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Circular 1/2007

on Required Licensing Information, Documents to be Submitted and the Duty to Notify during the Licence Period (Circ. 1/2007)

of 27 August 2007 (status as at 15 December 2022)

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I. Background

- 1 In the application submitted by an individual or audit firm for licensing by the Federal Audit Oversight Authority (hereinafter: Oversight Authority) the applicant must provide all the details and name all the documents from which it can be established that the licensing requirements are satisfied (Art. 3 para. 1 AOO¹).
- 2 Individuals may be licensed as:
 - auditors (Art. 5 AOA²);
 - audit experts (Art. 4 AOA).
 - lead auditors under one or more financial market acts (Art. 9a para. 2 AOA).
- 3 Audit firms may be licensed as:
 - auditors (Art. 6 in conjunction with Art. 5 AOA);
 - audit experts (Art. 6 in conjunction with Art. 4 AOA);
 - audit firms under state oversight (Art. 7 ff. AOA);
 - Audit firms under one or more financial market laws (Art. 9a para. 1 AOA).
- 4 Sole proprietorships, partnerships or legal entities that are entered in the Commercial Register and provide audit services shall be regarded as audit firms (Art. 2 let. b AOA). Public-sector audit offices shall be treated as audit firms, but cannot be licensed as audit firms under state oversight (Art. 6 para. 2 AOA). Individuals who independently provide audit services in the sense of the Act (Art. 2 let. a AOA) must be entered in the Commercial Register as sole proprietorship and apply for a licence for it (Art. 8 para. 1 AOO). Audit firms whose registered office is outside Switzerland and that provide audit services in accordance with Swiss law must have a branch office entered in a Swiss Commercial Register (Art. 8 para. 2 AOO).
- 4^{bis} Audit firms under state oversight generally receive a licence only after a detailed inspection. During this inspection, the Oversight Authority shall request comprehensive documents. Therefore, this circular does not apply to audit firms under state oversight.
- 4^{ter} *Repealed*
- 4^{quater} Furthermore, licensed persons and companies must immediately report incidents in writing which are relevant to licensing (Art. 15a para. 2 AOA).
- 5 This circular is intended to set out the prerequisites for licensing and the duty to notify during the licence period in greater detail. The information and documents generally required are presented below. However, this does not exclude the Oversight Authority from requesting additional information or documents.
- 6 The applicant's information shall be transferred to the Oversight Authority by means of the latter's internet portal (www.rab-asr.ch). The application must be signed. If there is no valid electronic signature within the meaning of the Federal Act of 18 March 2016 on Electronic Signatures, the release form must be signed by hand and submitted in

¹ Ordinance of the Federal Council of 22 August 2007 on the Licensing and Oversight of Auditors (AOA; SR 221.302)

² Federal Act of 16 December 2005 on the Licensing and Oversight of Auditors (AOA; SR 221.302)

paper form. If electronic submission of the application is not possible, the application must be submitted on paper. It must be signed by hand (Art. 2 AOO).

II. Information required for individuals

- 7 The application submitted by an individual for licensing as an auditor or audit expert shall contain at least the following details:
- a. surname and first name;
 - b. domicile address and correspondence address if applicable;
 - c. phone number and/or mobile phone number and e-mail;
 - d. language for correspondence;
 - e. date of birth;
 - f. nationality and place/s of origin;
 - g. type of licence requested;
 - h. if applicable, a reference to membership in a professional association;
 - i. *Repealed*
 - j. *Repealed*
 - k. type and date of course of studies completed (Art. 4 para. 2 AOA);
k^{bis}. in addition in case of comparable foreign education:
 1. diploma title;
 2. designation of country in which the diploma was issued;
 3. date of the examination passed under regulations recognised by the Oversight Authority to prove necessary knowledge of Swiss law (Art. 6 AOO);
 - l. if applicable, the list of activities during which professional experience was acquired under oversight, with an indication of the following information (Art. 4 para. 4 and Art. 5 para. 2 AOA):
 1. information on employer and/or client:
 - a. UID number;
 - b. corporate name/name;
 - c. registered office;
 2. type of employment
2^{bis}. job/function (according to excerpt of the Commercial Register if applicable);
2^{ter}. the department in which the activity was carried out;
 3. date on which the activity started and finished;
 4. employment rate on average;
 5. *Repealed*
 6. information on the person under whose oversight the activity was performed:
 - a. surname and first name of the person under whose oversight the activity was carried out;

- b. FAOA register number, if applicable;
 - c. period of oversight;
 - d. function during the period of oversight;
 - e. activity under oversight;
- m. list of activities during which professional experience was acquired that was not under oversight, with an indication of the following information (Art. 4 para. 4 AOA):
 - 1. information on employer and/or client:
 - a. UID number;
 - b. corporate name/name;
 - c. registered office;
 - 2. type of employment;
 - 3. job/function (according to excerpt of the Commercial Register if applicable);
 - 4. field in which the activity was carried out;
 - 4^{bis}. date on which the activity started and finished;
 - 5. employment rate on average;
- n. *Repealed*
- o. judgements and settlements of first or higher instances in proceedings of the categories mentioned below against or with participation of the applying person, at which judgements without legal capacity and, in case of a first-time application, all judgements and settlements within the past ten years before the application must also be reported:
 - 1. civil proceedings in connection with the audit activity;
 - 2. administrative procedures in connection with the audit activity;
 - 3. criminal or administrative penalty proceedings;
 - 4. proceedings before a professional board;
- p. *Repealed*
- q. existing certificates of unpaid debts.

II^{bis}. Additional information in the licence application of individuals for audits under the financial market acts

- 7^{bis}. An individual's application for a licence as a lead auditor for regulatory audits shall contain at least the following details:
- a. number of years of professional experience and number of audit hours performed in the respective oversight areas (Art. 11d to 11f para. 1 let. a and b and para. 2 let. a AOO) indicating the following information:
 1. information on the employer and/or client;
 - a. UID number;
 - b. corporate name/name;
 - c. registered office;
 2. type of employment;
 3. job or function (according to excerpt of the Commercial Register if applicable);
 4. oversight area;
 5. activity start and end date;
 - b. list of continuing education in the relevant oversight areas (Art. 11d to 11f para. 1 let. c and para. 2 let. b AOO), indicating the content of the continuing education and the completed hours;
 - c. the existence of a license already granted by FINMA or the FAOA, if applicable, indicating the oversight area and the audit firm for which the activity is performed.

III. Information required for audit firms

- 8 The application submitted by an audit firm for licensing as an auditor or audit expert shall contain at least the following details:
- a. Uniform identification number (UID);
 - b. corporate name or name and domicile address;
 - c. legal form;
 - d. state in which registered office is located;
 - e. if applicable, website address;
 - f. language for correspondence;
 - g. if applicable, a reference to membership in a professional association;
 - h. type of licence requested;
 - h^{bis}. branch offices in Switzerland registered in the Commercial Register indicating the UID number, corporate name or name and domicile address;
 - i. number of members constituting the firm's highest supervisory or governing body and executive body and list of the members of the management body indicating their name, first name, FAOA register number if applicable, ZIP/city and date of birth;
 - j. declaration that all auditors in charge hold a corresponding licence;
 - k. number of persons involved in the provision of audit services, broken down into:

1. persons who hold a licence as audit expert;
- 1^{bis}. persons who hold a licence as auditor;
2. persons who do not hold a corresponding licence;
- k^{bis}. statement on how the firm ensures that the 20-percent-rule under Art. 6 para. 1 let. b AOA is respected;
- l. surname, first name and address of the signatory of the application and surname, first name, address, telephone number and e-mail address of the contact person and, if applicable, of the contact person's deputy;
- m. quality control data indicating the following information:
 1. number of mandates for which the audit firm is elected as auditor, with a note as to which audit mandates are for limited or ordinary audits;
 2. *Repealed*
 3. internal requirements applied regarding independence;
 4. internal requirements applied regarding continuing education;
 5. internal quality assurance system standard used;
 6. description of the internal quality assurance system (manual);
- n. judgements and settlements of first or higher instances in proceedings of the categories mentioned below against and/or with participation of the applying firm, at which judgements without legal capacity and, in case of a first-time application, all judgements and settlements within the past ten years before the application must be reported:
 1. civil proceedings in connection with the audit activity;
 2. administrative procedures in connection with the audit activity;
 3. criminal or administrative penalty proceedings;
 4. proceedings before a professional board;
- o. *Repealed*

9 *Repealed*

IV. Documents required for individuals

- 10 In order for an individual to be licensed as an auditor or audit expert, copies of at least the following documents shall be submitted:
 - a. if applicable, signed approval receipt;
 - a^{bis}. copy of valid passport or valid identity card;
 - b. copy of diploma or equivalent attestation of the completion of a course of studies, education according to Art. 4 para. 2 AOA; if several courses have been completed, all diplomas and attestations are to be submitted (cf. margin no. 7 let. k above);
 - c. if applicable, the completed and signed forms from (former) employers confirming the professional experience acquired under oversight (cf. margin no. 7 let. l above);

- c^{bis}. if applicable, the forms completed and signed by the (former) employer confirming professional practice acquired without oversight (cf. margin no. 7 let. m above);
- d. copy of the examination passed under regulations recognised by the Oversight Authority to prove necessary knowledge of Swiss law (Art. 6 AOO) if applicable;
- d^{bis}. if applicable, the questionnaire for assessing the equivalence of foreign education;
- e. current excerpt from the Register of Criminal Records Information System VOSTRA (no more than three months old at the time of submission); persons with more than two years of residence abroad must provide a corresponding excerpt or evidence from their country of residence;
- f. copies of written judgements and settlements according to margin no. 7 let. o if applicable;
- g. current extract from the Debt Collection and Bankruptcy Register (no more than three months old at the time of its submission); individuals who are resident abroad must supply a corresponding extract or proof of their state of residence. (In the event that an individual's place of residence has changed, the Oversight Authority reserves the right to demand extracts or proof from earlier places of residence.)

11 *Repealed*

IV^{bis}. Additional documents required for the application of individuals for a licence for audits by financial market acts

- 11^{bis}. For the licence of individuals as a lead auditor for regulatory audits, the following documents shall be submitted:
- a. the (former) employers' completed and signed confirmation documents showing years of work experience and testing hours in the relevant oversight areas. (Art. 11d to 11f para. 1 let. a and b and para. 2 let. a AOO) (cf. margin no. 7^{bis} let. a above);
 - b. copy of confirmations of completed continuing education (Art. 11d to 11f para. 1 let. c and para. 2 let. b AOO) (cf. margin no. 7^{bis} let. b above).

V. Documents required for audit firms

- 12 In order for an audit firm to be licensed as an audit expert or auditor, copies of at least the following documents shall be submitted:
- a. if applicable, legally validly signed approval receipt;
 - a^{bis}. current foreign excerpt from the commercial register (no more than three months old at the time of submission) with audit firms domiciled abroad;
 - b. *Repealed*
 - c. *Repealed*
 - d. copies of written judgements and settlements according to margin no. 8 let. n if applicable;
 - e. *Repealed*;
 - f. current extract from the Debt Collection and Bankruptcy Register (no more than three months old at the time of submission).

- f^{bis}. internal quality assurance manual, if the audit firm requests initial approval;
- g. reports on the internal follow-up audits of the last five years.
- h. continuing education inspection documents (without proof of continuing education) of the last two completed calendar years for all persons currently working for the audit firm in the field of auditing with a licence as an audit expert or as an auditor, with the persons currently working as lead auditors or as lead auditors marked;
- i. *Repealed*

12^{bis} With regard to margin no. 12 letter h, the FAOA may refer to the associations' continuing education inspections in the case of ordinary members of professional associations.

13 *Repealed*

VI. Repealed

14 *Repealed*

15 *Repealed*

16 *Repealed*

VI^{bis}. Duty to notify during licence period

16^{bis}. During the licence period, individuals and audit firms must provide information and submit documents regarding margin no. 7 let. a, b, c, d, h, o and q, margin no. 7^{bis} let. a and b, margin no. 8 let. a, b, c, d, e, g, h^{bis}, i, j, k, k^{bis}, l, m no. 1 and let. n as well as margins no. 10 let. f and 11^{bis}.

VII. Enactment

17 This circular shall come into force on 1 September 2007.³

³ This circular was amended as follows:
- Amendment of 8 November 2012 (in force since 1 December 2012)
- Amendment of 10 November 2014 (in force since 1 January 2015)
- Amendment of 23 August 2017 (in force since 1 October 2017)
- Amendment of 12 October 2021 (in force since 15 October 2021)
- Amendment of 13 December 2022 (in force since 15 December 2022)