

**STATEMENT OF PROTOCOL  
BETWEEN  
THE PUBLIC COMPANY ACCOUNTING OVERSIGHT  
BOARD OF THE UNITED STATES  
AND  
THE FEDERAL AUDIT OVERSIGHT AUTHORITY AND THE FINANCIAL  
MARKET SUPERVISORY AUTHORITY OF SWITZERLAND**

The Public Company Accounting Oversight Board ("PCAOB") in the United States and the Federal Audit Oversight Authority ("FAOA") and the Financial Market Supervisory Authority ("FINMA") in Switzerland each seek to improve the accuracy and reliability of audit reports so as to protect investors and to help promote public trust in the audit process and investor confidence in their respective capital markets. Given the global nature of capital markets, the PCAOB and the FAOA/FINMA recognize the need for cooperation in matters related to the oversight of the auditors subject to the regulatory jurisdictions of both the PCAOB and the FAOA/FINMA. The PCAOB and the FAOA/FINMA envision that this Statement of Protocol ("Statement") will facilitate such cooperation.

Article I. Purpose of Statement

- A. The PCAOB and the FAOA/FINMA believe that it is in their common interest to cooperate in the oversight, including inspections and investigations, of public accounting firms that fall within the regulatory jurisdiction of all Parties to the extent that such cooperation is compatible with the Parties' respective laws and/or regulations, their important interests and their reasonably available resources.
- B. The Parties support the objective to establish and substantiate a system where the Parties would rely to an appropriate degree on the oversight activities of the home country regulator. This goal can only be achieved if there is enough confidence in the quality and independence of the respective Parties' work. From this perspective and on a transitional basis, the Parties recognize that it is in their common interest to cooperate in the inspections of public accounting firms that fall within the regulatory jurisdiction of all Parties.
- C. The purpose of this Statement is to set forth the intent of the PCAOB and the FAOA/FINMA regarding the procedures for cooperating in the oversight of public accounting firms subject to the regulatory jurisdictions of the PCAOB and the FAOA/FINMA.
- D. Cooperation is intended to permit the Parties to meet their respective statutory oversight mandates. Cooperation also is intended to assist the Parties in determining the degree to which one Party may rely in

the future on the other Party's inspections of audit firms that fall within the regulatory jurisdiction of all Parties.

- E. This Statement does not create any binding legal obligations or supersede domestic laws. No Party is obligated under the Statement to cooperate with another Party in any particular circumstance, and either Party may deny requests for information or assistance from another Party for any reason. This Statement does not give rise to a legal right on the part of the PCAOB, the FAOA, the FINMA or any other governmental or non-governmental entity or any private person to challenge, directly or indirectly, the degree or manner of cooperation by the PCAOB or the FAOA/FINMA.
- F. This Statement does not prohibit the PCAOB, the FAOA or the FINMA from taking measures with regard to the oversight of public accounting firms that are different from or in addition to the measures set forth in this Statement.

## Article II. Definitions of "Party," "Parties" and "public accounting firm"

"Party" or "Parties" means the PCAOB and/or the FAOA/FINMA.

"Public accounting firm" or "firm" means an audit firm that is subject to a Party's regulatory jurisdiction.

## Article III. Duration, Scope and Procedure of Cooperation

### A. Duration of Cooperation

1. The cooperative arrangements set forth in this Statement are intended to remain in place until each Party has had an opportunity to conduct in the other Party's jurisdiction at least one inspection of each firm required to be inspected in that jurisdiction.
2. After expiration of the above period, the Parties shall assess the effectiveness of the Statement and evaluate the degree to which one Party may rely in the future on the other Party's inspections of audit firms that fall within the regulatory jurisdiction of the Parties.

### B. Scope of Cooperation

1. Cooperation may include one Party sharing with the other Party non-public information and/or documents, including in the course of an investigation, relating to public accounting

firms that fall within the regulatory jurisdiction of both the PCAOB and the FAOA or FINMA.

2. Cooperation may include one Party assisting the other Party in an inspection by performing activities that may include but are not limited to facilitating access to information; reviewing audit work papers and other documents; interviewing firm personnel; reviewing a firm's quality control system and/or performing other testing of the audit, supervisory and quality control procedures of a public accounting firm.
3. Cooperation in the context of an inspection also may include the exchange of each Party's respective inspection guides.
4. Cooperation does not cover a request for assistance or information to the extent that it involves a Party obtaining on behalf of the other Party information and/or documents which the requesting Party could not obtain from a public accounting firm under its own laws or regulations.
5. The scope of cooperation may vary over time.

C. Procedure for Sharing Information or Documents other than in a Joint Inspection

1. Each Party may provide the other Party with information and/or documents upon written request (including e-mail).
2. The request shall specify (a) the reason for the request, (b) the information and/or documents sought, (c) the purpose for which the information and/or documents is sought (d) the legal provisions pertaining to the matter which underlies the request and e) to the best of the knowledge of the requesting Party, an indication of whether the information and/or documents requested might be subject to further use, disclosure and/or onward sharing under Articles IV to VI.

D. Procedure for Joint Inspections

1. Upon request, a Party may assist a requesting Party with respect to an inspection of a public accounting firm in the requested Party's jurisdiction. A Party seeking such assistance shall submit a written request identifying the firm to the other Party and indicating the purpose of the joint inspection. Such request shall be provided within a reasonable time prior to the intended inspection of the firm

and if possible in December before the year of the intended inspection.

2. Before an inspection is carried out jointly, the Parties shall endeavor to reach a consensus on a work plan for the inspection, including, in general, the steps and procedures to be performed during the inspection, including the audit engagements to be reviewed and the allocation of work between the staff of the PCAOB and the staff of the FAOA and/or FINMA.
3. For each inspection carried out jointly, the Party in whose jurisdiction the inspection is conducted shall lead the administrative and organizational aspects of the inspection meaning that it will manage communications between the audit firm and the other Party, organize the logistics of the inspections, and receive all audit work papers and other documents from the firm in the first instance and provide access to those documents to the other Party in connection with the joint inspection, subject to paragraphs 4 and 5.
4. The Party providing information and/or documents to the other Party may inventory all information and/or documents provided by that Party to the requesting Party.
5. The Parties are aware that the provision of assistance by another Party in the course of a joint inspection with regard to the access and/or transfer of certain specific legally protected information and/or documents may depend on the consent of the persons and entities in possession of the documents and/or information sought to be obtained and that these persons and entities might refuse to provide requested information and/or documents based on an asserted conflict(s) with local law(s) (e.g. data protection laws) or for other reasons. In that event, the Parties will consult to determine if there are alternative ways to meet the requirements of the requesting Party. If a Party withholds requested information (on its own initiative or at the request of a firm), that Party will inform the requesting Party of the nature of the information being withheld and the reasons therefore. The Parties are aware that if the information and/or documents are not provided, and the requesting Party determines that it cannot satisfy its regulatory obligations without the requested information and/or documents, the requesting Party may take certain actions as allowed by its domestic laws, rules and regulations against the relevant

audit firm(s) for refusing to provide the requested information and/or documents.

6. In accordance with paragraph 5 and upon request, a Party may remove from the other Party's jurisdiction copies of audit work papers and other documents in order to support its inspection findings. With regard to removal of audit work papers to support inspection findings, copies of only those audit work papers needed by a Party to comply with its inspection documentation requirements may be removed from the other Party's jurisdiction.

#### Article IV. Permissible use of Information and/or Documents

The information and/or documents received in the course of cooperation shall be used by the requesting Party only as permitted or required by its respective authorizing statutes – which include the Sarbanes-Oxley Act of 2002 (as amended) (the “Sarbanes-Oxley Act”) in the United States, the Federal Audit Oversight Act of 2005 (“AOA”) and the Financial Market Supervision Act of 2007 (“FINMASA”) in Switzerland – and any rules or regulations promulgated thereunder. If any Party intends to use the information received in the course of cooperation for any purpose other than those stated in the Party's request according to Article III.C.2 or III.D.1, it must obtain the prior written consent of the requested Party.

#### Article V. Confidentiality of Information and/or Documents

- A. Except for disclosures in accordance with this Statement, including permissible uses of information and/or documents under Article IV, each Party shall hold confidential all non-public information and/or documents received in the course of cooperation, including requests for assistance or requests for any other form of cooperation.
- B. Confidentiality under this Statement includes the following:
  1. Only individuals and entities that are independent<sup>1</sup> of the auditing profession will have access to the non-public information and/or documents provided;
  2. The Parties have established and will maintain such safeguards as are necessary and appropriate to protect the confidentiality of the information and/or documents, including

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<sup>1</sup> Independent of the auditing profession means that the individual or entity is not a practicing auditor, affiliated with an audit firm, or a member of the governing board or staff of a professional organization.

storing the information and/or documents in a secure location when not in use;

3. The Parties have provided each other a description of their applicable information systems and controls (Annex A) and a description of the laws and regulations of the government of the requesting Party that establish appropriate limits on access to non-public information and/or documents (Annex B); and
  4. The Parties will inform each other if the safeguards, information systems, controls, laws or regulations referenced in paragraphs 2 and 3 above change in a way that would weaken the protection for the information and/or documents provided by the other Party.
- C. A Party may issue public inspection reports as permitted or required by the law of that Party's jurisdiction<sup>2</sup>, including reports that identify the firm inspected and the inspection results. Before publishing an inspection report relating to a firm located in the other Party's jurisdiction and subject to the other Party's authority, the Party shall give advance notice of the publication to the other Party.<sup>3</sup>
- D. A Party may publicly announce sanctions imposed upon auditors or audit firms as permitted or required by the law of that Party's jurisdiction. Before publicly announcing any sanctions imposed on an auditor or audit firm that is located in the other Party's jurisdiction and subject to the other Party's authority, the Party shall give advance notice of the publication to the other Party.<sup>4</sup>

## Article VI. Onward sharing

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<sup>2</sup> The PCAOB's practice concerning the issuance of inspection reports and the matters not included in any public inspection report are outlined in the PCAOB Release No. 104-2004-001, August 26, 2004. The FAOA/FINMA do not in practice issue public inspection reports.

<sup>3</sup> The FAOA/FINMA have informed the PCAOB that Swiss law requires the FAOA/FINMA to inform the PCAOB if the inclusion of any information in the intended publication would be inconsistent with Swiss law, and that the publication by the PCAOB of such information may have negative consequences on the future exchange of confidential information between the FAOA/FINMA and the PCAOB.

<sup>4</sup> The FAOA/FINMA have informed the PCAOB that Swiss law requires the FAOA/FINMA to inform the PCAOB if the inclusion of any information in the intended publication would be inconsistent with Swiss law, and that the publication by the PCAOB of such information may have negative consequences on the future exchange of confidential information between the FAOA/FINMA and the PCAOB.

A Party may share non-public information and/or documents obtained in connection with cooperation under this Statement with certain law enforcement or regulatory authorities in its jurisdiction as follows:

- A. The PCAOB may share such information and/or documents only with those entities identified in section 105(b)(5)(B) of the Sarbanes-Oxley Act.<sup>5</sup> The FAOA/FINMA may share such information and/or documents with certain Swiss law enforcement or Swiss regulatory authorities as permitted by Swiss law.<sup>6</sup>
- B. A Party intending to share non-public information and/or documents obtained in connection with cooperation under this Statement with another authority shall give the other Party reasonable advance notice of its intent and request the written consent of the other Party.
- C. With regard to the sharing of non-public information and/or documents by the PCAOB with the U.S. Securities and Exchange Commission or by the FAOA with FINMA, a Party who conducted fieldwork in the other Party's jurisdiction may at the conclusion of inspection fieldwork request the written consent from the other Party to potentially share with the SEC or FINMA, respectively, any and/or all information and/or documents obtained during the inspection.
- D. The request for consent to the onward sharing shall specify (a) the purpose of the proposed onward transfer, (b) the legal provisions pertaining to the matter which underlies the request and (c) the possible use, disclosure and/or onward sharing of the information and/or documents by the other authority.
- E. The requested Party shall give consent to the onward sharing of information and/or documents if (a) the intended recipient is an entity that carries out oversight duties that are in the public interest<sup>7</sup>, (b) is bound by a duty of confidentiality and/or official and professional secrecy and (c) applicable law does not preclude a Party from providing consent.<sup>8</sup> The requested Party may make its consent to the onward sharing of the information subject to conditions.

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<sup>5</sup> Relevant provisions of the Sarbanes-Oxley Act are described in Annex B1 hereto.

<sup>6</sup> Relevant provisions of Swiss law are described in Annex B2 and B3 hereto.

<sup>7</sup> For the PCAOB, these entities are those identified in Section 105(b)(5)(B) of the Sarbanes-Oxley Act. For the FAOA/FINMA, these entities are those identified in Annex B2 and B3.

<sup>8</sup> For the PCAOB, this law is the Sarbanes-Oxley Act. For the FAOA and FINMA, this law is Article 26 Paragraph 3 of the Federal Audit Oversight Act in connection with the Federal Act on International Mutual Assistance in Criminal Matters (Act on International Criminal Assistance, IMAC, SR 351.1, Article 3).

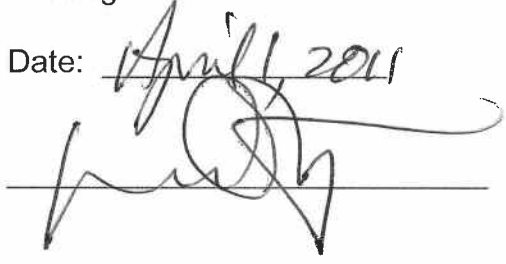
- F. If the requested Party does not provide consent within a reasonable time, not to exceed ten days, the Party intending to share such information and/or documents will consult with the requested Party and give due and full consideration to that Party's objections before sharing such information and/or documents. Should such a case arise the Parties may need to review this Statement.

Article VII. Entry into Effect and Termination

- A. This Statement comes into effect the day after the date of the signature of all Parties.
- B. The Statement may be withdrawn without cause by either Party by written notice to the other Party. Irrespective of Article III.A., this Statement expires three years after it entered into force.
- C. After termination of this Statement information and/or documents obtained from the other Party under this Statement will continue to be treated confidentially in the manner prescribed under Articles IV, V and VI of this Statement (except that, before complying with the advance notice provisions in Article V.C. or V.D., a Party may require that the other Party re-affirm its compliance with the requirements set forth in Article V.A., V.B. and Article VI.)

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James R. Doty  
Chairman  
Public Company Accounting  
Oversight Board

Date: April 2011  




Prof. Hans Peter Walter  
Chairman of the Board of Directors  
Federal Audit Oversight Authority

Date: 4/4/2011



Frank Schneider  
Chief Executive Officer  
Federal Audit Oversight Authority

Date: 4/4/2011



Prof. Dr. Anne Héritier Lachat  
Chairwoman of the Board of Directors  
Financial Market Supervisory Authority

Date: 4/4/2011

A. Héritier Lachat

Dr. Patrick Raaflaub  
Chief Executive Officer  
Financial Market Supervisory  
Authority

Date: 4/4/2011



- Annex A1: Description of PCAOB applicable information systems and controls
- Annex A2: Description of FAOA applicable information systems and controls
- Annex A3: Description of FINMA applicable information systems and controls
- Annex B1: Description of PCAOB laws and regulations that establish appropriate limits on access to non-public information and/or documents
- Annex B2: Description of FAOA laws and regulations that establish appropriate limits on access to non-public information and/or documents
- Annex B3: Description of FINMA laws and regulations that establish appropriate limits on access to non-public information and/or documents

**ADDENDUM TO THE STATEMENT OF PROTOCOL  
BETWEEN  
THE PUBLIC COMPANY ACCOUNTING OVERSIGHT  
BOARD OF THE UNITED STATES  
AND  
THE FEDERAL AUDIT OVERSIGHT AUTHORITY AND THE FINANCIAL  
MARKET SUPERVISORY AUTHORITY OF SWITZERLAND**

The Public Company Accounting Oversight Board in the United States (“PCAOB”), the Federal Audit Oversight Authority (“FAOA”) and the Financial Market Supervisory Authority (“FINMA”) of Switzerland executed a Statement of Protocol on cooperation and the exchange of information related to the oversight of auditors in April 2011 (the “Statement”). Because the FAOA and the PCAOB wish to have the Statement, with certain amendments, continue in effect as between them beyond the April 4, 2014 expiration date provided in the Statement, and because FINMA will not be a party to the Statement beyond that expiration date, the Statement is amended as described below, effective April 4, 2014.

**Article One.** The Statement is amended to remove FINMA as a Party to the Statement such that all references to the FINMA as a Party (i.e., all but the reference in VI(C)) and to the Financial Market Supervision Act of 2007 are deleted from the Statement as well as Appendix A3 and Appendix B3 and any references to them.

**Article Two.** Article III of the Statement is amended as follows:

1. Article III is hereby retitled “Scope and Procedure of Cooperation”;
2. Article III, paragraph (A) is hereby deleted and paragraphs (B), (C) and (D) redesignated as (A), (B) and (C), respectively; and
3. the redesignated paragraph (A) is amended to add the following subparagraph (6) which shall read as follows:

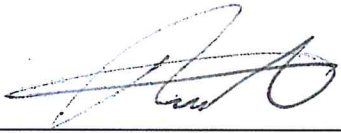
“6. *During the course of cooperation and at least every three years, the Parties shall assess the effectiveness of the Statement and evaluate the degree to which one Party may enhance the reliance in the future on the other Party’s inspections of audit firms that fall within the regulatory jurisdiction of the Parties.*”

**Article Three.** Article VII, paragraph (B) of the Statement is amended to read as follows:

“B. *The Statement may be terminated without cause at any time by either Party by written notice to the other Party.*<sup>1</sup>”

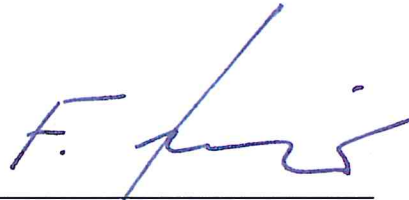
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<sup>1</sup> The FAOA has informed the PCAOB that the lack of progress towards an enhanced reliance between the Parties may cause the FAOA to terminate the Statement.



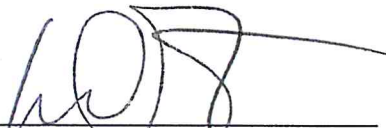
Thomas Rufer  
Chairman of the Board of Directors  
Federal Audit Oversight Authority

Date: 3/4/2014



Frank Schneider  
Chief Executive Officer  
Federal Audit Oversight Authority

Date: 4/4/2014



James R. Doty  
Chairman  
Public Company Accounting  
Oversight Board

Date: 4.11.14