

**Order Instituting Disciplinary Proceedings,  
Making Findings, and Imposing Sanctions**

*In the Matter of PricewaterhouseCoopers  
Accountants N.V.,*

Respondent.

PCAOB Release No. 105-2025-025

June 24, 2025

By this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions (“Order”), the Public Company Accounting Oversight Board (“Board” or “PCAOB”) is imposing sanctions upon PricewaterhouseCoopers Accountants N.V. (“PwC Netherlands,” the “Firm,” or “Respondent”). The Board is:

- (1) censuring the Firm;
- (2) imposing a civil money penalty in the amount of \$3,000,000 on PwC Netherlands;  
and
- (3) requiring PwC Netherlands to undertake certain remedial actions as described in Section IV of this Order.

The Board is imposing these sanctions on the basis of its findings that PwC Netherlands violated PCAOB rules and quality control standards over several years in connection with the Firm’s internal training program.

**I.**

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, as amended (“Act”), and PCAOB Rule 5200(a)(1) against Respondent.

## II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondent has submitted an Offer of Settlement (the “Offer”) that the Board has determined to accept. Solely for the purpose of these proceedings and any other proceeding brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings contained herein, except as to the Board’s jurisdiction over Respondent and the subject matter of this proceeding, which is admitted, Respondent consents to the entry of this Order as set forth below.<sup>1</sup>

## III.

On the basis of Respondent’s Offer, the Board finds that:<sup>2</sup>

### A. Respondent

1. **PricewaterhouseCoopers Accountants N.V.** is a public accounting firm headquartered in Amsterdam, Netherlands. PwC Netherlands is a member of the PricewaterhouseCoopers International Limited network. The Firm is registered with the Dutch Authority for the Financial Markets (“AFM”), and at all relevant times was registered with the Board pursuant to Section 102 of the Act and PCAOB rules. PwC Netherlands is, and at all relevant times was, a “registered public accounting firm” as that term is defined by Section 2(a)(12) of the Act and PCAOB Rule 1001(r)(i).

### B. Summary

2. From at least 2018 to 2022, PwC Netherlands violated PCAOB rules and quality control standards related to integrity and personnel management by failing to establish appropriate policies and procedures for administering and overseeing internal training tests. Those quality control failures prevented the Firm from identifying that, during the relevant period, hundreds of Firm personnel were involved in improper answer sharing—either by providing access to test questions or answers, or by receiving such access without reporting it—in connection with online tests for mandatory internal training courses. These courses related

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<sup>1</sup> The findings herein are made pursuant to Respondent’s Offer and are not binding on any other person or entity in this or any other proceeding.

<sup>2</sup> The Board finds that Respondent’s conduct described in this Order meets the conditions set out in Section 105(c)(5) of the Act, 15 U.S.C. § 7215(c)(5), which provides that certain sanctions may be imposed in the event of: (1) intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard; or (2) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

to a variety of topics, including U.S. auditing standards, U.S. generally accepted accounting principles (“GAAP”), and professional ethics. Firm personnel engaged in the answer sharing through a variety of unauthorized methods, including sending or receiving answers through electronic communications and taking tests jointly. The majority of the professionals who engaged in improper answer sharing performed work for the Firm’s Audit and Assurance practice.

## C. PwC Netherlands Violated PCAOB Rules and Standards

### i. Applicable PCAOB Rules and Quality Control Standards<sup>3</sup>

3. PCAOB rules require that a registered public accounting firm comply with the Board’s quality control standards,<sup>4</sup> which provide that a registered firm “shall have a system of quality control for its accounting and auditing practice.”<sup>5</sup>

4. As part of a firm’s system of quality control, “[p]olicies and procedures should be established to provide the firm with reasonable assurance that personnel . . . perform all professional responsibilities with integrity.”<sup>6</sup> In addition, PCAOB quality control standards related to personnel management state that “policies and procedures should be established to provide the firm with reasonable assurance that . . . [w]ork is assigned to personnel having the degree of technical training and proficiency required in the circumstances.”<sup>7</sup> Moreover, “policies and procedures should be established to provide the firm with reasonable assurance that . . . [p]ersonnel participate in general and industry-specific continuing professional education and other professional development activities that enable them to fulfill responsibilities assigned, and satisfy applicable continuing professional education requirements of . . . regulatory agencies.”<sup>8</sup>

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<sup>3</sup> All references to PCAOB rules and standards in this Order are to the versions of those rules and standards, and to their organization and numbering, in effect at the time of the conduct discussed herein.

<sup>4</sup> See PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3400T, *Interim Quality Control Standards*.

<sup>5</sup> QC § 20.01, *System of Quality Control for a CPA Firm’s Accounting and Auditing Practice*.

<sup>6</sup> QC § 20.09.

<sup>7</sup> QC § 20.13.b; QC § 40.02.b, *The Personnel Management Element of a Firm’s System of Quality Control – Competencies Required by a Practitioner-in-Charge of an Attest Engagement*.

<sup>8</sup> QC § 20.13.c; QC § 40.02.c.

5. PCAOB quality control standards recognize that “[t]he elements of quality control are interrelated,”<sup>9</sup> and that monitoring procedures are necessary “to provide the firm with reasonable assurance that the policies and procedures related to each of the other elements of quality control are suitably designed and are being effectively applied.”<sup>10</sup> Under PCAOB standards, monitoring involves an ongoing consideration and evaluation of, among other things, the effectiveness of professional development activities and compliance with the firm’s policies and procedures.<sup>11</sup>

**ii. Training Requirements for PwC Netherlands Personnel**

6. As part of PwC Netherlands’ personnel management system, the Firm utilizes internal training programs for its personnel. The training programs are intended to develop knowledge, skills, and competencies for continuing professional development as part of the Firm’s quality control processes, and to help employees satisfy some of the continuing professional education requirements imposed by the accountancy board that registers PwC Netherlands’ auditors. The Firm’s training requirements are intended to be relevant to, among other things, the independence of the Firm’s personnel, the audit work they perform, and the integrity with which they carry out their professional responsibilities. The training requirements can vary by a professional’s position, role, and industry practice area.

7. Since at least 2018, the Firm has utilized online platforms to offer training to its personnel. The platforms enable the Firm to deliver, track, and record completion of mandatory internal training and testing. The platforms record the dates and times when personnel access and complete the training and testing.

8. The internal trainings utilized by the Firm often include a testing component. For training courses with a testing component, the Firm does not credit personnel with completing the training until they pass the related test.

**iii. Failures by PwC Netherlands to Establish Adequate Quality Control Policies and Procedures Related to Integrity and Personnel Management**

9. Between 2018 and 2022, PwC Netherlands had in place certain quality control policies and procedures intended to address integrity and personnel management. For example, the Firm’s Code of Conduct generally advised personnel that they should act with integrity and emphasized that Firm professionals have a responsibility to report breaches of the Code of Conduct when discovered. However, the Code of Conduct did not specifically discuss

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<sup>9</sup> QC § 20.08.

<sup>10</sup> *Id.*; QC § 30.02, *Monitoring a CPA Firm’s Accounting and Auditing Practice*; see also QC § 20.20.

<sup>11</sup> See QC § 20.20.c-d; QC § 30.02.c-d.

the sharing of answers or questions to training tests. The Firm did not amend its Code of Conduct to specifically discuss the sharing of training test answers or questions until after 2022.

10. In June 2019, PwC Netherlands became aware of substantial answer sharing at a U.S. member firm of the KPMG International Limited network of firms, through that firm's settlement of an enforcement action brought by the U.S. Securities and Exchange Commission.<sup>12</sup> Even after learning of that misconduct, PwC Netherlands did not appropriately evaluate and address the risk of improper answer sharing among its personnel.

11. Starting in August 2020, the Firm added specific language to some of its training tests warning against answer sharing in connection with the tests, but this warning language had still not been included in all of the Firm's mandatory audit and compliance trainings as of the end of 2022. Additionally, it was not until mid-2022 that the Firm supplemented the training test warnings with broader messaging to its personnel, such as through firmwide postings, specifying that improper answer sharing was prohibited.

12. As described below, the Firm's policies and procedures were inadequate to prevent or detect the extensive improper answer sharing on training tests that occurred among PwC Netherlands personnel over multiple years.

#### **iv. Widespread Sharing of Answers to Training Tests at PwC Netherlands**

13. From at least 2018 to 2022, hundreds of PwC Netherlands personnel engaged in improper answer sharing related to training tests. This misconduct occurred through a variety of methods, including Firm personnel emailing questions and answers to colleagues and taking tests together that were intended to assess individual knowledge. During this time period, no one reported this misconduct to appropriate parties within the Firm.

14. Instances of improper answer sharing occurred in connection with tests that were a part of PwC Netherlands' mandatory training. Firm personnel engaged in such misconduct in connection with tests for trainings concerning professional independence, PCAOB audit requirements, U.S. GAAP, and professional integrity.

15. The improper answer sharing at PwC Netherlands included a number of the Firm's partners and directors, and involved some Firm leaders. For example, a Firm partner stepped down from a PwC Netherlands' senior leadership role after the Firm discovered that the partner and another colleague had met together while taking a mandatory test. None of these individuals reported their misconduct to appropriate parties at the Firm before the Firm became the subject of a regulatory investigation in 2023.

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<sup>12</sup> See *KPMG LLP*, SEC Rel. No. 34-86118 (June 17, 2019).

16. As illustrated by the misconduct described above, from 2018 to 2022, PwC Netherlands failed to establish and implement policies and procedures, including monitoring procedures, to provide the Firm with reasonable assurance that (1) PwC Netherlands personnel performed all professional responsibilities with integrity; (2) PwC Netherlands personnel to whom work was assigned had the degree of technical training and proficiency required in the circumstances; and (3) PwC Netherlands personnel participated in general and industry-specific continuing professional education that enabled them to fulfill responsibilities assigned and satisfy applicable continuing professional education requirements of regulatory agencies. Accordingly, the Firm violated PCAOB quality control standards related to integrity and personnel management.<sup>13</sup>

#### IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in Respondent's Offer.

In ordering sanctions, the Board took into account that the Firm will be subject to an intensive supervision program conducted by the AFM, which conducted a concurrent investigation with the PCAOB in this matter. The Board understands that this supervision program will include remediation, conducting a root cause analysis, establishing policies and procedures to prevent and detect improper answer sharing at the Firm, and exploring further appropriate changes to Firm culture.

The Board also took into account the Firm's extraordinary cooperation in this matter.<sup>14</sup> Specifically, the Firm provided substantial assistance to the PCAOB's investigation by conducting, and providing to the PCAOB the results of, an extensive internal investigation into improper answer sharing among its personnel. As part of the internal investigation, the Firm collected and analyzed a voluminous amount of electronic data using an expansive array of search parameters. Additionally, the Firm applied optical character recognition to millions of electronic records of hundreds of individuals to optimize the review process. The Firm also interviewed hundreds of Firm personnel, encouraged self-reporting by individuals, and met frequently, on a regular basis, with the PCAOB to provide comprehensive, detailed reports and to receive feedback on the ongoing internal investigation.

Additionally, since the answer sharing misconduct occurred, the Firm has implemented remedial and corrective measures aimed at ending improper answer sharing at the Firm.

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<sup>13</sup> See QC § 20.09, .13.b-.c, .20; QC § 30.02; and QC § 40.02.b-.c.

<sup>14</sup> See *Policy Statement Regarding Credit for Extraordinary Cooperation in Connection with Board Investigations*, PCAOB Rel. No. 2013-003 (Apr. 24, 2013).

Among other actions, the Firm implemented an annual confirmation for personnel to certify that they have complied with the Firm's policies, which now include an explicit ban on improper answer sharing. The Firm also increased messaging and training among its personnel to communicate that improper answer sharing is prohibited. Additionally, the Firm disciplined Firm personnel who were found to have engaged in improper answer sharing.

Absent this extraordinary cooperation, the civil money penalty imposed would have been significantly larger, and the Board may have imposed additional sanctions.

Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), PwC Netherlands is hereby censured.
- B. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of \$3,000,000 is imposed on PwC Netherlands.
  1. All funds collected by the Board as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act.
  2. PwC Netherlands shall pay this civil money penalty within 10 days of the issuance of this Order by (a) wire transfer in accordance with instructions furnished by Board staff; or (b) United States Postal Service postal money order, bank money order, certified check, or bank cashier's check (i) made payable to the Public Company Accounting Oversight Board; (ii) delivered to the Office of Finance, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington, D.C. 20006; and (iii) submitted under a cover letter which identifies PwC Netherlands as the Respondent in these proceedings, sets forth the title and PCAOB release number of these proceedings, and states that payment is made pursuant to this Order, a copy of which cover letter and money order or check shall be sent to the Office of the Secretary, Attention: Phoebe W. Brown, Secretary, Public Company Accounting Oversight Board, 1666 K Street N.W, Washington, D.C. 20006.
  3. If timely payment is not made, interest shall accrue at the federal debt collection rate set for the current quarter pursuant to 31 U.S.C. § 3717. Payments shall be applied first to post-Order interest.

4. PwC Netherlands understands that failure to pay the civil money penalty described above may result in summary suspension of its registration, pursuant to PCAOB Rule 5304(a), following written notice to Respondent at the address on file with the PCAOB at the time of the issuance of this Order.
- C. Pursuant to Section 105(c)(4)(G) of the Act and PCAOB Rule 5300(a)(9), PwC Netherlands is required:
1. Within 90 days of the entry of this Order, to establish, revise, or supplement, as necessary, policies and procedures, including monitoring procedures as described in QC § 20.20, *System of Quality Control for a CPA Firm's Accounting and Auditing Practice*, to provide the Firm with reasonable assurance that (a) personnel perform all internal training and tests associated with such training with integrity; (b) personnel to whom work has been assigned have the degree of technical training and proficiency required in the circumstances; (c) personnel participate in general and industry-specific continuing professional education that enable them to fulfill responsibilities assigned; and (d) the above-described policies and procedures are suitably designed and are being effectively applied.<sup>15</sup>
  2. Within 120 days of the entry of this Order, to provide a certification, signed by its CEO, to the Director of the PCAOB's Division of Enforcement and Investigations, stating that the Firm has complied with Section IV.C.1. above. The certification shall identify the actions undertaken to satisfy the conditions specified above (including any remedial actions taken prior to the date of this Order), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. PwC Netherlands shall also submit such additional evidence of, and information concerning, compliance as the staff of the Division of the Enforcement and Investigations may reasonably request.
  3. To make available to the PCAOB any document or report submitted by the Firm to the AFM as part of its intensive supervision of the Firm, within

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<sup>15</sup> On December 15, 2025, QC 1000, *A Firm's System of Quality Control*, will become effective. By that date, the Firm must be in compliance with that quality control standard with respect to these matters.



14 days of any such request by the Division of Enforcement and Investigations.

4. The Firm understands that the failure to satisfy any provision of Section IV.C. may constitute a violation of PCAOB Rule 5000 that could provide a basis for the imposition of additional sanctions in a subsequent disciplinary proceeding.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

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Phoebe W. Brown  
Secretary

June 24, 2025