governed by the grand-ducal regulation determining the requirements for the professional qualification (in terms of subject matters and European Credit Transfer System [ECTS, university credits]). Candidate must then serve a period of at least three years' training with an approved statutory auditor or an approved audit firm. In parallel with the traineeship, the candidate follows complementary training courses on Luxembourg laws and specificities at the University of Luxembourg. Each course, 12 in total, culminates in an examination. Once the three-year training period and the complementary training examinations are completed, the candidate is authorized by the CSSF to present the professional aptitude examination leading to the award of the statutory auditor qualification.

Continuing education

Approved statutory auditors and statutory auditors must participate in appropriate programs of continuing training to maintain their theoretical knowledge, their professional skills and their values at a sufficiently high level. CSSF is responsible for establishing CPD requirements for the audit profession. CSSF monitors the CPD requirements for approved statutory auditors. IRE is responsible for monitoring the CPD requirements for statutory auditors.

Statutory auditors are required by law and regulation to undertake at least 120 hours of CPD training over a period of 3 years (minimum 20 hours per year) with mandatory training in AML/FT matters (minimum 8 hours over a period of three years). Approved statutory auditors are required by law and regulation to undertake at least 120 hours of CPD training over a period of 3 years (minimum 20 hours per year) with mandatory training in subjects as AML/FT, international accounting standards, international standards on auditing (hereafter “ISA”), commercial law, tax, etc. The CSSF and, where applicable, IRE may require documentary evidence enabling the identification of the training activities followed, their duration, their content, the organizing body and a certificate of attendance for a minimum of 60 of the 120 hours required per three-year reference period.

The Audit Law and regulations requirements concerning IPD and CPD are compliant with the Audit Directive and are converged to latest IES requirements. IRE uses its best endeavours to ensure all the recent IES requirements are incorporated into national legislation and regulation.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Maintaining Ongoing Processes					
1.	On-going	Manage best endeavor to ensure national legislation and regulations converge and, where possible, comply with latest IES requirements.	Ongoing	IRE Council	Through representatives within the different CSSF working parties.
2.	On-going	Via its membership with Accountancy Europe, IRE follows and, when required, participates in comments addressing IES standard setting process.	Ongoing	IRE Council	Through representatives within the different Accountancy Europe working parties.
3.	On-going	Deliver yearly a continuing education program, which enable practitioners to comply with continuing education requirements.	Ongoing	IRE Director	IRE Education Committee

Action Plan Subject: SMO 3 - IAASB Pronouncements

Action Plan Objective: Use best endeavors to converge and comply with IAASB pronouncements

Background:

The Audit Law provides that CSSF is responsible for the adoption of standards on professional ethics, internal quality control and auditing. According to the Audit Law, statutory audits shall be carried out in compliance with ISA as adopted by the CSSF. CSSF may issue standards in the field of statutory audit for matters that are not covered by the auditing standards referred to. Auditing standards, including ISA, are adopted by way of a CSSF regulation.

The CSSF has published add-ons / carved-out related to ISA, ISQM 1 and the Code of Ethics. Those add-ons / carved-out are available on the CSSF website, many in English. Currently in force is the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements - 2021 Edition. National legislation and regulation regarding auditing standards are fully compliant with EU Audit legislation and the EU Audit Regulation.

There is an ongoing process within the CSSF to adopt new and revised ISA although there might be a slight delay in the adoption process.

The Audit Law also empowers IRE to issue standards on various activities (conferred to by law or other means) except for those applicable to statutory audit. In this regard, IRE has adopted other IAASB pronouncements (ISAE, ISRE, ISRS) for its members. Pronouncements are adopted in the original English text with no add-ons/carve-outs. There is an ongoing process within IRE to adopt new and revised IAASB pronouncements although there might be a slight delay in the adoption process.

The Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements - revised in 2021 - is published on IRE's website.

IRE provides technical support to both its members and the CSSF. To support its members, the IRE provides CPD on ISA and other IAASB pronouncements.

IRE also monitors changes to ISA to provide advice to the CSSF and strives to ensure that regulation is regularly updated to comply with the most recent IAASB standards. IRE indirectly contributes to the work of the European Group of Auditors Oversight Bodies through its technical assistance to the CSSF.

Through its membership with Accountancy Europe, IRE participates in providing comments to exposure drafts as issued by IAASB. IRE does not have the resources to contribute directly to IFAC different bodies exposure drafts.

Compliance with SMO 3 is reviewed periodically as necessary.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Establishing the Ongoing Convergence to IAASB Pronouncements</i>					
1.	On-going	Manage best endeavor to ensure legislation/regulation: <ul style="list-style-type: none"> • Comply/converge with IAASB pronouncements; and • are kept up-to-date. 	On-going	IRE Council & IRE Director	Through representatives within the different CSSF working parties.
2.	On-going	Contribute to the work of the ISA subgroup of the European Group of Auditors' Oversight Bodies by providing advices to the CSSF representatives within this EU body.	On-going	IRE Council & IRE Director	Through representatives within the different CSSF working parties.
<i>Supporting Implementation of IAASB pronouncements</i>					
3.	On-going	Ensure the yearly continuing education program includes trainings on new and revised IAASB pronouncements.	On-going	IRE Director	IRE Education Committee
<i>Maintaining Ongoing Processes</i>					
4.	On-going	Continuously monitor new and amended IAASB pronouncements through comments / advices to the CSSF Technical Committee.	On-going	IRE Director	IRE Technical Committee

Action Plan Subject: SMO 4 – IESBA Code of Ethics

Action Plan Objective: Promoting adoption by the CSSF of the IESBA Code of Ethics and organizing relevant training

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background:</p> <p>The Audit Law states that CSSF has the ultimate responsibility for the oversight of the adoption of standards on professional ethics by approved statutory auditors. The code of ethics of the audit profession in Luxembourg, which corresponds to the code of ethics as issued by the International Ethics Standards Board for Accountants (IESBA) in its version 2021 as amended and published on 21 October, 2021, is mandatory. The CSSF has published add-ons / carved-out related to the Code on its website. The 2021 IESBA Code of Ethics is available on IRE website.</p> <p>IRE uses its best endeavors to promote and support the implementation of the 2021 IESBA Code of Ethics to its members. Additionally, through the IRE Education Committee, IRE ensures that its yearly continuing education program include trainings on new and revised IESBA Code of Ethics provisions. There is an on-going process within the CSSF to regularly update the Code of Ethics each time there is an update (involve a delay).</p> <p>Through its membership with Accountancy Europe, IRE participates in providing comments to exposure drafts as issued by IESBA. IRE does not have the resources to contribute directly to IFAC different bodies exposure drafts.</p> <p>Compliance with SMO 4 is reviewed periodically and updated as necessary.</p>					
<p>Promoting Ethical Requirements to the CSSF</p>					
1.	On-going	Manage best endeavor to ensure national legislation/regulation: <ul style="list-style-type: none"> • comply with the provisions of the IESBA Code of Ethics; and • are kept up-to-date. 	On-going	IRE Council & IRE Director	Through representatives within the CSSF Technical committee.
<p>Maintaining Ongoing Processes</p>					
2.	On-going	Ensure the yearly continuing education program include trainings on new and revised IESBA Code of Ethics provisions.	On-going	IRE Director	IRE Education Committee

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards (IPSAS)

Action Plan Objective: Promoting the use of IPSAS and raising awareness about the work of the IPSASB

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p>Background:</p> <p>IPSAS have not been adopted in Luxembourg and the Government has an on-going reform process to move to accrual accounting over the medium term (see also 2017 OECD publication called “Accruals practices and reform experiences in OECD countries”) but there is no publicly available calendar.</p> <p>IRE promotes IPSASs through practitioners involved in the different technical committees within the different authorities and by participating to Accountancy Europe initiatives on that matter.</p> <p>Through its membership with Accountancy Europe, IRE participates in providing comments to exposure drafts as issued by IPSASB. IRE does not have the resources to contribute directly to IFAC different bodies exposure drafts.</p>					
<p>Promoting IPSAS</p>					
1.	Ongoing	<p>Promote the use of IPSAS in governmental accounting reforms and raise awareness about IPSAS through:</p> <ul style="list-style-type: none"> • IRE participation to Accountancy Europe initiatives; and • IRE representatives within different committees within the different authorities; and • direct lobbying activities. 	Ongoing	IRE Council & IRE Director	IRE Council and IRE representatives in the different technical committees within the different authorities.

Action Plan Subject: SMO 6 - Investigation & Discipline

Action Plan Objective: Use best endeavors to ensure that provisions of SMO 6 are applied

Background:

The Audit Law comprises provisions regarding the implementation of a system of investigation and discipline for approved statutory auditors and statutory auditors.

CSSF

In accordance with the Audit Law, the CSSF is invested with powers of investigation, to impose preventive measures, and issue sanctions for approved statutory auditors and approved audit firms. The CSSF may order investigations and expert reports. The investigations are carried out either by CSSF inspectors or by designated experts. The CSSF's power of investigation includes the right to: a) carry out investigations by way of on-site inspections of the persons subject to its oversight; b) instruct investigations with the persons subject to its oversight.

Where the investigation or expert report discloses failures to meet legal and regulatory requirements relating to statutory audit, the approved statutory auditor and/or the approved audit firm may, depending on the seriousness, be subject to preventive measures (article 42 of the Audit Law) or sanctions (article 43 of the Audit Law). Sanctions range from monetary fines, suspension from the profession to prohibition.

Preventive measures referred to above may also, if necessary, be accompanied by a specific follow-up. They shall be ordered either following a quality assurance review or following an investigation and shall last for a fixed period not exceeding 18 months. They shall be subject to appropriate verifications during a future quality assurance review.

The CSSF may impose administrative sanctions or administrative measures referred to above on approved statutory auditors and/or approved audit firms that: a) infringed the provisions of the Audit Law or the EU regulation 537/2014 or of the CSSF implementing measures; b) committed professional misconduct or negligence; c) acted in a manner that is contrary to the rules on ethics or professional repute; d) refused to provide documents or other information requested, necessary to the CSSF for the purpose of applying the law and regulation; e) provided documents or other information that prove to be incomplete, inaccurate or false; f) impeded the exercise of the CSSF's powers of oversight, inspection and investigation; g) failed to publish on their website within four months of the end of each accounting year the transparency report in accordance with Article 13 of the EU Regulation 537/2014; h) failed to comply with the CSSF's injunctions or preventive measures ordered.

The sanctions imposed, and administrative measures taken by the CSSF may be challenged. The Administrative Tribunal ("Tribunal Administratif") shall have unlimited jurisdiction to review the decisions adopted by the CSSF in implementation of the Audit Law ("recours en pleine juridiction"). The application of the sanction or administrative measure is suspended until the time limit for action comes to an end or until the end of the proceedings.

The CSSF shall publish on its website any decision imposing a sanction for breach of the provisions of the Audit law and various regulations including the EU Audit Regulation, without undue delay, after the person sanctioned has been informed of that decision. The publication shall include at least information concerning the type and nature of the breach and the identity of the natural or legal person on whom the sanction has been imposed.

This publication shall take place once all the remedies have been exhausted or have expired. Any decision annulling a previous decision to impose a sanction, or a measure shall also be published. This publication shall remain on the CSSF's website for five years after all remedies have been exhausted or have expired.

The system converges to SMO 6 requirements.

IRE

IRE has the power to carry out controls and to require any information as it deems necessary from its members in the fields attributed to it by the Audit Law. The controls shall be carried out in accordance with procedures decided upon by the general meeting following a proposal from IRE Council. Where a member does not respect the provisions of the Audit Law falling under IRE competences, the IRE President may, after having heard the IRE Council, order a member to rectify the situation within a determined delay. If, upon the expiry of the delay, the member has not complied with or has not sufficiently complied with the injunction, the IRE President may, after having heard the IRE Council, deliver a call to order or refer the case to the Disciplinary Board.

The IRE President, after having heard the IRE Council, may call a member to order where he or she has found that the matters complained of, while being established, constitute a failure to comply with the provisions of the Audit Law, which fall within the IRE competences while not warranting any of the sanctions provided in the Audit Law. Within the framework of IRE competences provided for in the Audit Law, the Disciplinary Board shall exercise the power to impose sanctions on any of its members on account of:

- a) infringement of legal and regulatory provisions;
- b) professional misconduct or negligence;
- c) acts contrary to professional meticulousness, professional dignity, honour and integrity;
- d) refusal to provide documents or other information requested;
- e) provision of documents or other information that prove to be incomplete, inaccurate or false;
- f) obstruction of the exercise of the IRE's or its President's powers of inspection and investigation;
- g) refusal to comply with injunctions or calls to order of the IRE President;

Without prejudice to any administrative or judicial action which may result from the same facts.

The disciplinary sanctions in the order of their seriousness shall be: (1) a warning; (2) a reprimand; (3) a fine ranging from EUR 1,250 to EUR 125,000. In the event of a failure to comply with professional obligations resulting from legislation on the fight against money laundering and terrorist financing, or in the event of any obstacle to the exercise of the authority of the IRE as defined in Article 63 of the Audit Law in respect of the powers referred to in Article 62 letter d) of the Audit Law, the maximum fine is raised to EUR 250,000; (4) the removal of the right to vote in general meetings with a prohibition on being a member of the Council of the IRE for a maximum of six years; (5) a prohibition to exercise one of the activities referred to in letter (b) of the first subparagraph and in the second subparagraph of Article 1(34) for a term not exceeding three years; (6) a permanent prohibition to exercise one of the activities; (7) a prohibition of the right to practice the profession for a term not exceeding three years; (8) a permanent prohibition on the right to practice the profession.

The sanctions ordered by the Disciplinary Council shall be brought to the attention of the public at the instance of the President of the Disciplinary Board through publication on the IRE website as soon as the decisions pronounced become final. This publication shall remain on the IRE's website for five years after all remedies have been exhausted or have expired.

The CSSF shall temporarily or permanently withdraw the title of statutory auditor or audit firm of a person who has been subject to the sanctions described in (7) and (8) above by virtue of a final decision. In the event that a sanction is imposed, the costs of the disciplinary proceedings shall be borne by the member against whom the sanction is imposed. In the opposite case, the costs shall be borne by the IRE. The costs and, where appropriate, the fine shall be made enforceable by the President of the District Court ("Tribunal d'Arrondissement") of the district of the person against whom the sanction is imposed. The fine shall be collected by the "Administration de l'Enregistrement" for the benefit of the State.

As part of its competences, the Disciplinary Board may order investigations and expert reports. Investigations shall be carried out by the Board, by two of its delegate members, by experts or by officers of the judicial police.

Sanctions are brought to the attention of the public at the instance of the President of the Disciplinary Board through publication on the IRE website as soon as the decisions pronounced become final. This publication shall remain on the IRE website for five years after all remedies have been exhausted or have expired. Decisions of the Disciplinary Board may be challenged by way of appeal both by the member found guilty and by the General State Prosecutor. The appeal shall be brought before the Court of Appeal Civil Chamber which shall give its decision by way of a final judgment.

Compliance with SMO 6 is reviewed periodically and updated as necessary.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
1.	On-going	Keep members informed of the disciplinary and administrative mechanisms via IRE annual report and website.	On-going	IRE Council & IRE Director	Raising awareness through CSSF and IRE annual reports.

2.	On-going	<p>Manage best endeavor to ensure national legislation and regulation:</p> <ul style="list-style-type: none"> • converges/comply with the provisions of SMO 6 and its future developments; and • suggest related amendment(s) to the legislation/regulation when appropriate. 	On-going	IRE Council & IRE Director	Through representatives within the CSSF Technical committee.
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Action Plan Subject: SMO 7 - International Financial Reporting Standards

Action Plan Objective: Assist the National Accounting Standards Commission with the adoption and implementation of IFRSs

Background:

The Luxembourg accounting framework is mainly derived from EU accounting directives and regulations.

- Listed entities

Companies whose securities trade on a regulated market ("listed entities") are within the scope of the EU Regulation 1606/2002 of 19 July 2002 ("IAS Regulation") and are therefore required to prepare and publish their consolidated financial statements in accordance with IFRS's as adopted by the European Union ("IFRS-EU"). This requirement applies to all listed entities regardless of their industries (e.g. banks, insurance, other undertakings). In accordance with Luxembourg law, listed entities are also allowed – but not required – to prepare and publish their statutory annual financial statements under IFRS-EU. If such option is not exercised, statutory annual financial statements of listed entities are prepared in accordance with domestic provisions (see hereunder).

- Non-listed banks

Non-listed banks must prepare and publish their statutory annual financial statements as well as – if applicable – their consolidated financial statements in accordance with the provisions of the Law of 17 June 1992 relating to (1) the annual and consolidated accounts of credit institutions governed by the laws of Luxembourg and (2) the obligations regarding publication of the accounting documents of branches of credit institutions and financial institutions governed by foreign laws ("LUX bank accounting law") derived from EU directive 86/635/EEC of 8 December 1986.

- Non-listed insurers

Non-listed insurance and reinsurance undertakings must prepare and publish their statutory annual financial statements as well as – if applicable – their consolidated financial statements in accordance with the provisions of the Law of 8 December 1994 on the annual and consolidated accounts of insurance and reinsurance undertakings governed by Luxembourg law ("LUX insurance accounting law") derived from EU directive 91/674/EEC of 19 December 1991.

- Other non-listed undertakings

Other non-listed undertakings must prepare and file / publish their statutory annual financial statements in accordance with the provisions of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings and – if applicable – their consolidated financial statements in accordance with the provisions of Title XVII of the Law of 10 August 1915 on commercial companies ("LUX accounting law") derived from EU directive 2013/34/EU of 26 June 2013.

- Common characteristics: a three-tiered system

Despite provisions specific to their industries as well as to the size of the undertakings, LUX accounting law, LUX bank accounting law and LUX insurance accounting law all have in common a structure based on a three-tiered system i.e.:

- a default regime based on prudence and historical cost (“LuxGAAP”);
- an optional regime consisting of IFRS’s as adopted by the EU (“IFRS–EU”);
- an intermediate optional regime consisting of LuxGAAP with fair value and/or other IFRS options (“LuxGAAP modern”).

IRE actively participates in the activities of Luxembourg Accounting Advisory Board (“Commission des normes comptables, “CNC”) specifically through its representatives in all CNC working committees. Through its involvement in the subgroups, IRE provides advice to the CNC on the application of the EU and national accounting laws and regulations as well as the implementation of IFRS.

IRE CPD offerings to its members include a full range of IFRS trainings. The CPD offering is available on IRE website.

Through its membership with Accountancy Europe, IRE participates in providing comments to exposure drafts as issued by IASB. IRE does not have the resources to contribute directly to IFAC different bodies exposure drafts.

Compliance with SMO 7 is reviewed periodically and updated as necessary.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promoting the Implementation of IFRS					
1.	On-going	Manage best endeavor to ensure proper IFRS implementation through the profession involvement in the National Accounting Standards Commission and sub-groups.	On-going	IRE Council & IRE Director	Through representatives within the National Accounting Standards Commission and sub-groups.
Supporting Implementation of the Standards					
2.	On-going	Ensure proper periodic coverage of IFRS within the continuing education yearly program to maintain or increase awareness about the IFRS and their developments in a Luxembourg environment.	On-going	IRE Director	IRE Education Committee