

Dz.U.09.77.649

ACT

on Statutory Auditors, Their Self-Governing Organisation, Entities Authorised to Audit Financial Statements and on Public Oversight¹⁾

of May 7, 2009

(Dz.U. of May 22, 2009)

Chapter 1

General Provisions

Art. 1. The Act determines the principles of:

- 1) receipt of the title and practice of the profession of a statutory auditor;
- 2) organisation of a professional self-government of statutory auditors;
- 3) disciplinary liability of statutory auditors;
- 4) operation of entities authorised to audit financial statements, including entities authorised to audit financial statements which perform audit activities in public interest entities;
- 5) public oversight over statutory auditors and entities authorised to audit financial statements, as well as professional self-government of statutory auditors;
- 6) establishment and operation of audit committees in public interest entities;
- 7) cooperation between a public oversight authority and other public oversight authorities in the EU Member States and third countries.

Art. 2. Every time a reference is made in the Act to:

- 1) a statutory auditor of a group – it shall be understood as a statutory auditor conducting, on behalf of an entity authorised to audit financial statements, audit of consolidated financial statements;
- 2) audit activities – it shall be understood as audit, review of financial statements or other assurance services referred to in separate provisions or auditing standards;
- 3) a related entity – it shall be understood as a related entity within the meaning of art. 3 par. 1 point 43 of the Accounting Act of September 29, 1994 (Dz.U. of 2002, No. 76, item 694, as amended²⁾);
- 4) public interest entities shall be understood as:
 - a) issuers of securities admitted to trading at a regulated market of an EU Member State which have their registered offices in the territory of the Republic of Poland excluding local government units;
 - b) domestic banks, divisions of credit institutions and branches of foreign banks – within the meaning of the Act - Banking Law of August 29, 1997 (Dz.U. of 2002 No. 72, item 665 as amended³⁾);
 - c) credit unions – within the meaning of the Act on Credit Unions of December 14, 1995 (Dz.U. of 1996 No. 1, item 2, as amended⁴⁾);
 - d) insurance companies and major divisions of insurance companies and reinsurance companies – within the meaning of the Act on Insurance Activity of May 22, 2003 (Dz.U. No. 124, item 1151, as amended⁵⁾),
 - e) electronic money institutions – within the meaning of the Act on Electronic Payment Instruments of September 12, 2002 (Dz.U. No. 169, item 1385, as amended⁶⁾);
 - f) open pension funds and general pension societies – within the meaning of the Act on Organisation and Operation of Pension Funds of August 28, 1997 (Dz.U. of 2004 No. 159, item 1667, as amended⁷⁾);
 - g) open investment funds, specialist open investment funds and closed-end investment funds whose public investment certificates were not admitted to trading at the regulated market – within the meaning of the Act on Investment Funds of May 27, 2004 (Dz.U. No. 146, item 1546 as amended⁸⁾);
 - h) entities conducting brokerage activity excluding entities conducting operation solely within the

- scope of accepting and transferring instructions for purchase or sale of financial instruments or within the scope of investment counselling – within the meaning of the Act on Trading in Financial Instruments of July 29, 2005 (Dz.U. No. 183 item 1538 as amended⁹⁾);
- 5) a key statutory auditor – shall be understood as a statutory auditor responsible for audit activities on behalf of an entity authorised to audit financial statements signing an opinion or a report referred to in art. 65 of the Accounting Act of September 29, 1994;
 - 6) fees for oversight – shall be understood as fees for partial financing of the operation of the public oversight system, in particular costs of preparation of legal regulations, maintenance of a register of statutory auditors and entities authorised to audit financial statements, conduct of controls, conduct of disciplinary proceedings and administrative servicing costs;
 - 7) a third country – shall be understood as a country other than countries listed in par. 8;
 - 8) a European Union Member State – shall be understood as a European Union Member State, a member state of the European Free Trade Association (EFTA) – a party to the agreement on the European Economic Area;
 - 9) a network – shall be understood as a structure aimed at cooperation to which a statutory auditor or an entity authorised to audit financial statements belongs and whose clear objective is common sharing of profits and losses or which has a common owner, control authority or management board, a common policy and quality control procedures, a common economic strategy and makes use of a common name or a significant part of professional resources;
 - 10) auditing standards – shall be understood as the International Standards of Auditing announced in the form of regulations of the European Commission.

Chapter 2

Statutory Auditors

Art. 3. 1. The profession of a statutory auditor consists in performance of audit activities.

2. A statutory auditor may practice his/ her profession as:

- 1) a natural person conducting activity on his/ her own behalf and own account;
- 2) a partner of an entity authorised to audit financial statements referred to in art. 47 par. 2 and art. 47 par. 3;
- 3) a person remaining in an employment relation with an entity authorised to audit financial statements referred to in art. 47;
- 4) a person who does not remain in an employment relation and does not conduct activity on his/ her own behalf and own account on the condition of concluding a civil law contract with an entity authorised to audit financial statements referred to in art. 47.

3. In cases referred to in par. 2 points 2 – 4, the statutory auditor practices the profession on behalf of the entity authorised to audit financial statements.

4. A statutory auditor entered in the register of statutory auditors may practice the profession after a prior written notification of the National Council of Statutory Auditors about commencement and form of practicing the profession, in particular about the address and the name of an entity authorised to audit financial statements on behalf of which the auditor shall practice the profession.

5. The National Council of Statutory Auditors shall determine, in the form of a resolution, the template of the notification referred to in par. 4.

6. Statutory auditors employed in the self-government of statutory auditors and working as academics or scientific researchers may practice the profession solely in the form determined in par. 2 point 4.

Art. 4. 1. In particular, a statutory auditor shall be required to:

- 1) act in line with the oath;
- 2) constantly raise professional qualifications, including participation in mandatory continuing education courses;
- 3) comply with audit standards, principles of independence and professional ethics;
- 4) regularly settle the membership fee;
- 5) comply with resolutions of the bodies of the National Chamber of Statutory Auditors within the scope in which they refer to statutory auditors.

2. The mandatory continuing education referred to in par. 1 point 2 shall consist in participation in a

relevant training in accounting and audit conducted by authorised entities.

3. The National Council of Statutory Auditors shall determine, in the form of a resolution approved by the Audit Oversight Commission:

- 1) the scope of subjects and the minimum number of hours of the mandatory continuing education for statutory auditors;
- 2) principles of obtaining authorisation to conduct mandatory continuing education.

4. Authorisation to conduct mandatory professional improvement courses is awarded by the National Council of Statutory Auditors.

Art. 5. 1. A statutory auditor shall be a person entered in the register of statutory auditors.

2. A natural person complying with the following requirements can be entered in the register of statutory auditors, hereinafter referred to as the "register":

- 1) enjoys full civil rights and has full legal capacity to act;
- 2) has impeccable opinion and by hitherto conduct provides guarantee of proper practice of the profession of a statutory auditor;
- 3) was not sentenced by a legally valid verdict for purposefully committed crime or fiscal crime;
- 4) completed higher studies in the Republic of Poland or foreign higher studies deemed equivalent in the Republic of Poland and is fluent in the Polish language in speech and writing;
- 5) completed a one-year accounting practice in a European Union Member State or at least a two-year internship under oversight of a statutory auditor aimed at practical preparation for independent practice of the profession; compliance with these requirements was ascertained by the Examination Board, hereinafter referred to as the "Board";
- 6) passed the examinations for candidates for statutory auditors with respect to the knowledge referred to in art. 9 par. 1 and art. 9 par. 2 before the Board;
- 7) passed a final oral diploma examination verifying the knowledge acquired during the internship before the Board;
- 8) took an oath before the President of the National Council of Statutory Auditors or another authorised member of the National Council of Statutory Auditors.

3. A natural person who is authorised to practice the profession of a statutory auditor in another European Union Member State may also be entered in the register after passing the examination in the Polish language before the Board with respect to economic law binding in the territory of the Republic of Poland within the scope necessary for performance of audit activities.

4. A natural person who is authorised to practice the profession of a statutory auditor in a third country may also be entered in the register upon the principle of reciprocity on the condition of compliance with requirements regarding professional qualifications in line with the conditions determined in the Act or equivalent conditions and after passing the examination in the Polish language before the Board on economic law binding in the Republic of Poland within a scope necessary for performance of audit activities.

5. The title "statutory auditor" is subject to legal protection.

6. The form of the oath taken by a statutory auditor is as follows:

"I promise that as a statutory auditor I shall fulfil the tasks entrusted to me reliably, with due diligence and impartially, in line with the provisions of the law and applicable auditing standards, in my proceedings being guided by professional ethics and independence. Facts and circumstances which become known to me during performance of an audit I shall keep secret with respect to third parties."

Art. 6. 1. The Board shall consist of 19 members appointed and dismissed by the minister competent for the issues of public finance, hereinafter referred to as the "Minister of Finance." The Board consists of:

- 1) 10 representatives of the Minister of Finance, including 4 persons who are not employees of the Ministry of Finance selected among representatives of academic circles;
- 2) 7 representatives recommended by the National Council of Statutory Auditors among statutory auditors entered in the register;
- 3) 2 representatives recommended by the Polish Financial Supervision Authority.

2. Members of the Board are appointed among persons who:

- 1) have Polish citizenship;
- 2) enjoy full civil rights;
- 3) completed higher studies in the Republic of Poland or foreign higher studies deemed equivalent in the

Republic of Poland;

- 4) have impeccable opinion;
- 5) possess authority, knowledge and experience which provide guarantee for correct course of examination for candidates for statutory auditors;
- 6) were not sentenced by a legally valid verdict for purposefully committed crime or fiscal crime.

3. The recommendation referred to in par. 1 point 2 and par. 1 point 3 has to be submitted not later than within 60 days before the end of the Board's term.

4. The term of the Board lasts 4 years.

5. In the case of death or dismissal of a member of the Board, the Minister of Finance appoints a new Board member. The term of office of a person appointed in place of a dismissed or deceased member ends at the end of term of the Board. Failure to present the recommendation referred to in par. 1 point 2 and par. 1 point 3 within 30 days from the date of death or dismissal of a member of the Board shall not constitute an impediment for the Board's operation.

6. Dismissal of a member of the Board before the end of term may take place:

- 1) upon the member's application;
- 2) *ex officio*, in the case of:
 - a) gross violation of the rules of operation of the Board;
 - b) failure to submit a declaration referred to in par. 7 or violation of its content;
 - c) loss of conditions entitling a person to be appointed a member of the Board.

7. Members of the Board and persons referred to in art. 8 par. 3 submit declarations that they shall not make available or use information regarding examination tests and situational tasks, in particular by conduct of training sessions aimed at preparation of candidates for examinations for statutory auditors or publication of training materials.

Art. 7. The tasks of the Board shall include:

- 1) conduct of examinations for candidates for statutory auditors, including the diploma examination;
- 2) acknowledgment, upon the application of a candidate for a statutory auditor, of completion of practice and internship;
- 3) determination of test questions, situational tasks and preparation of examination sets for individual examinations, including the diploma examination, for the candidates for statutory auditors;
- 4) examination of appeals regarding examination results;
- 5) conduct of examinations referred to in art. 5 par. 3 and art. 5 par. 4;
- 6) evaluation of equivalence referred to in art. 5 par. 4.

Art. 8. 1. The Minister of Finance shall appoint the Chairman of the Board among the Board's members. The Chairman of the Board shall direct the activities of the Board, determine the composition of the Board for individual examinations among members of the Board and appoint chairmen of these boards.

2. The Board shall issue resolutions with respect to the tasks entrusted to it.

3. The Board may commission, on the basis of a civil law contract, preparation or verification of examination tests to auditors appointed by the Board among persons who possess indispensable knowledge in a given area.

4. The National Chamber of Statutory Auditors shall ensure servicing for the Board and examinations for statutory auditors and cover the cost of remuneration of members of the Board and the auditors.

5. The National Council of Statutory Auditors shall adopt a resolution, in agreement with the Board, regarding the rules and regulations pursuant to which the Board operates. The resolution shall require approval of the Audit Oversight Commission.

6. The Board shall furnish the Audit Oversight Commission with a report on its operation for every calendar year, by March 31 of the subsequent year.

7. Members of the Board shall be entitled to remuneration:

- 1) for participation in a meeting of the Board or in an examination board – in an amount not exceeding 15% of average remuneration in domestic economy announced by the President of the Central Statistical Office for the previous calendar year;
- 2) for participation in an examination – in an amount not exceeding average remuneration in domestic economy announced by the President of the Central Statistical Office for the previous calendar year;
- 3) for preparation of examination tests and situational tasks, as well as preparation of a template of

correct answers – in an amount not exceeding average remuneration in domestic economy, announced by the President of the Central Statistical Office for the previous calendar year;

- 4) for examination of an appeal – in an amount not exceeding 2% of average remuneration in domestic economy announced by the President of the Central Statistical Office for the previous calendar year;
- 5) for examination of an application for acknowledgment of internship – in an amount not exceeding 2% of average remuneration in domestic economy, announced by the President of the Central Statistical Office for the previous calendar year;
- 6) for examination of an application for acknowledgment of completion of practice – in an amount not exceeding 2% of average remuneration in domestic economy, announced by the President of the Central Statistical Office for the previous calendar year;
- 7) for verification of tests – in an amount not exceeding average remuneration in domestic economy announced by the President of the Central Statistical Office for the previous calendar year.

8. The examiners referred to in par. 3 shall be entitled to remuneration for preparation and verification of tests in an amount not exceeding average remuneration in domestic economy, announced by the President of the Central Statistical Office.

Art. 9. 1. The examination shall comprise test questions and situational tasks encompassing 10 examination subjects within the scope of:

- 1) accounting theory and principles;
- 2) principles of preparing financial statements, including consolidated financial statements;
- 3) international standards of financial reporting;
- 4) financial analysis;
- 5) cost and management accounting;
- 6) risk management and internal control;
- 7) auditing;
- 8) auditing standards;
- 9) professional ethics and independence of a statutory auditor;
- 10) legal requirements regarding examination of financial statements and statutory auditors and entities authorised to audit financial statements.

2. In the course of examinations, knowledge indispensable in audits within the scope of:

- 1) commercial companies' law and corporate governance;
 - 2) law on bankruptcy proceedings and recovery proceedings;
 - 3) tax law;
 - 4) civil law;
 - 5) labour law and social insurance law;
 - 6) banking law;
 - 7) insurance law;
 - 8) IT technologies and computer systems;
 - 9) microeconomics and macroeconomics;
 - 10) mathematics and statistics.
 - 11) basic principles of financial management in economic units;
- shall also be verified.

3. A candidate for a statutory auditor shall take an oral diploma examination conducted by the Board after:

- 1) completion of a one-year practice within the scope of accounting, acknowledged by the Board;
- 2) passing the examinations referred to in par. 1 and 2;
- 3) completion of at least two-year internship under the oversight of a statutory auditor acknowledged by the Board.

4. A candidate for a statutory auditor qualified for examination shall settle an examination fee to cover the costs of conducting the qualification proceedings, constituting the revenue of the National Chamber of Statutory Auditors. The fee for written examination shall be determined in an amount not exceeding the equivalent of 20%, whereas the fee for diploma examination in an amount not exceeding the equivalent of 30% of average remuneration in domestic economy announced by the President of the Central Statistical Office for the previous calendar year.

5. The Board may exempt a candidate for a statutory auditor, upon the candidate's application, from examination on subjects encompassed by the qualification proceedings if the candidate passed university

or equivalent examinations within this scope.

6. The Board may exempt a candidate for a statutory auditor having authorisations of a fiscal control inspector, upon the candidate's application, from examination on tax law.

7. The Board may exempt a candidate for a statutory auditor, upon the candidate's application, from practice referred to in par. 3 point 1 if a candidate for a statutory auditor:

- 1) was employed by an entity authorised to audit financial statements for at least 3 years, or;
- 2) remained in employment relation on an independent position in financial and accounting units for at least 3 years or holds authorisation of a fiscal control inspector, or;
- 3) holds an accounting certificate authorising to maintenance of accounting books.

8. The Minister competent for the issues of public finance shall determine, in the form of a regulation:

- 1) conditions for applying for qualification proceedings;
- 2) mode and manner of conducting examinations;
- 3) mode and deadline for filing appeals regarding results of examinations;
- 4) principles of completing the practice and the internship;

- taking into account the necessity of objective verification of theoretical and practical preparation of candidates for statutory auditors, proper course of examinations and the necessity of ensuring effective operation of the Board.

9. The National Council of Statutory Auditors shall determine, in the form of resolutions approved by the Audit Oversight Commission:

- 1) a framework schedule for conducting qualification proceedings, determining the place and the date of examinations for candidates for statutory auditors, as well as examination on economic law for persons referred to in art. 5 par. 3 and art. 5 par. 4;
- 2) a detailed thematic scope of examinations, taking into account the areas referred to in par. 1 and 2;
- 3) amount of fees for individual examinations and amount of remuneration for members of the Board;
- 4) manner of appointing examiners and the amount of their remuneration;
- 5) conditions for granting exemptions referred to in par. 5 and 6;
- 6) principles for documenting practice and internship;
- 7) scope, manner and principles of other tasks indispensable for correct operation of the Board and qualification proceedings for candidates for statutory auditors.

Art. 10. 1. The register shall be maintained by the National Council of Statutory Auditors.

2. The register shall contain the address of the Audit Oversight Commission and encompass the following data:

- 1) number of entry in the register;
- 2) first name and family name and address of a statutory auditor;
- 3) citizenship;
- 4) form of practicing the profession by the statutory auditor or information about lack of practicing this profession;
- 5) name, address of website and address of an entity authorised to audit financial statements employing the statutory auditor or who is a partner or to whom the statutory auditor is related in another manner;
- 6) number in the register given to the statutory auditor by a registration authority of another European Union Member State or a third country, if it was given, and the name of such authority.

3. Entry in the register shall be made upon the application of a person referred to in art. 5 par. 2 – 4.

4. The National Council of Statutory Auditors shall adopt resolutions on entry in the register.

5. The National Council of Statutory Auditors shall make an entry in the register immediately after adoption of a resolution referred to in par. 4, not later than within 30 days from filing the application referred to in par. 3.

6. Entry in the register shall be deemed made if the Audit Oversight Commission does not object to the entry within 30 days from the date of receipt of a resolution on entry. The Audit Oversight Commission shall express objection in the form of an administrative decision.

7. A statutory auditor shall inform the National Council of Statutory Auditors in writing about any changes in the data subject to the entry in the register within 30 days from the date of occurrence of such a change.

8. The National Council of Statutory Auditors shall issue a membership card to a statutory auditor containing the following personal data: first name and family name and number of the membership card which is at the same time the number of entry of a statutory auditor in the register.

9. The register shall be maintained in an electronic form and available at the website of the National Chamber of Statutory Auditors. Data regarding citizenship and address of a statutory auditor shall not be subject to publication.

Art. 11. 1. The National Chamber of Statutory Auditors shall adopt a resolution on removal of a statutory auditor from the register in the following cases:

- 1) death of a statutory auditor;
- 2) stepping out from the self-government of statutory auditors;
- 3) failure to comply with any of the conditions referred to in art. 5 par. 2 point 1 – 3;
- 4) failure to settle the membership fees for a period longer than one year;
- 5) a legally valid verdict on expulsion from self-government of statutory auditors.

2. The National Council of Statutory Auditors may refuse to adopt a resolution on removal from the register due to reasons listed in par. 1 point 2 if disciplinary proceedings are conducted with respect to the statutory auditor.

3. A person removed from the register due to reasons listed in par. 1 point 2 shall be subject to, upon this person's own application, renewed entry in the register if conditions listed in art. 5 par. 2 points 1 – 5 and 7 have been complied with and if such person passed the examinations referred to in art. 5 par. 2 point 6 once again.

4. Removal from the register of a statutory auditor who conducts economic activity in a form determined in art. 47 par. 1 shall result in removal of his/ her entity authorised to audit financial statements from the list of entities authorised to audit financial statements.

Art. 12. 1. With respect to the resolutions of the National Council of Statutory Auditors regarding entry in the register or removal from the register, provisions of the Act - Code of Administrative Procedure of June 14, 1960 (Dz.U. of 2000 No. 98, item 1071, as amended¹⁰⁾) shall apply.

2. Appeal from the resolution referred to in par. 1 shall be submitted to the Audit Oversight Commission via the National Council of Statutory Auditors within 14 days from its receipt.

Chapter 3

Professional Self-Government of Statutory Auditors

Art. 13. 1. Statutory auditors shall form a professional self-government of statutory auditors, hereinafter referred to as the "National Chamber of Statutory Auditors."

2. The National Chamber of Statutory Auditors shall operate on the basis of the provisions of the Act and provisions of the statute.

3. Membership in the National Chamber of Statutory Auditors shall be mandatory and arise as of the date of entry in the register.

Art. 14. 1. Subject to par. 2, statutory auditors shall be vested with active and passive voting rights with respect to the bodies of professional self-government foreseen by this Act, with the exclusion of a statutory auditor punished with a penalty listed in art. 31 par. 2 point 4.

2. Punishing a statutory auditor with a penalty stipulated in art. 31 par. 2 point 4 shall result in the loss of passive voting right with respect to the bodies of the National Chamber of Statutory Auditors until the moment of penalty erasure.

Art. 15. 1. The National Chamber of Statutory Auditors shall have legal personality; the seat of the National Chamber of Statutory Auditors shall be the capital city of Warsaw.

2. The National Chamber of Statutory Auditors shall establish and liquidate regional branches.

3. The National Chamber of Statutory Auditors shall have a right to use an official seal.

Art. 16. In particular, the tasks of the National Chamber of Statutory Auditors shall encompass:

- 1) representation of the members and protection of their professional interests;
- 2) establishment of auditing standards;
- 3) control over proper conduct of the profession and compliance with principles of professional ethics by the members of the National Chamber of Statutory Auditors along with compliance with applicable

- provisions of the law by entities authorised to audit financial statements;
- 4) cooperation in shaping the principles of accounting and auditing;
 - 5) preparation of training materials for candidates for statutory auditors;
 - 6) conduct of publishing and training activity.

Art. 17. 1. The bodies of the National Chamber of Statutory Auditors shall be:

- 1) National Assembly of Statutory Auditors;
- 2) National Council of Statutory Auditors;
- 3) National Internal Audit Committee;
- 4) National Disciplinary Court;
- 5) National Disciplinary Spokesman;
- 6) National Supervisory Commission.

2. The term of office of bodies referred to in par. 1 points 2 – 6 shall last 4 years; however, the bodies shall be required to operate until the moment of establishment of newly selected bodies.

3. The same function in the self-government bodies shall not be held longer than two subsequent terms of office.

4. Functions in bodies determined in par. 1 points 2 – 6 shall not be combined.

Art. 18. 1. The National Assembly of Statutory auditors shall take place every 4 years.

2. The National Assembly of Statutory Auditors shall be convened by the National Council of Statutory Auditors.

3. The National Council of Statutory Auditors may, upon its own initiative, summon an Extraordinary Assembly of Statutory Auditors before the lapse of the period referred to in par. 1.

4. The Extraordinary National Assembly of Statutory Auditors shall debate on issues for which it was convened.

5. The National Council of Statutory Auditors shall be required to convene the Extraordinary National Assembly of Statutory auditors upon the request of:

- 1) at least 1/10 of the total number of statutory auditors entered in the register;
- 2) National Internal Audit Committee due to gross violation of the law by financial or statutory operation of the National Chamber of Statutory Auditors.

6. The National Assembly of Statutory Auditors shall consist of delegates selected by general meetings in the regional branches of the National Chamber of Statutory Auditors proportionally to the total number of statutory auditors entered in the register, according to the principles determined by the National Council of Statutory Auditors, bearing in mind that the total number of delegates cannot be lower than 2% of statutory auditors entered in the register.

7. The mandates of delegates selected to the National Assembly of Statutory Auditors shall be valid for 4 years.

8. Members of bodies of the National Chamber of Statutory Auditors who are not delegates shall participate in the debates of the National Assembly of Statutory Auditors.

Art. 19. 1. Election to bodies referred to in art. 17 par. 1 points 2 – 6 shall be made by delegates selected to the National Assembly of Statutory Auditors.

2. Elections shall take place in direct and secret voting with unlimited number of candidates.

Art. 20. 1. The National Assembly of Statutory Auditors shall:

- 1) select the President of the National Council of Statutory Auditors;
- 2) select the National Disciplinary Spokesman and his/ her deputies;
- 3) select other members of the National Council of Statutory Auditors;
- 4) select members of the National Internal Audit Committee, National Disciplinary Court and the National Supervisory Commission;
- 5) adopt the statute of the National Chamber of Statutory Auditors;
- 6) adopt a programme of operation and basic principles of financial operation of the National Chamber of Statutory Auditors;
- 7) specify principles for determining membership fees of statutory auditors;
- 8) examine and approve reports on operation of the bodies of the National Chamber of Statutory Auditors referred to in art. 17 par. 1 points 2 – 6 and acknowledge fulfilment of duties by persons who

form such bodies.

2. Persons referred to in par. 1 points 1 – 4 may be dismissed before the end of a term by the body which selected them.

Art. 21. 1. The National Council of Statutory Auditors shall manage the operation of the self-government in the periods between the National Assemblies of Statutory Auditors.

2. The competences of the National Council of Statutory Auditors shall encompass all issues not reserved by the provisions of the Act for other bodies, in particular:

- 1) execution of resolutions of the National Assembly of Statutory Auditors;
- 2) representation of the National Chamber of Statutory Auditors with respect to state bodies and self-government bodies, scientific institutions, economic and social organisations and international professional organisations;
- 3) adoption in the form of resolutions:
 - a) of national auditing standards;
 - b) of internal quality control principles of an entity authorised to audit financial statements;
 - c) of principles of professional ethics for statutory auditors;
 - d) of rules and regulations of disciplinary proceedings with respect to statutory auditors;
 - e) of principles of continuing education for statutory auditors;
 - f) of rules and regulations of operation of the Board referred to in art. 8 par. 5;
 - g) of regulations with respect to issues listed in art. 9 par. 9;
- 4) adoption of resolutions on entry in and removal from the register or the list of entities entitled to audit financial statements;
- 5) maintenance of the register and the list of entities authorised to audit financial statements;
- 6) issuance of membership cards to statutory auditors;
- 7) determination of fees for entering on the list of entities authorised to audit financial statements;
- 8) determination of annual fees for oversight referred to in art. 52 par.1 point 2 and principles of their distribution;
- 9) determination of the amount of membership fees of statutory auditors;
- 10) determination of criteria and conferral of authorisations for entities conducting mandatory continuing education for statutory auditors;
- 11) examination and approval of the annual financial plan of the National Chamber of Statutory Auditors and the report on its execution, as well as approval for annual financial plans of regional branches of the National Chamber of Statutory Auditors;
- 12) conduct of publishing and training activity;
- 13) issuance of opinions on normative acts in the area of economic law;
- 14) adoption of resolutions on imposing a financial penalty on an entity authorised to audit financial statements and the ban on performing audit in a period ranging from 6 months to 3 years in cases provided for in the Act;
- 15) adoption of other resolutions which are deemed necessary for the proper functioning of the National Chamber of Statutory Auditors.

3. Resolutions listed in par. 2 point 3 shall require approval by the Audit Oversight Commission.

4. The National Council of Statutory Auditors shall inform the Audit Oversight Commission, by March 31, with respect to the previous year, about failure to comply on the part of statutory auditors with the obligation of mandatory continuing education and activities undertaken in this respect.

5. The National Council of Statutory Auditors shall approve the annual financial statements of the National Chamber of Statutory Auditors; the statements, after the National Internal Audit Committee issues a positive opinion, shall be submitted to the Audit Oversight Commission for every financial year by June 30 of the following year.

Art. 22. 1. The National Council of Statutory Auditors shall have between 11 and 15 members.

2. The National Council of Statutory Auditors shall select two deputy presidents, a secretary and a treasurer among its members, in secret voting.

3. Resolutions of the National Council of Statutory Auditors referred to in art. 11 and art. 55 par. 1 shall be made by absolute majority of votes in the presence of at least half of the members of the National Council of Statutory Auditors.

4. The President of the National Council of Statutory Auditors shall:

- 1) fulfil the obligations of the entity director referred to in separate provisions and represent the National Council of Statutory Auditors with respect to state and self-government bodies, scientific institutions, economic and social organisations, as well as international professional organisations;
- 2) organise work of the National Council of Statutory Auditors;
- 3) sign resolutions of the National Council of Statutory Auditors;
- 4) sign decisions of the National Council of Statutory Auditors;
- 5) make decisions regarding current operation of the National Chamber of Statutory Auditors;
- 6) perform other activities determined in the statute and related to the operation of the National Chamber of Statutory Auditors.

Art. 23. 1. The National Internal Audit Committee shall have between 3 and 5 members. The National Internal Audit Committee shall select the chairman and the deputy chairman among its members.

2. The National Internal Audit Committee shall:

- 1) control financial operation of the National Chamber of Statutory Auditors and execution of resolutions adopted at the National Assembly of Statutory Auditors and submit applications in this respect to:
 - a) the National Council of Statutory Auditors – immediately after the control;
 - b) the National Assembly of Statutory Auditors – in a report on its operation.
- 2) furnish the National Assembly of Statutory Auditors with an application for acknowledgment of fulfilment of duties for the National Council of Statutory Auditors.

Art. 24. 1. The National Disciplinary Court shall have between 8 and 10 members.

2. The National Disciplinary Court shall select the chairman and the deputy chairman among its members.

3. The National Disciplinary Court shall issue decisions with respect to disciplinary liability of statutory auditors.

4. The National Disciplinary Court shall issue decisions made by 3 members.

5. The adjudicating panel shall be selected by the chairman of the National Disciplinary Court.

6. The National Disciplinary Court shall furnish the National Council of Statutory Auditors with the annual activity report containing, in particular, evaluation of efficiency of disciplinary proceedings.

7. The National Disciplinary Court shall prepare an annual activity report which is submitted to the Audit Oversight Commission by March 31 of the following year.

Art. 25. 1. The National Disciplinary Spokesman shall execute his/ her tasks with the use of 5 to 7 deputies.

2. The National Disciplinary Spokesman shall act as a prosecutor in disciplinary proceedings.

3. The National Disciplinary Spokesman shall furnish the National Council of Statutory Auditors with annual activity reports containing, in particular, evaluation of efficiency of disciplinary proceedings.

4. The National Disciplinary Spokesman shall prepare an annual activity report which is submitted to the Audit Oversight Commission by March 31 of the following year.

Art. 26. 1. The National Supervisory Commission shall have between 3 to 5 members. The National Supervisory Commission shall select the chairman and the deputy chairman among its members.

2. The tasks of the National Supervisory Commission shall encompass control over compliance with provisions and procedures related to performance of audit activities by statutory auditors and operation of entities authorised to audit financial statements, including control over:

- 1) an internal quality control system in an entity authorised to audit financial statements;
- 2) compliance of operation of an entity authorised to audit financial statements with legal provisions;
- 3) audit documentation regarding the performed financial oversight activities, including compliance with the binding auditing standards and requirements regarding independence;
- 4) quantity and quality of human resources used;
- 5) remuneration calculated for audit activities.

3. The control referred to in par. 2 shall be conducted:

- 1) in entities authorised to audit financial statements which perform audit activities in public interest entities – not less frequently than once in three years;
- 2) in other entities authorised to audit financial statements – not less frequently than once in six years.

4. The controls referred to in par. 3 shall be conducted by inspectors employed in the National

Chamber of Statutory Auditors; whereas controls referred to in par. 3 point 2 can also be performed on the basis of a civil law contract by controllers who are statutory auditors.

5. Candidates for inspectors, prior to their employment, and controllers designated for individual controls referred to in par. 3 point 1 shall be approved by the Audit Oversight Commission.

6. Upon the application of the Audit Oversight Commission, controls referred to in par. 3 may be attended by employees of an organisational unit of an office servicing the Minister of Finance responsible for accounting and audit. These employees shall participate as observers with a right to access any documents.

7. The Audit Oversight Commission may issue recommendations and instructions regarding the conduct of control referred to in par. 3 for the National Supervisory Commission.

8. The National Supervisory Commission shall prepare annual control plans referred to in par. 3. The annual control plan referred to in par. 3 point 1 shall be submitted to the Audit Oversight Commission for the purpose of approval.

9. The annual control plans shall be published at the website of the National Chamber of Statutory Auditors immediately after their approval by the Audit Oversight Commission.

10. The National Supervisory Commission may commission extra controls from inspectors and controllers. The scope of extra controls may encompass all or selected issues listed in par. 2.

11. The National Supervisory Commission shall maintain a list of entities authorised to audit financial statements performing, at least once every three years, audit activities in public interest entities.

12. The list referred to in par. 11 shall be subject to publication at the website of the National Chamber of Statutory Auditors.

13. Provisions of art. 75 – 82 shall apply to the conduct of controls referred to in par. 2, whereas authorisations of the Audit Oversight Commission referred to in these provisions shall be executed by the National Supervisory Commission.

Art. 27. 1. After signing a control report, depending on the type and scope of irregularities ascertained by the National Supervisory Commission, the National Supervisory Commission, subject to par. 2 and 3, shall immediately:

- 1) furnish the entity authorised to audit financial statements with recommendations, along with specification of the deadline for removal of such irregularities;
- 2) file an application to the National Disciplinary Spokesman about initiation of disciplinary proceedings against a statutory auditor;
- 3) submit an application to the National Council of Statutory Auditors to:
 - a) impose a financial penalty on the entity authorised to audit financial statements in an amount not exceeding 10% of revenues obtained in the previous financial year from performance of audit activities and not higher than PLN 250,000;
 - b) issue a ban on performance of audit activities by an entity authorised to audit financial statements in a period ranging from 6 months to 3 years;
 - c) remove an entity authorised to audit financial statements from the list of entities authorised to audit financial statements;
 - d) publicly announce information about ascertained irregularities and penalties imposed on the entity authorised to audit financial statements as additional penalty.

2. The National Supervisory Commission shall furnish the Audit Oversight Commission with a control report taking control minutes conducted by the controllers into account, along with post-control conclusions containing the standpoint of the National Supervisory Commission with respect to the submitted reservations.

3. The control report regarding entities authorised to audit financial statements, referred to in art. 26 par. 3 point 1, shall be subject to approval by the Audit Oversight Commission. Prior to approval of the report, the Audit Oversight Commission shall have a right to access the control files, demand explanations and introduce changes in the content of the report. After approval of the control report, the National Supervisory Commission may undertake activities referred to in par. 1 point 3.

4. In the case referred to in par. 1 point 1 after the expiry of the specified deadline, the inspectors and controllers shall control the implementation of recommendations. If recommendations are not implemented, provisions of par. 1 point 2 or par. 1 point 3 shall be applied.

5. The imposed penalties referred to in par. 1 point 3 letter a) shall constitute the revenue of the National Chamber of Statutory Auditors.

6. The National Supervisory Committee shall prepare an annual report on execution of control plans, referred to in art. 26 par. 8. The report shall be submitted to the Audit Oversight Commission by March 31 of the following year.

7. With respect to the resolution of the National Council of Statutory Auditors regarding penalties referred to in par. 1 point 3, provisions of the Act – Code of Administrative Procedure of June 14, 1960 shall be applied.

8. Appeals from the resolution referred to in par. 7 shall be submitted to the Audit Oversight Commission via the National Council of Statutory Auditors within 14 days from the date of serving the resolution.

9. The National Supervisory Commission shall determine, in the form of resolutions approved by the Audit Oversight Commission:

- 1) the manner of selection of inspectors and controllers;
- 2) the principles of professional improvement of inspectors and controllers;
- 3) a sample of a report on controls performed by inspectors and controllers;

10. Inspectors and controllers shall be employed or appointed among persons, who:

- 1) have Polish citizenship;
- 2) enjoy full civil rights;
- 3) completed higher studies in the Republic of Poland or foreign higher studies deemed equivalent in the Republic of Poland;
- 4) have impeccable opinion;
- 5) possess authority, knowledge and experience which provide guarantee for correct course of control;
- 6) were not sentenced by a legally valid verdict for a purposefully committed crime or a fiscal crime;

11. Inspectors and controllers, prior to commencing control, shall file a declaration that within a period of 2 years before the commencement of control they were not and are not employed or related in another manner to the controlled entity authorised to audit financial statements under pain of penal liability for making false declarations. Information about submission of the declaration shall be provided to the Audit Oversight Commission.

12. Submission of a false declaration by an inspector or controller or withholding information shall constitute a basis for termination of employment contract with the controller by the National Chamber of Statutory Auditors without notice or termination of the civil law contract with the controller.

Art. 28. 1. The bodies of the National Chamber of Statutory Auditors shall be required to furnish the Audit Oversight Commission with resolutions within 14 days from their adoption.

2. Organisational and office services for the bodies of the National Chamber of Statutory Auditors shall be provided by the Office of the National Chamber of Statutory Auditors.

Art. 29. 1. The statute of the National Chamber of Statutory Auditors, approved by the Audit Oversight Commission, shall determine:

- 1) manner of establishment, scope of activity, organisational structure, including operation of regional branches of the National Chamber of Statutory Auditors, mode of activity, manner of financing of the National Chamber of Statutory Auditors, and;
- 2) manner of filing of statements of will on behalf of the National Chamber of Statutory Auditors within the scope not regulated in the Act.

2. The change of statute of the National Chamber of Statutory Auditors shall require approval of the Audit Oversight Commission.

Art. 30. 1. The National Chamber of Statutory Auditors shall pay to the state budget account, by March 31, 20% of fees on account of oversight, referred to in art. 52 par. 1 point 2 for the previous year, due from entities authorised to audit financial statements which perform audit activities in public interest entities.

2. If the National Chamber of Statutory Auditors fails to comply with the obligation referred to in par. 1, the Audit Oversight Commission shall issue an administrative decision determining the amount of fee which is subject to enforcement pursuant to provisions on enforcement proceedings in administration.

3. With respect to fees on account of oversight not settled punctually by the National Chamber of Statutory Auditors, interest shall be charged from the National Chamber of Statutory Auditors upon principles determined in the Act – Tax Ordinance of August 29, 1997 (Dz.U. of 2005 No. 8, item 60 as

amended¹¹⁾).

Chapter 4

Disciplinary Liability of Statutory Auditors

Art. 31. 1. A statutory auditor shall be subject to disciplinary liability with respect to conduct contradictory with legal provisions, auditing standards, principles of independence and principles of professional ethics.

2. Disciplinary penalties shall include:

- 1) admonition;
- 2) reprimand;
- 3) financial penalty;
- 4) ban on performance of audit activities in a period ranging from one year to three years;
- 5) expulsion from the self-government of statutory auditors.

3. A statutory auditor may be, in relation to violations determined in par. 1, required to participate in a training.

4. Participation in a training referred to in par. 3 shall take place by the end of the subsequent calendar year after the decision becomes valid. If the statutory auditor fails to participate in the training, the National Disciplinary Court shall impose a penalty determined in par. 2 point 3 or par. 2 point 4.

5. A financial penalty shall be a double amount of minimum remuneration for work which is announced on the basis of the Act on Minimum Remuneration for Work of October 10, 2002 (Dz.U. No. 200 item 1679 of 2004, No. 240 item 2407 and of 2005 No. 157 item 1314). Receipts from financial penalties shall constitute the revenue of the National Chamber of Statutory Auditors.

6. Penalties of admonition and reprimand shall be subject to erasure after a year on which the decision became valid. The financial penalty shall be subject to erasure a year from the date of its payment.

7. The ban on performance of audit activities shall be subject to erasure after 3 years from the lapse of the period for which the ban was made.

8. Penalty of expulsion from the self-government of statutory auditors shall be erased after 5 years from the date of removal from the register. Renewed entry can be obtained after fulfilment of conditions referred to in art. 5 par. 2.

9. Imposing of penalties referred to in par. 2 point 4 and par. 2 point 5 shall be subject to announcement on the website of the National Chamber of Statutory Auditors.

Art. 32. 1. Parties in the disciplinary proceedings shall be prosecutor and defendant. The Audit Oversight Commission or the aggrieved party may also join the proceedings as parties.

2. The prosecutor in the disciplinary proceedings shall be the National Disciplinary Spokesman or his/her deputies, subject to art. 37 par. 5.

3. The defendant shall be a statutory auditor against whom the disciplinary proceedings are conducted.

4. An aggrieved party shall be a person whose legal welfare was directly damaged by the conduct of a statutory auditor during performance of audit activities.

Art. 33. The defendant may simultaneously appoint not more than 3 advocates among members of the National Chamber of Statutory Auditors, attorneys-at-law or legal counsels at any stage of the proceedings.

Art. 34. The disciplinary proceedings shall be conducted independently from penal proceedings with respect to a crime or a fiscal crime constituting the same deed. The disciplinary proceedings may be suspended until the moment of completion of penal proceedings.

Art. 35. 1. In the case of death of the defendant before completion of disciplinary proceedings, the proceedings shall be continued if such a demand is made, within 2 months from the date of death of the defendant, by the spouse, direct relatives or siblings.

2. Disciplinary proceedings shall not be initiated if 3 years have elapsed from the moment of

committing the disciplinary offence.

3. If the deed contains features of a crime or a fiscal crime, the limitation period shall not take place earlier than the limitation period foreseen in the Act – Penal Code of June 6, 1997 (Dz.U. No. 88, item 553, as amended¹²⁾) or in the Act – Penal Fiscal Code of September 10, 1999 (Dz.U. of 2007 No. 111, item 765, as amended¹³⁾) with respect to such offence.

4. Punishability of a disciplinary offence shall cease if 5 years have elapsed from the moment of committing such offence.

Art. 36. Disciplinary proceedings shall encompass:

- 1) disciplinary investigation;
- 2) proceedings before the National Disciplinary Court;
- 3) executive proceedings.

Art. 37. 1. Initiation of disciplinary investigation by the National Disciplinary Spokesman shall be preceded by explanatory proceedings regarding the circumstances resulting in disciplinary liability.

2. The National Disciplinary Spokesman shall initiate explanatory proceedings also upon the application of the Audit Oversight Commission, the National Council of Statutory Auditors, the National Supervisory Commission or the Minister of Justice.

3. In case the National Disciplinary Spokesman collected, during a disciplinary investigation, evidence for committing disciplinary offence by a statutory auditor, the National Disciplinary Spokesman shall prepare an application for penalty within 14 days from completion of disciplinary investigation and immediately submit it to the National Disciplinary Court.

4. Prior to the commencement of proceedings before the National Disciplinary Court, the defendant may apply for voluntary submission to penalty.

5. In particularly justified cases, including if the disciplinary offence threatens public interest, tasks foreseen in the Act for the National Disciplinary Spokesman may be executed by the Audit Oversight Commission.

Art. 38. 1. After receipt of an application for penalty, the chairman of the National Disciplinary Court shall immediately determine the date of proceedings and inform the applicant, referred to in art. 37 par. 2, about it, as well as the parties and their proxies and the Audit Oversight Commission.

2. The hearing before the National Disciplinary Court shall be open, unless the open character of the hearing threatens the disclosure of professional secret of statutory auditors or if there are reasons for excluding open hearing provided for in the law. A representative or representatives of the Audit Oversight Commission may be present at the hearing also in case the hearing is not open.

Art. 39. If, in the course of a hearing, another offence is revealed, apart from the offence included in the application for penalty, the National Disciplinary Court may issue a decision with respect to such offence solely upon the application of the Disciplinary Spokesman and upon the defendant's approval.

Art. 40. 1. Justification of a verdict of the National Disciplinary Court shall be prepared in writing *ex officio*, within 14 days from the date of announcement of the verdict.

2. The decision, along with justification, shall be served to the defendant, the National Disciplinary Spokesman and the Audit Oversight Commission and in the case of initiation of disciplinary proceedings upon application referred to in art. 37 par. 2 also to the National Council of Statutory Auditors, the National Supervisory Commission or the Minister of Justice.

Art. 41. 1. The defendant, the aggrieved party, the Audit Oversight Commission and the National Disciplinary Spokesman and – in the case of initiation of disciplinary proceedings upon the application referred to in art. 37 par. 2 – also the National Council of Statutory Auditors, the National Supervisory Commission or the Minister of Justice – shall be vested with a right to appeal from the verdicts of the National Disciplinary Court. The appeal shall be lodged to the competent (with respect to the place of residence of the defendant) district court, labour and social insurance court as the court of first instance within 14 days from serving the verdict along with justification.

2. There shall be no cassation appeal with respect to the verdicts of the appeal court.

Art. 42. The Audit Oversight Commission or persons authorised by it shall be vested with a right to have access to the files at any stage of the proceedings and demand information about results of disciplinary proceedings, as well as a right to demand serving of valid disciplinary verdicts along with case files.

Art. 43. 1. The costs of disciplinary proceedings shall be borne by the National Chamber of Statutory Auditors.

2. In the case of a valid penalty, the costs of disciplinary proceedings shall be borne by the penalised statutory auditor.

Art. 44. 1. A valid verdict on penalising a statutory auditor shall be subject to immediate execution.

2. A transcript of a valid verdict along with information about its execution shall be placed in the defendant's files.

Art. 45. 1. Members of the National Disciplinary Court shall be independent in execution of their functions and subject solely to legal provisions.

2. The National Disciplinary Spokesman and his/ her deputies shall be independent within the scope of conduct of proceedings in cases of disciplinary liability and shall be solely subject to legal provisions.

Art. 46. Issues not provided for in this Chapter, regarding disciplinary proceedings, shall be governed by the provisions of the Act – Code of Penal Procedure of June 6, 1997.

Chapter 5 **Entities Authorised to Audit Financial Statements**

Art. 47. An entity authorised to audit financial statements shall only be an entity where audit activities are performed by statutory auditors, entered in the list of entities authorised to audit financial statements and conducting activity in one of the following forms:

- 1) a statutory auditor conducting business activity on his/ her own behalf and own account;
- 2) a civil partnership, an unlimited company or a partnership where majority of votes are held by statutory auditors or entities authorised to audit financial statements, approved in at least one EU Member State; in companies where management board was established, the majority of members of the management board are statutory auditors approved in at least one EU Member State; if the management board consists of not more than 2 persons, at least one of them is a statutory auditor;
- 3) a limited partnership whose general partners are solely statutory auditors or entities authorised to audit financial statements approved in at least one EU Member State;
- 4) a capital company or a cooperative society which complies with the following requirements:
 - a) majority of members of the management board are statutory auditors approved in at least one EU Member State; if the management board consists of not more than 2 persons, one of them is a statutory auditor;
 - b) majority of votes at the general meeting are held by statutory auditors or entities authorised to audit financial statements approved in at least one EU Member State;
 - c) statutory auditors approved in at least one EU Member State are a majority in the governing bodies.
- 5) a cooperative control association which complies with the following requirements:
 - a) employs statutory auditors for audits;
 - b) has at least one statutory auditor in the management board; the audit opinion and the audit report (review) of financial statements is signed solely by the member of the management board who is a statutory auditor.

Art. 48. 1. The basic subject matter of operation of an entity authorised to audit financial statements shall be performance of audit activities.

2. The subject matter of operation of an entity authorised to audit financial statements, referred to in art. 47 par. 1 – 4, apart from performance of audit, may be:

- 1) maintenance of accounting books and tax registers;
- 2) tax counselling;

- 3) conduct of bankruptcy and liquidation proceedings;
- 4) publishing or training activity within the scope of accounting, audit and taxes;
- 5) preparation of expert opinions or economic and financial opinions;
- 6) provision of certification services, counselling and management requiring knowledge in the area of accounting or audit;
- 7) provision of services foreseen in the auditing standards, as well as other services reserved in separate provisions for performance by statutory auditors.

Art. 49. 1. An entity authorised to audit financial statements shall be required to prepare and efficiently implement an internal quality control system, in line with the principles referred to in art. 21 par. 2 point 3 letter b).

2. An entity authorised to audit financial statements shall be required to ensure compliance with principles of professional ethics, principles of independence and auditing standards by statutory auditors conducting audits on behalf of an entity authorised to audit financial statements.

3. An entity authorised to audit financial statements shall be required, within 2 months after the end of a calendar year, to furnish the National Council of Statutory Auditors with a written report containing:

- 1) specification of names, registered offices and organisational and legal forms of units where individual audit activities were performed, basic data about statutory auditors (first name, family name, number of a statutory auditor in the register) performing such activities and dates and types of opinions and reports that were issued;
- 2) information regarding the number of conducted mandatory and optional audit activities;
- 3) a list and type of provided services referred to in art. 48 par. 2;
- 4) information regarding practice and trainings completed by candidates for statutory auditors in an entity authorised to audit financial statements;
- 5) information about revenues obtained for performance of audit activities in public interest entities and fees referred to in art. 52. par. 1 point 2.

Art. 50. 1. An entity authorised to audit financial statements shall be required to hold a valid insurance agreement regarding civil liability on account of performance of audit activities in a period from the date of entering to the date of removal from the list.

2. In the case of provision of services referred to in art. 48 par. 2, an entity entitled to audit financial statements shall be required to conclude an insurance agreement on civil liability also on account of provision of such services.

3. The minister competent for the issues of financial institutions, after obtaining the opinion of the National Council of Statutory Auditors and the Polish Insurance Chamber shall determine, in the form of a regulation, a detailed scope of the mandatory insurance referred to in par. 1 and 2, a date on which the insurance obligation arises and the minimum guaranteed amount, taking the specific nature of the profession and the scope of implemented tasks into account.

Art. 51. 1. An entity authorised to audit financial statements shall be liable for damages resulting from its actions or failures to act.

2. The amount of compensation on account of liability of entities authorised to audit financial statements auditing:

- 1) public interest entities – cannot exceed the smaller amount out of the following two amounts: up to 20 times of the remuneration determined in the agreement on performance of audit or the amount of PLN 12,000,000;
- 2) other units – cannot exceed the smaller amount of the following two amounts: up to 10 times of the remuneration determined in the agreement for performance of audit activities or the amount of PLN 3,000,000.

3. Limitation of liability shall not refer to cases of purposeful violation of professional obligations by a statutory auditor.

Art. 52. 1. An entity entitled to audit financial statements shall:

- 1) settle, on account of entry in the list of entities authorised to audit financial statements, a fee in the amount not exceeding 50% of average remuneration in domestic economy, announced by the President of the Central Statistical Office for the previous calendar year;

2) settle the annual fee on account of oversight in the amount not exceeding 2% of annual revenue on account of performance of audit activities, however not less than 20% of the average remuneration in domestic economy announced by the President of the Central Statistical Office for the previous calendar year.

2. The fees referred to in par. 1 shall constitute the revenue of the National Chamber of Statutory Auditors, subject to art. 30.

Art. 53. 1. The National Council of Statutory Auditors shall maintain a list of entities authorised to audit financial statements hereinafter referred to as the "list."

2. Entry in the list shall be made upon the application containing documented data referred to in par. 3 points 2 – 10 after filing a declaration about capability to conduct activity, signed by the members of the management board, and if there is no management board, by owners or partners and after settling the fee referred to in art. 52 par. 1 point 1.

3. The list shall contain the address of the Audit Oversight Commission and encompass the following data:

- 1) number of entry in the register;
- 2) complete and abbreviated name and address of registered office of an entity authorised to audit financial statements;
- 3) organisational and legal form;
- 4) family names and first names of owners or partners, members of the management board and members of supervisory bodies;
- 5) company addresses of owners or partners, members of management board and members of supervisory bodies;
- 6) family names, first names and numbers in the register of all statutory auditors employed in the entity authorised to audit financial statements or related to it as partners or in another manner;
- 7) addresses of branches of the entity authorised to audit financial statements;
- 8) information about membership in the network and a list of names and addresses of entities authorised to audit financial statements in the network and units related to the entity authorised to audit financial statements or indication of a place where such information is publicly available;
- 9) address of a website of an entity authorised to audit financial statements;
- 10) number in the register given to the entity authorised to audit financial statements by the registration body in another country and name of such body.

4. Art. 10 par. 7 shall apply with respect to notification of changes related to the entry in the list.

5. Entry in the list shall be deemed made if the Audit Oversight Commission does not object to the entry within 30 days from the date of receipt of a resolution about entry in the list. The Audit Oversight Commission expresses its objection in the form of an administrative decision.

6. The list shall be maintained in an electronic form and be available at the website of the National Chamber of Statutory Auditors.

Art. 54. 1. Removal of an entity authorised to audit financial statements from the list shall take place:

- 1) upon application of an entity authorised to audit financial statements;
- 2) in the case of failure to comply with the obligation determined in art. 49 par. 3 and art. 61 par. 4;
- 3) in the case of failure to settle the annual fee for oversight referred to in art. 52 par.1 point 2;
- 4) in the case of failure to conclude an insurance agreement on civil liability referred to in art. 50;
- 5) in the case of failure to become subject to the control referred to in art. 26 par. 2 or 10 and art. 74 par. 1;
- 6) in cases referred to in art. 27 par.1 point 3 letter c) and art. 83 par. 1 point 2 letter c).

2. An entity authorised to audit financial statements removed from the list due to reasons referred to in par. 1 points 2 – 6 can be entered in the list again, if not fewer than 5 years have elapsed from the moment of removal. Provisions of art. 53 par. 2 shall apply accordingly.

Art. 55. 1. Provisions of the Act – Code of Administrative Procedure of June 14, 1960 shall apply to the resolutions of the National Council of Statutory Auditors regarding entry in the list or removal from the list.

2. Appeal from the resolution referred to in par. 1 shall be submitted to the Audit Oversight Commission via the National Council of Statutory Auditors within 14 days from its receipt.

Chapter 6

Conditions and Principles for Performing Audit Activities

Art. 56. 1. A statutory auditor conducting audit activities shall comply with the principles of professional ethics of statutory auditors including, in particular, honesty, objectivism, professional competence, due diligence and secrecy.

2. Audit activities shall be performed by a statutory auditor complying with conditions for issuing an objective and independent opinion or a report.

3. Objectivity and independence criteria shall not be complied with if a statutory auditor:

- 1) holds stocks, shares or other titles of ownership in a unit where audit activities are performed or in an entity related to it;
- 2) is or was (in the last 3 years) a legal representative (proxy), member of supervisory bodies, managing bodies, administration bodies or employee of a unit where audit activities are performed or were performed or a unit related to it;
- 3) in the last 3 years participated in maintenance of accounting books or preparation of financial statements of the entity where audit activities were performed;
- 4) obtained in at least one year, in the course of the last 5 years, at least 40% of annual revenue from performance of services to the entity where audit activities were performed or an entity related to it; this provision does not refer to the first year of operation of a statutory auditor;
- 5) is a spouse, a relative or a direct kin (up to second degree) or is related on account of custody, adoption or guardianship with a person who is a member of supervisory bodies, managing bodies or administration bodies of an entity where audit activities are performed or who employs such persons for performance of audit activities;
- 6) participates in making of decisions by an entity where audit activities are performed within a scope related to the provided services;
- 7) due to other reasons, after performance of activities leading to elimination of threats, cannot prepare an objective and independent opinion or a report.

4. Principles of objectivism and independence, determined in par. 3, shall apply to entities authorised to audit financial statements, as well as to members of the management board and supervisory bodies of such entities or other persons performing audit oversight activities and to the network.

5. A statutory auditor or an entity authorised to audit financial statements shall be required to include declarations on objectivity and independence in the audit documents and in the case of any threats, they are required to document the threats for loss of independence and activities undertaken to limit such threats.

Art. 57. The owner or partners, members of the management board and supervisory bodies of an entity authorised to audit financial statements or a unit related to such entity cannot interfere with audit activities performed by a statutory auditor in a manner threatening his/ her independence and objectivism.

Art. 58. 1. A statutory auditor who, in relation to performance of audit activities, obtained information about acceptance of material profits or personal profits or promise thereof by a public official from an EU Member State or a third country shall be required to notify this fact immediately to law enforcement authorities.

2. The obligation referred to in par. 1 shall apply to a statutory auditor also when the statutory auditor learnt, in relation to performance of audit activities, about granting or promise of granting to a public official referred to in par. 1 of material or personal profits.

Art. 59. 1. A statutory auditor and an entity authorised to audit financial statements shall be required to observe secrecy with respect to any information and documents related to the performance of audit activities. The obligation of professional secrecy shall not be limited by time.

2. Members of bodies of the National Chamber of Statutory Auditors, as well as inspectors and controllers referred to in art. 26 par. 4, shall be required to observe secrecy with respect to all information and documents which they received in relation to the position held, tasks or controls conducted.

3. Persons who were provided with information encompassed by secrecy shall also be required to observe the principle of professional secrecy, unless disclosure of such information is permitted by a

provision of a specific act.

4. Filing a notification on suspicion about committing a crime or submission of information or transfer of documents in cases determined in the Act or in separate provisions shall not violate the obligation of observing the principle of professional secrecy.

5. Disclosure of documentation and information on performance of audit activities in relation to proceedings pending in the bodies of the National Chamber of Statutory Auditors shall not violate the obligation of professional secrecy.

Art. 60. 1. Remuneration received by statutory auditors and entities authorised to audit financial statements for performance of audit activities cannot:

- 1) depend on the result of audit activities;
- 2) be influenced by provision of additional services to the unit.

2. Remuneration for audit activities shall reflect the actual labour consumption and the degree of complexity of work and the required qualifications.

Art. 61. 1. A statutory auditor of a group shall be responsible for auditing consolidated financial statements.

2. A statutory auditor of a group shall document the results of own audit work and review work performed by a statutory auditor or an entity authorised to audit financial statements examining financial statements of a significant unit forming a part of a capital group.

3. The collected and prepared audit documentation from auditing of consolidated financial statements should allow for controlling the work of a group's statutory auditor.

4. An entity authorised to audit financial statements who audits financial statements of a unit forming a part of a capital group shall be required to make the audit documentation available to the group's statutory auditor.

5. If audit of a significant unit forming a part of a capital group is performed by a statutory auditor or an entity authorised to audit financial statements from a third country, with which no agreement referred to in art. 102 par. 1 was concluded, the group's statutory auditor shall be required, upon the demand of the Audit Oversight Commission, to provide audit documentation from an audit conducted by a statutory auditor from a third country.

6. For the purpose of ensuring provision of documentation referred to in par. 5, the group's statutory auditor shall possess such documentation or ensure proper and unlimited access to it upon demand or undertake other relevant activities.

7. If legal provisions binding in a third country or other impediments prevent the transfer of audit documentation by a statutory auditor from a third country, documentation of a statutory auditor of the group shall contain evidence that proper activities were undertaken for the purpose of accessing these audit documents and in case there are impediments other than legal provisions, evidence for their existence.

Art. 62. If, in the course of performance of audit activities, there shall be a necessity of replacing one statutory auditor or entity authorised to audit financial statements by another statutory auditor or entity authorised to audit financial statements, the replaced statutory auditor or entity authorised to audit financial statements makes available to the new statutory auditor or entity authorised to audit financial statements all the necessary information and explanations.

Chapter 7

Public Oversight

Art. 63. 1. The Audit Oversight Commission shall be hereby established.

2. The Audit Oversight Commission shall perform public oversight over:

- 1) practice of the profession of statutory auditors;
- 2) operation of entities entitled to audit financial statements;
- 3) operation of the National Chamber of Statutory Auditors.

Art. 64. 1. The tasks of the Audit Oversight Commission shall include:

- 1) approval of resolutions of bodies of the National Chamber of Statutory Auditors in cases determined in the Act;
- 2) approval of annual control plans prepared by the National Supervisory Commission regarding practice of the profession of statutory auditors and operation of entities authorised to audit financial statements performing audit activities in public interest entities;
- 3) conduct of controls and participation in controls referred to in art. 26 par. 3;
- 4) registration of statutory auditors and entities authorised to audit financial statements from third countries;
- 5) appeal against resolutions of bodies of the National Chamber of Statutory Auditors to an administrative court which do not require approval and which violate legal provisions or threaten public interest or have features of a mistake or an error – within 30 days from the date of serving such resolution;
- 6) examination of appeals from resolutions of bodies of the National Chamber of Statutory Auditors with respect to which provisions of the Act – Code of Administrative Procedure of June 14, 1960 are applicable;
- 7) control of documentation constituting a basis for adoption by the National Council of Statutory Auditors of resolutions regarding entry of statutory auditors in the register or entry of entities authorised to audit financial statements on the list;
- 8) approval of candidates for controllers prior to their employment and controllers designated for specific controls referred to in art. 26 par. 3 point 1;
- 9) conduct of international cooperation, including in particular the European Commission, oversight authorities in other EU Member States and third countries;
- 10) performance of other tasks determined in the Act and other activities indispensable for correct implementation of such tasks.

2. Appeal against resolutions of bodies of the National Chamber of Statutory Auditors by the Audit Oversight Commission to the administrative court shall suspend their execution.

3. The Audit Oversight Commission may demand information, explanations and transfer of documents indispensable for execution of its tasks.

4. The Audit Oversight Commission shall prepare, by the end of every calendar year, information about planned activities within the scope of public oversight for the following year, which shall be subject to publication on the website of the Minister of Finance.

5. The Audit Oversight Commission shall prepare, by April 30 of the subsequent year, an annual statement encompassing detailed information about the operation of the quality assurance system, about results of disciplinary proceedings against statutory auditors and about penalties imposed on entities authorised to audit financial statements, taking information referred to in par. 4 into account. The report is subject to publication at the website of the Ministry of Finance.

6. Bodies of the National Chamber of Statutory Auditors shall be required to furnish the Audit Oversight Commission with data indispensable for preparation of information referred to in par. 4 and the report referred to in par. 5.

Art. 65. 1. The Audit Oversight Commission shall consist of 9 members, including:

- 1) 2 representatives of the Minister of Finance, including secretary or under-secretary of state in the Ministry of Finance as chairman;
- 2) 2 representatives of the Financial Oversight Authority – one of them as a deputy chairman;
- 3) a representative of the Minister of Justice;
- 4) 2 representatives of the National Chamber of Statutory Auditors recommended by the National Council of Statutory Auditors;
- 5) a representative of employers' organisations;
- 6) a representative of Warsaw Stock Exchange S.A.

2. Members of the Audit Oversight Commission shall participate personally in its meetings.

3. The Audit Oversight Commission shall perform its tasks with the use of an organisational unit in the office servicing the Minister of Finance responsible for accounting and audit.

4. Provisions of art. 59 par. 2 shall apply to the employees of the organisational unit referred to in par. 3.

Art. 66. Majority of members of the Audit Oversight Commission cannot, for at least 3 years before

being appointed as members of the Audit Oversight Commission and during the term of their office:

- 1) perform audit activities;
- 2) have a right to vote in an entity authorised to audit financial statements;
- 3) be a member of a management board or a supervisory board in an entity authorised to audit financial statements.

Art. 67. 1. Members of the Audit Oversight Commission shall be appointed by the Minister of Finance among persons who:

- 1) have Polish citizenship;
- 2) enjoy full civil rights;
- 3) completed higher studies in the Republic of Poland or foreign higher studies deemed equivalent in the Republic of Poland;
- 4) have an impeccable opinion;
- 5) possess authority, knowledge and experience within a scope significant for the audit which provide guarantee for proper execution of tasks;
- 6) were not sentenced by a legally valid verdict for purposefully committed crime or fiscal crime.

2. Provisions of art. 59 par. 2 shall apply accordingly to the members of the Audit Oversight Commission.

3. Submission of documentation and information by members of the Audit Oversight Commission which became known to them in relation with the positions held, tasks executed or controls conducted for the purpose of implementation of statutorily determined tasks by the entities referred to in art. 65 par. 1 or for their benefit shall not constitute violation of secrecy referred to in par. 2.

4. Persons who became owners of information encompassed by the secrecy provision in relation to submission of documents and information by members of Audit Oversight Commission for the purpose determined in par. 3 shall also be required to observe secrecy requirements.

Art. 68. 1. The term of office of the Audit Oversight Commission shall last for 4 years.

2. In the case of death or dismissal of a member of the Audit Oversight Commission before the end of term, the Minister of Finance shall appoint a new member of the Audit Oversight Commission in his/ her place. The term of office of a person appointed in place of a dismissed or deceased member of the Audit Oversight Commission shall end at the end of term of the Audit Oversight Commission.

3. Dismissal of a member of the Audit Oversight Commission before the end of term can take place:

- 1) upon the member's application;
- 2) upon the application of a body or an institution who submitted his/ her candidature;
- 3) *ex officio* in the case of failure to comply with any of the conditions referred to in art. 67 par.1 points 1 – 2 and art. 67 par.1 points 4 – 6.

Art. 69. 1. The Audit Oversight Commission shall act during plenary sessions which are chaired by its chairman and in his absence, a deputy chairman.

2. The chairman of the Audit Oversight Commission or the deputy chairman shall convene the meetings at least once a month.

Art. 70. 1. Within the scope of its competences, the Audit Oversight Commission shall approve resolutions, including issue of administrative decisions and rulings.

2. The Audit Oversight Commission shall approve resolutions by simple majority of votes in open voting, in the presence of at least 5 persons being its members, including the chairman or the deputy chairman; in the case of an equal number of votes, the vote of the chairman or the deputy chairman shall be decisive.

3. Resolutions of the Audit Oversight Commission shall be signed by all its members present at the meeting. Administrative decisions shall be signed by the chairman or the deputy chairman on behalf of the Audit Oversight Commission.

4. A detailed organisation and mode of work of the Audit Oversight Commission shall be determined by its rules and regulations adopted by the Commission at its first meeting.

5. Provisions of the Act – Code of Administrative Procedure of June 14, 1960 shall apply to the proceedings of the Audit Oversight Commission and proceedings before the Audit Oversight Commission, unless the provisions of the Act stipulate otherwise.

Art. 71. 1. Members of the Audit Oversight Commission shall receive monthly remuneration for participation in its meetings. The remuneration cannot exceed the amount of minimum remuneration for work announced pursuant to the Act on Minimum Remuneration for Work of October 10, 2002. The amount of remuneration for individual members shall be determined by the Minister of Finance on the date of appointment as a member of the Audit Oversight Commission.

2. Funds for covering the costs of remuneration referred to in par. 1 shall be financed by the state budget.

Art. 72. 1. The Audit Oversight Commission, within 30 days from receipt of a resolution referred to in art. 64 par.1 point 1, shall approve the resolution or, by acknowledging that it violates legal provisions or threatens public interest or bears features of an error or a mistake, presents its reservations.

2. The Audit Oversight Commission shall approve, within 30 days, a resolution presented to it once again which takes reservations into account or refuses approval of a resolution which does not take reservations into account.

3. Approval of a resolution and refusal to approve a resolution shall be made by means of an administrative decision.

Art. 73. 1. With respect to an administrative decision issued in the first instance by the Audit Oversight Commission, a party may file, in line with art. 127 par. 3 of the Act – Code of Administrative Procedure of June 14, 1960, an application for renewed examination of a case.

2. With respect to the decision on the application for renewed examination of a case, a complaint can be submitted to the administrative court, upon principles determined in separate provisions.

Art. 74. 1. In case of receiving information about irregularities, it is possible to conduct the control of the practice of profession by statutory auditors and operation of entities authorised to audit financial statements.

2. The control referred to in par. 1 shall be conducted on the basis of personal authorisation granted by the Audit Oversight Commission to employees employed in an organisational unit of an office servicing the Minister of Finance which is responsible for accounting and audit.

3. Provisions of art. 59 par. 2 shall apply to the employees referred to in par. 2.

4. Controls shall be conducted within the scope referred to in art. 26 par. 2.

5. Within 30 days from completion of control, a report shall be prepared on the conducted control; the report shall be submitted to the entity authorised to audit financial statements.

6. An entity authorised to audit financial statements shall be vested with a right to submit reservations to the control report within 14 days from its receipt.

7. Provision of art. 27 par. 10 shall apply to the employees referred to in par. 2.

8. The employees referred to in par. 2, prior to commencement of control, shall file a declaration that within a period of 2 years before the commencement of control they were not and they are not employed or related in any other manner to the controlled entity authorised to audit financial statements under penalty for making false declarations provided for in separate provisions.

Art. 75. 1. Control activities undertaken by a person conducting the control shall be performed after presentation of a professional identification card and submission of personal authorisation.

2. The authorisation referred to in par. 1 shall at least contain:

- 1) indication of legal basis;
- 2) designation of control body;
- 3) date and place of issue;
- 4) first name and family name of a person (persons) conducting control authorised to conduct the control and the number of his/ her professional identification card, as well as persons referred to in art. 26 par. 6 if they participate in control activities;
- 5) designation of an entity being controlled;
- 6) determination the of substantive scope of control;
- 7) indication of date of commencement and anticipated deadline for completion of control;
- 8) signature of a person granting the authorisation along with specification of position occupied or function held;
- 9) instruction about rights and obligations of the controlled entity.

3. Changes in the substantive scope of control, date of control and person conducting the control shall require issuance of new authorisation to conduct control.

4. A person conducting control should instruct the person/ entity being controlled about its right to submit reservations to the report and the right to refuse signing the report, whereas the controlled entity should sign such instruction.

5. With respect to the conduct of controls referred to in art. 74, provisions of Chapter 5 of the Act on Freedom of Economic Activity of July 2, 2004 (Dz.U. of 2007 No. 155, item 1095, as amended¹⁴⁾) shall apply.

Art. 76. A person conducting control, within the scope resulting from the authorisation, shall be entitled to:

- 1) enter all premises of the controlled entity;
- 2) access all documents of the controlled entity;
- 3) prepare certified copies, transcripts or excerpts from documents and breakdowns and data indispensable for conducting control;
- 4) access data contained in the IT system of the controlled entity and prepare copies and excerpts from these data, including in electronic form;
- 5) demand oral or written explanations within the scope encompassed by control, within deadlines specified by such person and ensure timely delivery of explanations by employees;
- 6) demand that conditions and means at the disposal of the controlled entity are ensured which are indispensable for efficient conduct of control;
- 7) demand integrity of materials secured by the controller which are stored by the controlled entity.

Art. 77. 1. A person conducting control is subject to exclusion from participation in control if control findings could impact his/ her rights or obligations or rights or obligations of its spouse or a person cohabiting with him/ her, relatives and kin up to second degree or persons related to him/ her on account of adoption, custody or guardianship.

2. The reasons for exclusion shall continue in spite of termination of marriage, cohabitation, adoption, custody or guardianship.

3. A person conducting control can also be excluded in the case of ascertaining other reasons which could raise doubts as to his/ her impartiality.

4. If circumstances referred to in par. 1 and 3 become revealed in the course of control, the person conducting control shall suspend further activities and notify the Audit Oversight Commission with due dispatch.

5. An excluded person conducting control shall solely undertake urgent activities on account of public interest or important interest of the controlled entity.

6. The Audit Oversight Commission shall decide about exclusion from participation in control *ex officio* or upon the application of the controlled entity or the application of the person conducting control.

7. The Audit Oversight Commission, deciding about exclusion of a person from the conduct of control, shall designate a new person to conduct control in his/ her place.

Art. 78. 1. The control shall be conducted in the registered office of the controlled entity or in the place of execution of activity, during business hours or during the time of actual operation of the controlled entity.

2. The controlled entity or a person authorised by it shall participate in control activities.

3. During the control, the controlled entity shall fulfil the obligations referred to in art. 76 within deadlines and forms indicated by the person who conducts control.

Art. 79. 1. Findings of control shall be made on the basis of evidence.

2. Evidence shall include:

- 1) documents;
- 2) data and information placed in the IT systems of the controlled entity;
- 3) oral or written explanations within the scope encompassed by control;
- 4) declarations of third parties;
- 5) results of inspections;
- 6) other materials which may contribute to ascertainment of actual state within the scope encompassed

by control.

3. Written information prepared by the controlled entity for the purposes of the conducted control should be signed by authorised persons. In the case of refusal to sign, the person conducting control prepares a relevant note.

4. Compliance with the originals of transcripts, copies and excerpts from documents shall be confirmed by a person authorised to represent the controlled entity.

5. In the case of danger of loss of evidence, the person conducting control may indicate the manner of securing evidence by storage of evidence in a separate, locked and sealed room in the place of operation of the controlled entity.

6. Release of evidence from a secure location shall be decided by the person conducting control.

Art. 80. 1. A control report from the conducted control shall be prepared by persons conducting controls within 30 days from completion of control. The control report shall be submitted to the controlled entity.

2. In particular, the control report shall contain:

- 1) name and address of the controlled entity;
- 2) indication of organisational units of the controlled entity encompassed by control;
- 3) first names and family names and official positions of persons conducting control;
- 4) date of authorisation to conduct the control and information about changes;
- 5) determination of substantive scope of control;
- 6) determination of the date of commencement and completion of control;
- 7) first names and family names and official positions of persons filing declarations and providing information and explanations during the control;
- 8) description of performed control activities and actual findings and description of ascertained irregularities and their scope;
- 9) description of attachments, along with specification of name of every attachment;
- 10) instruction for the controlled entity regarding the right to submit reservations to the report and the right to refuse to sign the report;
- 11) determination of place and date of preparation of control report.

3. The control report shall be signed by persons conducting the control and the controlled entity.

4. Refusal to sign the report by the controlled entity shall require preparation of written explanation attached to the report.

Art. 81. 1. The control report shall be prepared in 3 identical copies, one for the person conducting the control, one for the observer and one for the controlled entity.

2. The controlled entity or a person authorised by it shall confirm receipt of the report by placing a written declaration in the report.

3. The person conducting the control and the controlled entity or a person authorised by it shall initial every page of the report.

4. If the controlled entity refuses or evades the receipt of the control report, the Audit Oversight Commission shall summon the controlled entity in writing to make a declaration about the receipt of report, determining a deadline not shorter than 7 days for fulfilment of this obligation. In the case of ineffective expiry of the designated deadline, the report shall be deemed received as of the lapse of the last day of such a deadline.

5. After confirmation of receipt of the control report, no amendments or notes can be added to the report.

6. Obvious spelling or calculation mistakes shall be corrected by the person conducting the control by means of initialling the correction. The Audit Oversight Commission shall inform the controlled entity in writing about correction of obvious mistakes.

Art. 82. 1. Within 14 days from confirmation of receipt of the control report, the controlled entity may submit written and justified reservations regarding the content of the report to the Audit Oversight Commission.

2. The Audit Oversight Commission shall inform the controlled entity about the manner of examining the reservations within 14 days from their delivery.

3. In the case of failure to submit reservations within a deadline indicated in par. 1, it shall be

assumed that the controlled entity does not question the findings made during the control.

Art. 83. 1. Depending on the type and the scope of ascertained irregularities, the Audit Oversight Commission shall:

- 1) address a demand to remove such irregularities along with determination of the deadline for their removal to the entity authorised to audit financial statements;
- 2) issue an administrative decision about:
 - a) imposing a financial penalty on an entity authorised to audit financial statements in an amount not exceeding 10% of revenues obtained in the previous financial year from performance of audit activities and not higher than PLN 250,000 payable within 14 days from the date on which the decision became final;
 - b) suppression on conduct of audit activities by the entity authorised to audit financial statements in a period ranging from 6 months to 3 years;
 - c) removal of the entity authorised to audit financial statements from the list;
 - d) publicly announcing information about the ascertained irregularities and the penalties imposed on the entity authorised to audit financial statements as an additional penalty.
- 3) prepare a motion for penalising the statutory auditor and submits it immediately to the National Disciplinary Court.

2. The decisions referred to in par. 1 point 2 letter b) and c) shall be submitted for implementation to the National Council of Statutory Auditors.

3. The amounts of penalties referred to in par. 1 point 2 letter a) shall constitute state budget revenue and shall be subject to enforcement pursuant to provisions on enforcement proceedings in administration.

4. The amounts of penalties referred to in par. 1 point 2 letter a) not settled on time by the entity authorised to audit financial statements shall be increased by default interest charged from the entity authorised to audit financial statements determined in the Act – Tax Ordinance of August 29, 1997.

5. There shall be no right to appeal against decisions of the Audit Oversight Commission issued in the course of enforcement proceedings.

Art. 84. In the case referred to in art. 83 par. 1 point 1, after the expiry of the stipulated deadline, the employees referred to in art. 74 par. 2 shall control execution of recommendations. If the recommendations were not executed, provisions of art. 83 par. 1 point 2 or 3 shall be applied.

Art. 85. The minister competent for public finance affairs shall determine, in the form of a regulation, detailed principles and the mode of conducting control referred to in art. 26 par. 2 and art. 74 and the template of authorisation to conduct such control, taking into account the necessity of ensuring efficient conduct of control and participation of the controlled entity in control activities.

Chapter 8

Audit Activities in Public Interest Entities

Art. 86. 1. An audit committee shall operate in public interest entities, whose members are appointed by the supervisory board or the control board among its members.

2. Provisions of par. 1 shall not apply to:

- 1) open pension funds, national pension societies and investment funds;
- 2) divisions of credit institutions and branches of foreign banks referred to in art. 2 par. 4 point b);
- 3) main branches of insurance companies referred to in art. 2 par. 4 point d);
- 4) cooperative banks referred to in the Act on Operation of Cooperative Banks, Their Associations and Apex Banks of December 7, 2000 (Dz.U. No. 119, item 1252, as amended¹⁵⁾);
- 5) public interest entities where no supervisory board and no control board was appointed;
- 6) credit unions referred to in art. 2 par. 4 point c).

3. In public interest entities where the supervisory board has not more than 5 members, the tasks of the audit committee may be entrusted to the supervisory board.

4. The audit committee shall consist of at least 3 members, including at least one member complying with conditions of independence and having qualifications in accounting or audit.

5. Within the scope of compliance with conditions of independence by a member of the audit

committee, provisions of art. 56 par. 3 point 1, art. 56 par. 3 point 3 and art. 56 par. 3 point 5 shall apply accordingly.

6. In reference to the member of an audit committee in a mutual insurance company, referred to in the Act on Insurance Activity of May 22, 2003, the independence criterion determined in art. 56 par. 3 point 1 shall not be applied. Other independence criteria may be determined by the statute of a public interest entity.

7. In particular, the tasks of an audit committee shall encompass:

- 1) monitoring the financial reporting process;
- 2) monitoring efficiency of internal control systems, internal audit and risk management;
- 3) monitoring performance of audit activities;
- 4) monitoring independence of a statutory auditor and an entity authorised to audit financial statements, including in the case of provision of services referred to in art. 48 par. 2.

8. The audit committee shall recommend to the supervisory board or another supervising authority an entity authorised to audit financial statements for the conduct of audit activities.

9. An entity authorised to audit financial statements shall inform the audit committee in writing about important issues related to audit activities, in particular, about significant irregularities in the internal control system of the entity with respect to the financial reporting process.

Art. 87. 1. An entity authorised to audit financial statements shall submit to the National Council of Statutory Auditors, by January 31 of each year, information about contracts for performance of audit activities concluded in the previous year with public interest entities. This information shall contain the name of a public interest entity and the type of audit activities encompassed by the contract, as well as:

- 1) a resolution on entry of the entity authorised to audit financial reports on the list;
- 2) a valid transcript from a relevant register or an up-to-date certificate regarding entry in the register of economic activity;
- 3) information about results of the last control conducted within the scope of quality assurance system along with a description of ascertained irregularities;
- 4) information about the number of statutory auditors performing audit activities;
- 5) information whether there were any disciplinary proceedings with respect to the statutory auditors in the last 3 years completed with valid verdicts;
- 6) information about the type and number of audit activities conducted in the last 3 years, including the type and number of such activities in public interest entities.

2. The National Council of Statutory Auditors shall submit the information referred to in par. 1 to the Audit Oversight Commission by February 15 of each year.

3. In case the entity authorised to audit financial statements fails to fulfil the obligation referred to in par. 1, the Audit Oversight Commission can issue an administrative decision referred to in art. 83 par.1 point 2.

Art. 88. An entity authorised to audit financial statements performing audit activities in a public interest entity shall be, in particular, required to:

- 1) place a report on its website within 3 months from the end of a financial year, encompassing in particular:
 - a) information regarding the organisational and legal form and ownership structure;
 - b) in case the entity authorised to audit financial statements belongs to a network, a description of a given network, as well as legal and structural solutions in a given network;
 - c) a description of management structure of an entity authorised to audit financial statements;
 - d) a description of internal quality control system of the entity authorised to audit financial statements and a declaration of the management board regarding efficiency of its operation;
 - e) indication of the date of last control within the scope of quality assurance system conducted by the National Supervisory Commission;
 - f) list of public interest entities for which the entity authorised to audit financial statements performed audit activities in the previous financial year;
 - g) a declaration regarding the policy pursued by the entity authorised to audit financial statements within the scope of ensuring independence, containing confirmation that the internal control of compliance with principles of independence was conducted;
 - h) a declaration regarding the policy pursued by the entity authorised to audit financial statements

- within the scope of continuing education of statutory auditors;
- i) information about generated revenues, divided into specific audit activities and services referred to in art. 48 par. 2;
 - j) information about principles of remuneration for key statutory auditors and members of the management board – along with indication of a statutory auditor responsible, on behalf of the entity authorised to audit financial statements, for preparation of such report;
- 2) furnish the audit committee in a public interest unit on a yearly basis with:
 - a) a declaration confirming independence of an entity authorised to audit financial statements and independence of statutory auditors performing audit activities;
 - b) information regarding services referred to in art. 48 par. 2 provided for such an entity;
 - 3) submit written information to the audit committee in a public interest entity about threats to independence of an entity authorised to audit financial statements and activities implemented to limit such threats.

Art. 89. 1. A key statutory auditor shall pursue audit activities in the same public interest entity in a period not exceeding 5 years.

2. A key statutory auditor shall perform audit activities in an entity referred to in par. 1 once again after the lapse of at least 2 years.

Art. 90. A key statutory auditor and statutory auditors participating in audit activities shall not hold managerial positions in a public interest entity before the lapse of at least 2 years from completion of such activities.

Chapter 9

Cooperation with European Union Member States and Third Countries

Art. 91. 1. For the purpose of ensuring proper oversight over the practice of profession by statutory auditors and operation of entities authorised to audit financial statements, the Audit Oversight Commission shall cooperate with relevant public oversight authorities in the European Union Member States.

2. In relation to implementation of the objective referred to in par. 1, information may be exchanged between oversight authorities from the European Union Member States and the Audit Oversight Commission.

3. The Audit Oversight Commission may refuse disclosure of information to public oversight authorities from European Union Member States in the following cases:

- 1) disclosure of information could have detrimental effect on sovereignty, safety and public order in the Republic of Poland;
- 2) court proceedings are conducted in the same case against a statutory auditor or an entity authorised to audit financial statements to whom application for disclosure of information refers;
- 3) issuance of a valid verdict in the same case against a statutory auditor or an entity authorised to audit financial statements to which the application for provision of information referred.

4. Refusal to disclose information referred to in par. 3 shall be made in writing.

5. Information referred to in par. 2 shall be provided upon written request of a public oversight authority from a European Union Member State, within 30 days from the date of receipt of the application. The Audit Oversight Commission shall inform the public oversight authority which submitted such application about reasons for failure to comply with such deadline.

6. Information received by the Audit Oversight Commission from public oversight authorities from European Union Member States shall be encompassed by professional secrecy provisions.

Art. 92. 1. For the purpose of implementing the objective referred to in art. 91 par. 1, the Audit Oversight Commission may submit applications for initiation of a disciplinary investigation against a statutory auditor or for conduct of control in an entity authorised to audit financial statements by public oversight authorities in a European Union Member State.

2. In the case referred to in par. 1, the Audit Oversight Commission may submit an application to a public oversight authority from a European Union Member State to allow its authorised representatives to participate in disciplinary proceedings or control proceedings.

3. Provisions of art. 59 par. 2 shall apply to persons referred to in par. 2.

Art. 93. 1. Whilst implementing an application of a public oversight authority from a European Union Member State regarding initiation of a disciplinary investigation against a statutory auditor, the Audit Oversight Commission may furnish the National Disciplinary Spokesman with an application for initiation of disciplinary investigation against a statutory auditor subject to par. 3.

2. In the case referred to in par. 1, authorised representatives of a public oversight authority from a European Union Member State may participate in the conducted disciplinary investigation.

3. The Audit Oversight Commission shall refuse implementation of an application referred to in par. 1 in cases listed in art. 91 par. 3.

Art. 94. 1. In case the Audit Oversight Commission receives information that a statutory auditor or an entity authorised to audit financial statements undertakes activities which violate the EU law in the territory of an EU Member State within the scope of audit, the Commission shall notify the relevant public oversight authority in a given state.

2. In case the Audit Oversight Commission receives information from a public oversight authority from a European Union Member State that a statutory auditor or an entity authorised to audit financial statements undertakes activities in the territory of the Republic of Poland which are inconsistent with the European Union law within the scope of auditing, the Commission shall undertake relevant activities and inform such authority about them.

Art. 95. 1. The Audit Oversight Commission shall maintain a register of statutory auditors from third countries and a list of entities authorised to audit financial statements from third countries.

2. The register and the list referred to in par. 1 contain information foreseen in art. 10 par. 2 and art. 53 par. 3. Provisions of art. 10 par. 7 shall apply accordingly.

3. The register and the list referred to in par. 1 shall be subject to publication at the website of the Ministry of Finance.

Art. 96. 1. A statutory auditor from a third country who intends to conduct or conducts an audit of a financial statement of a company registered in a third country, whose securities are admitted to trading at the regulated market in the Republic of Poland, shall be subject to the entry in the register referred to in art. 95 par. 1 upon his/ her own motion.

2. Examination of a financial statement prepared by a statutory auditor from a third country who was not entered in the register referred to in art. 95 par. 1 shall not have any legal effects.

3. Provisions of par. 1 shall not be applied when the audited company is solely an issuer of debt securities whose nominal value in EUR as of the issue date amounts to at least EUR 50,000 per unit or the equivalent of this amount in another currency. Conversion into euro is made according to the average exchange rate determined by the National Bank of Poland as of the issue date.

4. The fee of PLN 2,000 shall be charged on entry in the register referred to in par. 1, which constitutes the state budget revenue.

Art. 97. 1. A third country entity authorised to audit financial statements which plans to conduct or conducts audit of financial statements in a company registered in a third country whose securities are admitted to trading at the regulated market in the Republic of Poland shall be subject to entry in the list referred to in art. 95 par. 1 upon its own application, on the condition that:

- 1) majority of members of the management board of the entity authorised to audit financial statements comply with the requirements for statutory auditors equivalent to the requirements foreseen in the Act;
- 2) an entity authorised to audit financial statements employs statutory auditors to audit financial statements who comply with the requirements equivalent to requirements foreseen for statutory auditors in the Act;
- 3) an entity authorised to audit financial statements audits financial statements in line with the International Standards of Auditing or equivalent standards;
- 4) an entity authorised to audit financial statements publishes an annual report on its website containing information referred to in art. 88 par. 1;
- 5) an entity authorised to audit financial statements complies with requirements stipulated in art. 56, 57

and 60 or equivalent requirements.

2. Audit of financial statements prepared by an entity authorised to audit financial statements from a third country which was not entered in the list referred to in art. 95 par. 1 shall not have any legal effects.

3. Provisions of par. 1 shall not be applied when the audited company is only the issuer of debt securities whose nominal value in euro as of the issue date amounts to at least EUR 50,000 per unit or the equivalent of this amount in another currency. Conversion into euro is made according to the average exchange rate determined by the National Bank of Poland as of the issue date.

4. The fee of PLN 2,000 shall be charged on entry in the register referred to in par. 1, which constitutes the state budget revenue.

Art. 98. 1. The Audit Oversight Commission may acknowledge:

- 1) a system of disciplinary proceedings in reference to statutory auditors from a third country and quality assurance system in an entity authorised to audit financial statements from a third country as equivalent to the requirements provided for in the Act; the Audit Oversight Commission shall inform the European Commission about it;
- 2) the standards referred to in art. 97 par. 1 point 3 as equivalent to the International Standards of Auditing;
- 3) requirements referred to in art. 97 par. 1 point 1, art. 97 par. 1 point 2 and art. 97 par. 1 point 5 as equivalent to the requirements foreseen in the Act.

2. The Audit Oversight Commission, whilst implementing the task referred to in par. 1, shall adopt determinations of the European Commission and in the case of absence of such determinations, shall be guided by determinations of public oversight authorities from other European Union Member States or its own determinations.

Art. 99. 1. A statutory auditor and an entity authorised to audit financial statements from a third country, entered in the register or the list pursuant to art. 96 par. 1 or art. 97 par. 1, shall be subject to oversight conducted by the Audit Oversight Commission, disciplinary proceedings, provisions and quality assurance system binding in the Republic of Poland.

2. The Audit Oversight Commission may relieve a statutory auditor or an entity authorised to audit financial statements from a third country for a limited period of time from being subject to the quality assurance system binding in the Republic of Poland if in the course of the last 3 years, a control of a statutory auditor or an entity authorised to audit financial statements was conducted in a third country whose quality assurance system was deemed equivalent to the requirements provided for in the Act.

Art. 100. The Audit Oversight Commission may withdraw, upon the principle of reciprocity, from application of provisions of art. 96 or 97 when a statutory auditor or an entity authorised to audit financial statements from a third country are subject in such country to public oversight, a system of disciplinary proceedings and a system of quality assurance which were deemed equivalent to the requirements provided for in the Act.

Art. 101. 1. The Audit Oversight Commission may, upon the application of a relevant public oversight authority with respect to statutory auditors and entities authorised to audit financial statements from a third country, provide audit documentation to such an authority if:

- 1) documentation refers to examination of companies which issued securities in a third country or which form a part of a capital group preparing consolidated financial statements in such a third country, and;
- 2) an agreement was concluded between the Audit Oversight Commission and the public oversight authority from a third country, referred to in art. 102 par. 1.

2. Provision of audit documents, referred to in par. 1, shall comply with the Act on Protection of Personal Data of August 29, 1997 (Dz.U. of 2002 No. 101, item 926, as amended¹⁶⁾) and the Act on Protection of Confidential Information of January 22, 1999 (Dz.U. of 2005 No. 196, item 1631, as amended¹⁷⁾), and professional secrecy shall be properly protected.

3. A statutory auditor or an entity authorised to audit financial statements shall provide the Audit Oversight Commission, upon its request, with audit documentation for the purpose of submitting such documentation to an oversight authority in a third country.

Art. 102. 1. For the purpose of provision of documents referred to in art. 101, the Audit Oversight

Commission shall conclude an arrangement with a public oversight authority from a third country which foresees, upon the principle of reciprocity, that:

- 1) a public oversight authority from a third country shall justify an application for provision of documentation;
- 2) persons employed in a public oversight authority in a third country who have access to the documents are required to observe professional secrecy;
- 3) a public oversight authority from a third country may use the received documentation solely for the purpose of implementation of tasks entrusted to it within the scope of oversight, conduct of disciplinary proceedings or controls within the framework of quality assurance system in a given third country.

2. The Audit Oversight Commission shall inform the European Commission about the concluded arrangement and its important provisions.

Art. 103. The Audit Oversight Commission may refuse provision of documentation referred to in art. 101 to a public oversight authority if:

- 1) its provision could influence sovereignty, safety or public order of the European Union or the Republic of Poland;
- 2) court proceedings are already conducted against a statutory auditor or an entity authorised to audit financial statements in a case to which the application of a public oversight authority from a third country refers;
- 3) a public oversight authority from a third country does not comply with requirements deemed equivalent by the European Commission.

Chapter 10

Amending Provisions, Transitional Provisions and Final Provisions

Art. 104. In the Act – Cooperative Law of September 16, 1982 (Dz.U. of 2003 No. 188, item 1848, as amended¹⁸⁾) art. 240a shall be repealed.

Art. 105. In the Accounting Act of September 29, 1994 (Dz.U. of 2002 No. 76, item 694, as amended¹⁹⁾) the following changes shall be introduced:

- 1) In art. 65, par. 7 shall be added with the following content:
"7. Audit opinion and audit report shall be signed by a key statutory auditor conducting the audit."
- 2) In art. 66:
 - a) par. 1 – 3 are repealed;
 - b) par. 4 - 6 receive the following content:
 - "4. Selection of an entity authorised to audit financial statements to perform an audit or review of financial statements shall be made by an authority approving the entity's financial statements, unless the statute, the contract or other legal provisions binding the entity stipulate otherwise. The management board of the entity cannot make such a selection.
 5. The director of the entity concludes a contract for review or audit of financial statements with an entity authorised to audit or review financial statements within a deadline enabling its participation in the stock-taking of significant property assets. The cost of performance of audit activities is borne by the entity.
 6. Review or audit of financial statements conducted with violation of provisions of art. 56.2 – 4 of the Act on Statutory Auditors, Their Self-Government and Entities Authorised to Audit Financial Statements and on Public Oversight (Dz.U. No. 77, item 649) shall be legally invalid."
 - c) par. 7 shall be added with the following content:
"7. Termination of the contract referred to in par. 5 is possible solely if there are justifiable reasons. Differences in opinions with respect to application of accounting principles or auditing standards do not constitute a justified reason to terminate the contract. The entity director and the entity authorised to audit or review financial statements shall notify the Audit Oversight Commission immediately about termination of contract on review or audit of financial statements;"

- 3) art. 67a shall have the following content:
"art. 67a. Provisions of art. 65, art. 66 par. 4, art. 66 par. 5 and art. 66 par. 7 and art. 67 shall apply accordingly to audit of financial statements other than determined in art. 64.";
- 4) In Appendix 1 in par. "Additional Information and Explanations" par. 4 point 6 shall have the following content:
 - "6) remuneration of a statutory auditor or an entity authorised to audit financial statements, disbursed or due for a financial year, separately for:
 - a) mandatory examination of annual financial statements;
 - b) other certification services;
 - c) tax advisory services;
 - d) other services;"

Art. 106. In the Act of Governmental Administration Divisions of September 4, 1997 (Dz.U. of 2007 No. 65, item 437, as amended²⁰⁾) in art. 8 par. 2, point 7 shall have the following content:
"7) accounting and auditing".

Art. 107. In the Act on Trading in Financial Instruments of July 29, 2005 (Dz.U. No. 183, item 1538, as amended²¹⁾) the following changes shall be introduced:

- 1) in art. 30, par. 3 shall have the following content:
"3. The obligation referred to in par. 2 shall also apply to the statutory auditor and persons authorised to represent an entity authorised to audit financial statements or bound by employment relationship to such entity – within a scope regarding activities undertaken by such persons or such entity in relation to audit of financial statements of a company operating a stock exchange or providing other services for such company listed in art. 48 par. 2 of the Act on Statutory Auditors and Their Self-Government, Entities Authorised to Audit Financial Statements and on Public Oversight (Dz.U. No. 77, item 649). This does not violate the secrecy obligation referred to in art. 59 of this Act";
- 2) in art. 64, par. 3 shall have the following content:
"3. The obligation referred to in par. 2 shall also apply to the statutory auditor and persons authorised to represent an entity authorised to audit financial statements or remaining in employment relationship with such entity – within a scope regarding activities undertaken by such persons or entity in relation to examination of financial statements of the National Depository or provision for its sake of other services listed in art. 48 par. 2 of the Act on Statutory Auditors and Their Self-Government, Entities Authorised to Audit Financial Statements and on Public Oversight of May 7, 2009. This does not violate the secrecy obligation referred to in art. 49 of the Act."

Art. 108. In the Act on Financial Market Oversight of July 21, 2006 (Dz.U. No. 157, item 1119, as amended²²⁾) after art. 17a, art. 17b shall be added with the following content:

"Art. 17b. "The chairman of the Commission and the chairman or deputy chairman of the Audit Oversight Commission referred to in the Act on Statutory Auditors and Their Self-Government, Entities Authorised to Audit Financial Statements and on Public Oversight of May 7, 2009 (Dz.U. No. 77 item 649) may exchange information within a scope indispensable for performance of their statutorily determined tasks."

Art. 109. Entities authorised to audit financial statements:

- 1) shall furnish the National Council of Statutory Auditors within 3 months from the date of entry into force of this Act with additional data from the extended list in comparison to the list binding hitherto;
- 2) shall adjust their operation to the requirements of the Act foreseen for entities authorised to audit financial statements within 6 months.

Art. 110. Statutory auditors shall furnish the National Council of Statutory Auditors, within 4 months from entry into force of this Act, with additional data by which the register was extended in comparison to the register binding hitherto.

Art. 111. The National Council of Statutory Auditors shall adjust, within 6 months from entry into force

of this Act, the register and the list to the requirements of this Act.

Art. 112. Executive provisions issued pursuant to art. 12 par. 4 of the Act on Statutory Auditors and Their Self-Government of October 13, 1994 (Dz.U. of 2001 No. 31, item 359, as amended²³⁾) shall remain valid until entry into force of executive provisions issued pursuant to art. 50 par. 3 of this Act, however not longer than 6 months from the date of entry into force of this Act.

Art. 113. 1. Cases submitted for examination by the disciplinary court competent in line with hitherto provisions, in which no hearing date was determined, shall be immediately submitted to a court competent in line with the provisions of this Act.

2. Cases with respect to which a hearing date was determined before entry into force of this Act shall be continued until the end of proceedings in a given instance according to hitherto provisions; in the case of adjourning of the hearing for more than 2 months, suspension of proceedings or renewed examination of the case or after a valid verdict was issued, the proceedings shall continue according to the provisions of this Act and cases shall be immediately submitted to a competent court.

3. Legal activities performed on the basis of hitherto provisions shall remain effective.

Art. 114. Hitherto provisions shall apply to the running of deadlines regarding expiry of penalisation for disciplinary offences committed before the date on which this Act entered into force.

Art. 115. 1. The Commission appointed pursuant to art. 7 of the Act on Statutory Auditors and Their Self-Government of October 13, 1994 shall operate until the moment of appointment of the Commission in line with the provisions of this Act, however not longer than 4 months from entry into force of this Act.

2. In 2009, appointment of the Commission members by authorised entities shall take place within 2 months from the date on which this Act enters into force.

3. With respect to persons who commenced qualification proceedings before the date on which this Act entered into force, qualification requirements determined in hitherto provisions shall apply, however not longer than 4 years from the date on which this Act enters into force.

Art. 116. 1. As of the date on which this Act enters into force, the National Chamber of Statutory Auditors and its bodies shall assume rights and obligations of hitherto National Chamber of Statutory Auditors and its bodies.

2. The end of terms of bodies referred to in par. 1 shall be calculated from the date on which they were appointed pursuant to hitherto provisions.

3. Persons nominated to the bodies of the National Chamber of Statutory Auditors by the 6th Assembly of Statutory Auditors shall keep their mandates until the next elections.

Art. 117. A public interest entity, subject to art. 86 par. 2 and art. 86 par. 3, shall be required to summon an audit committee referred to in art. 86 par. 1 within 6 months from the date on which this Act enters into force.

Art. 118. 1. Resolutions of bodies of the National Chamber of Statutory Auditors issued pursuant to hitherto provisions shall remain valid subject to par. 2 and 3.

2. Resolutions requiring adjustment to provisions of this Act shall remain valid until the moment of adoption of new resolutions, however not longer than 6 months from the date on which this Act enters into force.

3. The bodies of the National Chamber of Statutory Auditors shall furnish the Audit Oversight Commission, within 2 months from the date of entry into force of this Act, with resolutions requiring approval, subject to par. 4.

4. The statute adopted in the mode of art. 20 par. 1 point 5 shall be submitted to the Audit Oversight Commission for approval within 30 days from the date of completion of the first assembly which took place after the entry into force of this Act.

Art. 119. Statutory auditors and entities authorised to audit financial statements referred to in art. 96 par. 1 and art. 97 par. 1 shall submit applications for registration within 2 months from the date on which this Act enters into force.

Art. 120. Until the moment the International Standards of Auditing announced in the form of resolutions of the European Commission enter into force, the auditing standards shall be understood as domestic standards determined by the National Council of Statutory Auditors, approved by the Audit Oversight Commission.

Art. 121. The Act on Statutory Auditors and Their Self-Government of October 13, 1994 (Dz.U. of 2001 No. 31, item 359, as amended²⁴⁾) becomes invalid.

Art. 122. The Act enters into force after 14 days from the date of its publication.

- 1) The Act, within the scope of its regulations, implements decisions of Directive 2006/43/EC of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts amending Council Directive 78/660/EEC on the annual accounts of certain types of companies and 83/349/EEC on consolidated accounts of banks and other financial institutions and repealing Council Directive 84/253/EEC on the approval of persons responsible for carrying out the statutory audits of accounting documents (O.J. EU L 157/87 of June 9, 2006 as amended).
- 2) Amendments in the uniform text of the above-listed Act were announced in Dz.U. of 2003 No. 60, item 535, No. 124, item 1152, No. 139, item 1324 and No. 229, item 2276, of 2004 No. 96, item 959, No. 145, item 1535, No. 146, item 1546 and No. 213, item 2155, of 2005 No. 10, item 66, No. 184, item 1539 and No. 267, item 2252, of 2006 No. 157, item 1119 and No. 208, item 1540, of 2008 No. 63, item 393, No. 144, item 900, No. 171, item 1056, No. 214, item 1343 and No. 223, item 1466 and of 2009 No. 42, item 341.
- 3) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2002 No. 126, item 1070, No. 141, item 1178, No. 144, item 1208, No. 153, item 1271, No. 169, item 1385 and 1387 and No. 241, item 2074, of 2003 No. 50, item 424, No. 60, item 535, No. 65, item 594, No. 228, item 2260 and No. 229, item 2276, of 2004 No. 64, item 594, No. 68, item 623, No. 91, item 870, No. 96, item 959, No. 121, item 1264, No. 146, item 1546 and No. 173, item 1808, of 2005 No. 83, item 719, No. 85, item 727, No. 167, item 1398 and No. 183, item 1538, of 2006 No. 104, item 708, No. 157, item 1119, No. 190, item 1401 and No. 245, item 1775, of 2007 No. 42, item 272 and No. 112, item 769, of 2008 No. 171, item 1056, No. 192, item 1179, No. 209, item 1315 and No. 231, item 1546 and of 2009 No. 18, item 97, No. 42, item 341, No. 65, item 545 and No. 71, item 609.
- 4) Amendments in the above-mentioned Act were announced in Dz.U. of 1999 No. 101, item 1178, of 2001 No. 8, item 64, No. 100, item 1081, of 2002 No. 169, item 1387 and No. 241, item 2074, of 2004 No. 68, item 623 and No. 146, item 1546, of 2006 No. 183, item 1354 and of 2009 No. 50, item 403.
- 5) Amendments in the above-mentioned Act were announced in Dz.U. of 2004 No. 91, item 870 and No. 96, item 959, of 2005 No. 83, item 719, No. 143, item 1204, No. 167, item 1396, No. 183, item 1538 and No. 184, item 1539, of 2006 No. 157, item 1119, of 2007 No. 50, item 331, No. 82, item 557, No. 102, item 691 and No. 112, item 769, of 2008 No. 171, item 1056 and No. 234, item 1571 and of 2009 r. No. 18, item 97 and No. 42, item 341.
- 6) Amendments in the above-mentioned Act were announced in Dz.U. of 2004 No. 91, item 870 and No. 96, item 959, of 2006 No. 157, item 1119, of 2008 No. 171, item 1056 and of 2009 No. 18, item 97.
- 7) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2005 No. 143, item 1202 and No. 183, item 1538, of 2006 No. 104, item 708 and 711 and No. 157, item 1119, of 2007 No. 17, item 95, of 2008 No. 180, item 1109 and No. 228, item 1507 and of 2009 No. 18, item 97.
- 8) Amendments in the above-mentioned Act were announced in Dz.U. of 2005 o. 83, item 719, No. 183, item 1537 and 1538 and No. 184, item 1539, of 2006 No. 157, item 1119, of 2007 No. 112, item 769, of 2008 No. 231, item 1546 and of 2009 No. 18, item 97 and No. 42, item 341.
- 9) Amendments in the above-mentioned Act were announced in Dz.U. of 2006 No. 104, item 708 and No. 157, item 1119, of 2008 No. 171, item 1056 and of 2009 No. 13, item 69 and No. 42, item 341.
- 10) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2001 No. 49, item 509, of 2002 No. 113, item 984, No. 153, item 1271 and No. 169, item 1387, of 2003 No. 130, item 1188 and No. 170, item 1660, of 2004 No. 162, item 1692, of 2005 No. 64, item 565, No. 78, item 682 and No. 181, item 1524 and of 2008 No. 229, item 1539.

- 11) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2005 No. 85, item 727, No. 86, item 732 and No. 143, item 1199, of 2006 No. 66, item 470, No. 104, item 708, No. 143, item 1031, No. 217, item 1590 and No. 225, item 1635, of 2007 No. 112, item 769, No. 120, item 818, No. 192, item 1378 and No. 225, item 1671, of 2008 No. 118, item 745, No. 141, item 888, No. 180, item 1109 and No. 209, item 1316, 1318 and 1320 and of 2009 No. 18, item 97, No. 44, item 362 and No. 57, item 466.
- 12) Amendments in the above-mentioned Act were announced in Dz.U. of 1997 No. 128, item 840, of 1999 No. 64, item 729 and No. 83, item 931, of 2000 No. 48, item 548, No. 93, item 1027 and No. 116, item 1216, of 2001 No. 98, item 1071, of 2003 No. 111, item 1061, No. 121, item 1142, No. 179, item 1750, No. 199, item 1935 and No. 228, item 2255, of 2004 No. 25, item 219, No. 69, item 626, No. 93, item 889 and No. 243, item 2426, of 2005 No. 86, item 732, No. 90, item 757, No. 132, item 1109, No. 163, item 1363, No. 178, item 1479 and No. 180, item 1493, of 2006 No. 190, item 1409, No. 218, item 1592 and No. 226, item 1648, of 2007 No. 89, item 589, No. 123, item 850, No. 124, item 859 and No. 192, item 1378, of 2008 No. 90, item 560, No. 122, item 782, No. 171, item 1056, No. 173, item 1080 and No. 214, item 1344 and of 2009 No. 62, item 504 and No. 63, item 533.
- 13) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2007 No. 112, item 766, of 2008 No. 66, item 410, No. 215, item 1355 and No. 237, item 1651 and of 2009 No. 3, item 11 and No. 8, item 39.
- 14) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2007 No. 180, item 1280, of 2008 No. 70, item 416, No. 116, item 732, No. 123, item 803, No. 141, item 888, No. 171, item 1056 and No. 216, item 1367 and of 2009 No. 3, item 11 and No. 18, item 97.
- 15) Amendments in the above-mentioned Act were announced in Dz.U. of 2001 No. 111, item 1195, of 2002 No. 141, item 1178 and No. 216, item 1824, of 2003 No. 137, item 1303 and No. 228, item 2260, of 2004 No. 91, item 870, of 2006 No. 157, item 1119, of 2007 No. 52, item 344 and of 2008 No. 209, item 1315.
- 16) Amendments in the above-mentioned Act were announced in Dz.U. of 2002 No. 153, item 1271, of 2004 No. 25, item 219 and No. 33, item 285, of 2006 No. 104, item 708 and 711 and of 2007 No. 165, item 1170 and No. 176, item 1238.
- 17) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2006 No. 104, item 708 and 711, No. 149, item 1078, No. 218, item 1592 and No. 220, item 1600, of 2007 No. 25, item 162 and of 2008 No. 171, item 1056.
- 18) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2004 No. 99, item 1001, of 2005 No. 122, item 1024, of 2006 No. 94, item 651, of 2007 No. 125, item 873 and of 2008 No. 163, item 1014.
- 19) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2003 No. 60, item 535, No. 124, item 1152, No. 139, item 1324 and No. 229, item 2276, of 2004 No. 96, item 959, No. 145, item 1535, No. 146, item 1546 and No. 213, item 2155, of 2005 No. 10, item 66, No. 184, item 1539 and No. 267, item 2252, of 2006 No. 157, item 1119 and No. 208, item 1540, of 2008 No. 63, item 393, No. 144, item 900, No. 171, item 1056, No. 214, item 1343 and No. 223, item 1466 and of 2009 No. 42, item 341.
- 20) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2007 No. 107, item 732, No. 120, item 818 and No. 173, item 1218, of 2008 No. 63, item 394, No. 199, item 1227, No. 201, item 1237, No. 216, item 1370 and No. 227, item 1505 and of 2009 No. 42, item 337 and No. 68, item 574.
- 21) Amendments in the above-mentioned Act were announced in Dz.U. of 2006 No. 104, item 708 and No. 157, item 1119, of 2008 No. 171, item 1056 and of 2009 No. 13, item 69 and No. 42, item 341.
- 22) Amendments in the above-mentioned Act were announced in Dz.U. of 2007 No. 42, item 272 and No. 49, item 328, of 2008 No. 209, item 1317, No. 228, item 1507 and No. 231, item 1546 and of 2009 No. 42, item 341.
- 23) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2002 No. 240, item 2052, of 2003 No. 124, item 1152, of 2004 No. 62, item 577, No. 96, item 959, No. 173, item 1808 and No. 213, item 2155, of 2006 No. 157, item 1119 and of 2007 No. 25, item 162 and No. 85, item 571.
- 24) Amendments in the uniform text of the above-mentioned Act were announced in Dz.U. of 2002 No. 240, item 2052, of 2003 No. 124, item 1152, of 2004 No. 62, item 577, No. 96, item 959, No. 173, item 1808 and No. 213, item 2155, of 2006 No. 157, item 1119 and of 2007 No. 25, item 162 and No.

85, item 571.