

Annex II to the Commission Staff Working Paper
THE LEGAL SYSTEMS OF CIVIL LIABILITY OF STATUTORY AUDITORS IN
THE EUROPEAN UNION
Update of the study carried out on behalf of the Commission by Thieffry & Associates
in 2001

1. DESCRIPTION OF THE SYSTEM OF CIVIL LIABILITY. RECENT DEVELOPMENTS.

These tables show the regulatory framework in the Member States and the recent or future modifications of their liability regulations:

COUNTRY (MEMBER STATES)	SPECIFIC RULES	RECENT OR PLANNED MODIFICATIONS
AUSTRIA	Yes	Amendment of civil liability system in 2005
BELGIUM	Yes	Introduction of civil liability cap for auditors in 2005
CYPRUS	No	No
CZECH REPUBLIC	Yes	No
DENMARK	No	No
ESTONIA	Yes	Preparation of a new draft auditing act, which may possibly produce some amendments to the rules on auditor's liability
FINLAND	Yes	No
FRANCE	Yes	No
GERMANY	Yes	No
GREECE	Yes	No
HUNGARY	No	No
IRELAND	No	No
ITALY	Yes	No
LATVIA	Yes	No
LITHUANIA	No	No
LUXEMBOURG	No	No
MALTA	No	No
NETHERLANDS	No	No
POLAND	No	No
PORTUGAL	Yes	No
SLOVAK REPUBLIC	Yes	No
SLOVENIA	Yes	No
SPAIN	Yes	No
SWEDEN	Yes	No
UNITED KINGDOM	Yes	Draft Companies Bill allowing contractual limitation of liability currently in Parliament (to be discussed in the third quarter of 2006)

2. THE PARTIES

2.1. The Auditor – The addressee of the claim

The appointed statutory auditor, either an individual or a firm, is liable in all Member States. If the auditor is a firm, the individual signing the report is jointly and severally liable with the audit firm. In Ireland, only a sole practitioner or a partnership may be appointed as a statutory auditor. In the UK, if the firm is the statutory auditor, the firm is liable and not the lead engagement partner on an assignment. Where the lead engagement partner assumes a separate personal duty of care to the client under the law, he or she can also be liable: but this is rare. Under Austrian law, only the audit firm is liable to the client. As under UK law, individuals conducting the audit on behalf of the firm (including lead partners and signatories of the audit report) may become liable under another title on rare occasions.

These tables present the possible addressees of the claim in each Member State:

COUNTRY	Individual auditor Audit Firm	Signatory of the report
AUSTRIA	Yes	No ¹ .
BELGIUM	Yes	Yes
CYPRUS	Yes	N/A
CZECH REPUBLIC	Yes	Yes
DENMARK	Yes	Yes
ESTONIA	Yes	Yes
FINLAND	Yes	Yes
FRANCE	Yes	Yes
GERMANY	Yes	Yes
GREECE	Yes	Yes
HUNGARY	Yes	Yes
IRELAND	Individual / Partnership	Yes ²
ITALY	Yes	Yes
LATVIA	Yes	Yes
LITHUANIA	Yes	Yes
LUXEMBOURG	Yes	Yes
MALTA	Yes	Yes
NETHERLANDS	Yes	Yes
POLAND	Yes	Yes
PORTUGAL	Yes	Yes
SLOVAK REPUBLIC	Yes	Yes
SLOVENIA	Yes	Yes
SPAIN	Yes	Yes
SWEDEN	Yes	Yes
UNITED KINGDOM	Yes	No ³

¹ Individuals conducting the audit on behalf of the firm (including lead partners and signatories of the audit report) may become liable under another title on rare occasions

² Where the statutory auditor is a firm – in Ireland this will be a partnership- the partners are liable in accordance with their partnership agreement.

³ Where one person in an audit firm, most obviously the lead engagement partner on an assignment, assumes a separate personal duty of care to the client under the law, he or she can also be liable: but this is rare.

2.2. The damaged party

In all Member States, the audited company is entitled to bring a claim against the statutory auditor; either by its management or by its liquidators. In the majority of Member States, the liability of the auditor towards the audited company is based on the contract existing between them. Breach of a contractual duty in conjunction with the audit services provided must be proven by the audited company. In a minority of Member States liability of the auditor towards the audited company can be based on tort.

However, the audited company may not be the only one entitled to sue.

In a majority of Member States, any third party may recover damages from the statutory auditor upon proving the elements of the liability claim; usually fault (intentional conduct or negligence in any degree), damages and causal link.

In a minority of Member States, actions by third parties are restricted: the third party must prove that the statutory auditor owes her/him a duty of care: i.e. the auditor knew or ought reasonably to have known that his work or report would be relied on by claimant for a particular purpose.

The general trend regarding third party actions are to ground the liability action in tort, but it can be grounded in contract and in tort in two Member States.

These tables present the possibility of claims raised by third parties:

COUNTRY	THIRD PARTIES ⁴ CLAIMS
AUSTRIA	Yes, based on contract ("implied contract, contract with protective effect to third parties) or on tort
BELGIUM	Yes, based on tort
CYPRUS	Yes, based on tort and upon proving that the auditor owes a duty of care
CZECH REPUBLIC	Yes, based on tort
DENMARK	Yes, based on tort
ESTONIA	Yes, based on tort
FINLAND	Yes, based on tort
FRANCE	Yes, based on tort
GERMANY	Yes, based on contract ("implied contract, contract with protective effect to third parties ⁵) or on tort
GREECE	Yes, based on tort
HUNGARY	Yes, based on tort
IRELAND	Yes, based on tort and upon proving that the auditor owes a duty of care
ITALY	Yes, based on tort
LATVIA	Yes, based on tort
LITHUANIA	Yes, based on tort
LUXEMBOURG	Yes, based on tort
MALTA	Yes, based on tort and upon proving that the auditor owes a duty of care (conditions of the Caparo case not yet tested)
NETHERLANDS	Yes, based on tort
POLAND	Yes, based on tort
PORTUGAL	Yes, based on tort
SLOVAK	Yes, based on tort

⁴ Third parties constitute an overall category excluding the audited company. Audited company's associated companies, its individual shareholders, creditors and employees are included in this category.

⁵ According to Court decisions based on specific cases

COUNTRY	THIRD PARTIES⁴ CLAIMS
REPUBLIC	
SLOVENIA	Yes, based on tort
SPAIN	Yes, based on tort
SWEDEN	Yes, based on tort
UNITED KINGDOM	Yes, based on tort and upon proving that the auditor owes a duty of care (conditions of the Caparo case)

2.3. Class actions

Class actions allow shareholders with a valid claim to join with other shareholders who suffered the same damage to prosecute their claims in the name of a small number of shareholders but on behalf of the entire group. The notice requirements for potential plaintiffs are usually less formal; targeted shareholders are included in the class unless they expressly request to be excluded. These tables show the current possibilities of class actions in the EU:

COUNTRY	CLASS ACTIONS	
	YES/NO	CONDITIONS / COMMENTS
AUSTRIA	No	--
BELGIUM	No	--
CYPRUS	No	--
CZECH REPUBLIC	No	--
DENMARK	No	--
ESTONIA	No	--
FINLAND	No	--
FRANCE	No	Current discussion on its introduction
GERMANY	No	--
GREECE	No	--
HUNGARY	No	--
IRELAND	No	--
ITALY	No	Current discussion on its introduction
LATVIA	No	--
LITHUANIA	No	--
LUXEMBOURG	No	--
MALTA	No	--
NETHERLANDS	No	--
POLAND	No	--
PORTUGAL	Yes	Class actions may be brought in order to protect investors, but no claim involving an auditor has come before Courts until now
SLOVAK REPUBLIC	No	--
SLOVENIA	No	--
SPAIN	Yes	This special kind of action, regulated by the Consumers Law, can only be sued by a representative plaintiff on behalf of consumers' plaintiffs
SWEDEN	No	--
UNITED KINGDOM	No	--

3. LIMITATIONS TO LIABILITY

3.1. Statutory limitations

3.1.1. Time limitations

These tables present the different statutes of limitations applicable to the claims of the audited company, the triggering event and any variations foreseen in the Member States if the claim is raised by a third party to the audit contract:

COUNTRY	STATUTE OF LIMITATIONS	TRIGGERING EVENT	VARIATIONS
AUSTRIA	5 years	Date of damage causing event irrespective of knowledge of damages, negligence or the person responsible.	No
BELGIUM	5 years	Date of damage causing event	No
CYPRUS	In general, 2 years (with some exceptions)	Date of damage causing event	No
CZECH REPUBLIC	(a) 2 years (subjective statute) (b) 3 years (objective statute/ intentional illegal action linked with bribe/ <i>subjective statute</i>) (c) 10 years (intentional illegal action/ intentional illegal action linked with bribe/ <i>objective statute</i>)	(a) <i>Subjective statute</i> : When injured party finds out the damage and learns who is responsible for it (b) <i>Objective statute</i> : Date of damage causing event	No
DENMARK	5 years	Upon discovery of negligence	No
ESTONIA	5 years	Not established by law, subject to interpretation. In contract case: due fall of the claim	In tort case, upon discovery of damage or loss and of the person responsible
FINLAND	3 years	Presentation of the audit report, opinion or certificate upon which the action is based	10 years for third party claims
FRANCE	3 years	Presentation of the audit report to the shareholders of the company	No
GERMANY	3 years (10 years in case the plaintiff has no knowledge of the damage)	Upon existence of all elements of the claim, knowledge of the damage and of the responsible party	No

COUNTRY	STATUTE OF LIMITATIONS	TRIGGERING EVENT	VARIATIONS
GREECE	2 years	Date of the audit report	5 years for third party claims
HUNGARY	5 years	Date of damage causing event	No
IRELAND	6 years	Date of cause of action	No
ITALY	5 years	Date of termination of the assignment	No
LATVIA	3 years	Date of signature of the audit report	No
LITHUANIA	3 years	Upon knowledge of the damage	No
LUXEMBOURG	5 years	Date of the audit report In tort case upon discovery of the damage event	No
MALTA	2 years	Date of damage causing event or upon the date the injured party could have become aware of the damage	No
NETHERLANDS	(a) 5 years (b) 20 years	(a) Upon knowledge of the damage (b) Date of damage causing event, if no claims presented	No
POLAND	(a) 3 years (in contract case) (b) 10 years (in tort case) if damage arises from a criminal act (c) 3 years (in tort case) if damage arises from other tort actions	(a) and (b) - date of damage causing event (c) upon discovery of damage and the person responsible	(c) 10 years from the date of damage causing event
PORTUGAL	3 years	Upon discovery of negligence	No
SLOVAK REPUBLIC	(a) 3 years (b) 10 years	(a) Upon discovery of damages or by the special conditions in contract (b) 10 years based on Commercial code	No
SLOVENIA	(a) 3 years (b) max 5 years	(a) Upon discovery of damages (b) Date of damage causing event	No
SPAIN	15 years	Date in which all the elements of the claim exist	1 year in tort case
SWEDEN	5 years	Expiry of the financial year to which the auditor's report relates	10 years for third party

COUNTRY	STATUTE OF LIMITATIONS	TRIGGERING EVENT	VARIATIONS
			claims from the date of the damage causing event
UNITED KINGDOM	6 years (5 years in Scotland) Possible extension of term in case of latent defect or concealed damage	Date of breach of contract or where claim is in tort, date when loss is incurred	No
BULGARIA	5 years	Upon discovery of damages	No
ROMANIA	3 years	Upon discovery of damages	No

3.1.2. Liability caps

The following tables describe the situation in the EU concerning statutory or legal liability caps:

COUNTRY	CAP	CALCULATION	AMOUNT OF THE CAP	CONDITIONS
AUSTRIA	Yes	Per audit (audits of group accounts and individual accounts being counted separately)	€2 million : statutory audit of a small or medium sized company (§ 221 (2) HGB) €4 million : statutory audit of a large company (§ 221 (3) HGB) €8 million: statutory audit of a company; if the fivefold of one of the size characteristics expressed in Euro of a large company is exceeded €12 million: statutory audit of a company, if the tenfold of one of the size characteristics expressed in Euro of a large company is	Scale not applicable to intentional conduct; applicable to claims by the audited company and claims of third parties

COUNTRY	CAP	CALCULATION	AMOUNT OF THE CAP	CONDITIONS
			exceeded. Special amounts apply to banks and insurance companies	
BELGIUM	Yes	Per mandate	€3 million (unlisted company) €12 million (listed company)	No cap in case of fraud or intentional conduct;
CYPRUS	No	N/A	N/A	N/A
CZECH REPUBLIC	No	N/A	N/A	N/A
DENMARK	No	N/A	N/A	N/A
ESTONIA	No	N/A	N/A	N/A
FINLAND	No	N/A	N/A	N/A
FRANCE	No	N/A	N/A	N/A
GERMANY	Yes	Per audit or per group audit	€1 million (unlisted company) €4 million (listed company)	Cap not applicable to intentional conduct.
GREECE	Yes	Per breach	Five times the total of the annual emoluments of the President of the Supreme Court or the total of the fees of the liable Certified Auditor in the previous financial year provided that the latter exceeded the former limit	In case of audit firm cap refers to each shareholder or partner separately; cap not applicable to intentional conduct
HUNGARY	No	N/A	N/A	N/A
IRELAND	No	N/A	N/A	N/A
ITALY	No	N/A	N/A	N/A
LATVIA	No	N/A	N/A	N/A
LITHUANIA	No	N/A	N/A	N/A
LUXEMBOURG	No	N/A	N/A	N/A
MALTA	No	N/A	N/A	N/A
NETHERLANDS	No	N/A	N/A	N/A
POLAND	No	N/A	N/A	N/A
PORTUGAL	No	N/A	N/A	N/A

COUNTRY	CAP	CALCULATION	AMOUNT OF THE CAP	CONDITIONS
SLOVAK REPUBLIC	No	N/A	N/A	N/A
SLOVENIA	Yes	N/A	€150,000	Cap applicable only to audited company and shareholders. In case of intentional tort or gross negligence the court may disregard the cap
SPAIN	No	N/A	N/A	N/A
SWEDEN	No	N/A	N/A	N/A
UNITED KINGDOM	No	N/A	N/A	N/A

3.2 Contractual limitations

The following tables give an overview on the different possibilities of contractual limitations of liability allowed in the Member States:

COUNTRY	OBLIGATIONS	TIME LIMITATIONS	LIABILITY CAP	PENALTIES
AUSTRIA	No	No	No	No
BELGIUM	No	No	No	No
CYPRUS	No	No	No	No
CZECH REPUBLIC	Yes, as long as it does not affect third parties	No	Yes, only after the damage causing event	Yes, but the court can decrease unreasonably high penalties
DENMARK	Yes, as long as the audit complies with the generally accepted auditing principles	In principle no, but previous contractual agreements may be allowed in regards to the obligee	Yes (no effect in case of gross negligence or fraud)	No
ESTONIA	No	No	No	Yes, but the court can decrease unreasonably high penalties
FINLAND	No	No	N/A	N/A
FRANCE	No	No	No	No
GERMANY	No	No	The legal cap may be waived	No
GREECE	No	No	No	No
HUNGARY	No	No	No	No
IRELAND	No	No	No	No (liquidated

COUNTRY	OBLIGATIONS	TIME LIMITATIONS	LIABILITY CAP	PENALTIES
				damages may be possible, although very rare)
ITALY	No	No	No	No
LATVIA	No	No	Such agreements exist in practise, although they are not regulated by law	N/A
LITHUANIA	No	No	Such agreements may exist in practise although not regulated by law	No
LUXEMBOURG	No	No	Yes (no effect in case of gross negligence or fraud)	Yes, to the extent it is not contrary to good practice
MALTA	No	Not expressly prohibited, but improbable	No	Yes
NETHERLANDS	No	Yes	Yes (no effect in case of gross negligence or fraud)	Yes
POLAND	No	No	Yes, but with limitations	Yes
PORTUGAL	No	No	No	No
SLOVAK REPUBLIC	No	No	No	No
SLOVENIA	No	No	No	No
SPAIN	No	No	Yes (no effect in case of gross negligence or fraud)	No
SWEDEN	Yes, if shareholders holding 10% of shares do not vote against this agreement	Yes, if shareholders holding 10% of shares do not vote against this agreement	Yes, if shareholders holding 10% of shares do not vote against this agreement	Yes, if shareholders holding 10% of shares do not vote against this agreement

COUNTRY	OBLIGATIONS	TIME LIMITATIONS	LIABILITY CAP	PENALTIES
UNITED KINGDOM	No	No	Reform expected through Company Law Reform Bill	No

3.3 Discharge

Shareholders may discharge statutory auditor from liability to the audited company relating to the performance of his duties after the presentation of the annual report of the board of directors, of the report of the statutory auditor and the approval of the annual accounts. These tables show a picture of the possibilities of discharge of liability on the basis of shareholders ratification/discharge:

COUNTRY	DISCHARGE	
	YES / NO	CONSEQUENCES
AUSTRIA	No	--
BELGIUM	Yes	Effects of discharge only under strict interpretation and without effect on third parties
CYPRUS	No	--
CZECH REPUBLIC	No	--
DENMARK	No	--
ESTONIA	No	--
FINLAND	No	--
FRANCE	No	--
GERMANY	No	--
GREECE	No	--
HUNGARY	No	--
IRELAND	Yes	--
ITALY	No	--
LATVIA	No (probably)	--
LITHUANIA	No	--
LUXEMBOURG	Yes	Discharge from the shareholders does not affect the individual rights of the shareholders to claim
MALTA	Yes (probably)	--
NETHERLANDS	No	--
POLAND	No	--
PORTUGAL	No	--
SLOVAK REPUBLIC	No	--
SLOVENIA	No	--
SPAIN	No	--
SWEDEN	No	--
UNITED KINGDOM	No	--

4. INSURANCE

These tables describe the different insurance systems in the EU, in particular, it shows in which countries a mandatory insurance policy is required, with which coverage and whether it is required by law or by the professional body.

COUNTRY	MANDATORY INSURANCE		SCOPE OF INSURANCE		
	YES /NO	BY LAW / OTHERS	MINIMUM COVERAGE	MAXIMUM DEDUCTIBLE	LIST OF UNCOVERED RISKS
AUSTRIA	Yes	By law	The sum insured must not be less than €72,673 for each individual event insured ⁶	--	No
BELGIUM	Yes	By the professional association	€ 619,733 per event.	Yes	Insurance policy set by deontological provisions provides a list, being mainly risks from fraud and intentional tort
CYPRUS	Yes	By the professional association	£50,000 (€74,530 ⁷) or 10% of the annual professional fees (whichever is the higher)	--	No
CZECH REPUBLIC	Yes	By law (available at professional association)	The sum insured should be adequate to the possible and reasonably	No	No

⁶ Statutory auditors have to consider, in connection with § 11 (3) and § 88(1) WTBG, the special regulations of § 275 HGB. The new limits of liability of § 275 (2) HGB enter into force with 1.1.2006. The statutory auditor is, in the case of negligence (no cap for intention), liable as follows:

- 2 million euro: statutory audit of a small or medium sized company (§ 221 (2) HGB)
- 4 million euro: statutory audit of a large company (§ 221 (3) HGB)
- 8 million euro: statutory audit of a company; if the fivefold of one of the size characteristics expressed in euro of a large company is exceeded.
- 12 million euro: statutory audit of a company, if the tenfold of one of the size characteristics expressed in euro of a large company is exceeded.

Special amounts apply to banks and insurance companies.

⁷ Euro exchange rates OJ 26 October 2006 (2006/C 259/03) used in the whole table

COUNTRY	MANDATORY INSURANCE		SCOPE OF INSURANCE		
	YES /NO	BY LAW / OTHERS	MINIMUM COVERAGE	MAXIMUM DEDUCTIBLE	LIST OF UNCOVERED RISKS
			expected damage (no minimum coverage)		
DENMARK	Yes	By law	DKK 2 million (€ 268,342) multiplied with the numbers of auditors is required per year (and per claim). The insurance policy subscribed by firms employing more than 10 auditors must cover DKK 20 million (€2,683,426) per year as minimum. Firms employing less than 6 auditors can subscribe an insurance policy with maximum mandatory coverage per year of DKK 2 million (€268,342), regardless of the numbers of liable auditors.	--	Grossly negligent, intentional conduct and criminal liability are not covered. (There is a special financial guarantee insurance of minimum DKK 500,000 covering this risk per year and per auditor)
ESTONIA	Yes	By law	Established by decision of the management board of the Board of Auditors (EEK 200,000 €12,782.33)	Contained in the insurance contract	--
FINLAND	No	In practice all auditors cover their work with voluntary insurance protection provided by the group	N/A	N/A	N/A

COUNTRY	MANDATORY INSURANCE		SCOPE OF INSURANCE		
	YES /NO	BY LAW / OTHERS	MINIMUM COVERAGE	MAXIMUM DEDUCTIBLE	LIST OF UNCOVERED RISKS
		insurance policy of the Authorized Public Accountants' Institute			
FRANCE	Yes	By law	€2.5 million minimum per claim	10% of the paid loss not exceeding an amount of € 1.524	Intentional fault or offence are not covered
GERMANY	Yes	By law	Minimum coverage is €1 million being available for an unlimited number of cases or €4 millions (see liability caps)	1% of the minimum coverage	Intentional conduct is not covered
GREECE	Yes	By law	Insurance cover may not be less than the 150% of the total fees which the Certified Auditors received in the previous financial year and in no case less than 10 times the total annual remuneration of the President of the Supreme Court	Yes	No
HUNGARY	Yes	By law	Fixed by the Statute of the Chamber of Auditors acts per year and per claim	--	No
IRELAND	Yes	By professional association	Depending on the professional association, 2.5 times gross practice income to a maximum of €1.3 or to €1.5 million (max. €15,000 or €38,000)	--	No

COUNTRY	MANDATORY INSURANCE		SCOPE OF INSURANCE		
	YES /NO	BY LAW / OTHERS	MINIMUM COVERAGE	MAXIMUM DEDUCTIBLE	LIST OF UNCOVERED RISKS
ITALY	Yes	By law	For auditing firms having 50 employees or more : insurance for a minimum of 1.8 billion lire (roughly €980,000); For all other firms: 1 billion lire (roughly €16,000)	--	No
LATVIA	Yes	By law	Total of auditor's audit fee income in previous accounting year, not less than LVL 30,000 (€43,200). For a commercial audit firm (except for partnerships which do not employ auditors as employees), total audit fee income in the previous accounting year, not less than LVL 100,000(€144,000).	No	No
LITHUANIA	Yes	By law	Annually, at least €28,962 per insured event for auditing public interest entities and at least €28,962 in total for auditing other enterprises	--	No
LUXEMBOURG	Yes	By professional association	Coverage per sinister and per year that complies with the professional activities of the auditor or the audit firm as a whole	--	N/A
MALTA	Yes	By law	Lm 25,000 (€8,234.33) per	--	No

COUNTRY	MANDATORY INSURANCE		SCOPE OF INSURANCE		
	YES /NO	BY LAW / OTHERS	MINIMUM COVERAGE	MAXIMUM DEDUCTIBLE	LIST OF UNCOVERED RISKS
			year and a coverage of Lm 25,000 (€8,234.33) in respect of each warrant holder forming a partnership		
NETHERLANDS	Yes	By professional association	€300,000	--	No
POLAND	Yes	By law	Depends on the services rendered; € 45,000 if the entity provides audits of financial statements, € 10,000 EUR if the entity provides bookkeeping services; minimum coverage amounts provided for all activities performed are summed up	No	Yes ⁸
PORTUGAL	Yes	By law	€500,000 for individual statutory auditors (even those included in a firm) and the maximum coverage is € 2.5 million €2.5 million for audit firms listed in the <i>Comissão de Mercado de Valores Mobiliários</i> and for the other firms by multiplication of	No	No

⁸ Civil Liability Insurance does not cover damages: related to failure, destruction or loss of property caused by the insured to a spouse, another family member, relatives, etc;

- 1) caused by the insured after being deleted from the list of entities entitled to carry out audits of financial statements, unless damage results from the profession performance before this deletion;
- 2) related to providing for contractual penalties;
- 3) which occurred in consequence of war, state of war, uproar and riot as well as terrorism acts.

COUNTRY	MANDATORY INSURANCE		SCOPE OF INSURANCE		
	YES /NO	BY LAW / OTHERS	MINIMUM COVERAGE	MAXIMUM DEDUCTIBLE	LIST OF UNCOVERED RISKS
			the number of partners and the minimum coverage for individual statutory auditors		
SLOVAK REPUBLIC	No	--	N/A	N/A	No
SLOVENIA	Yes	By law	At least, the highest price for auditing services on the basis of an individual auditing contract, multiplied by 15, or the sum of prices for auditing services on the basis of all auditing contracts multiplied by 2.5	In most cases €2,500	No
SPAIN	Yes	By law	The amount increases from the first year (€300,506 per individual or per partner of the firm) in 30% of the turnover exceeding the equivalent amount of the said minimum deposit, for the auditing activity of the previous financial year	No	No
SWEDEN	Yes	By law	Depends above all on the number of auditors in practice with the audit firm in question. The amount varies between €440,000 per claim and year up to €880,000 per claim and €2.65 million per year	Depends on the insurance policy	No
UNITED	Yes	By law	Depends on	Possible (not	No

COUNTRY	MANDATORY INSURANCE		SCOPE OF INSURANCE		
	YES /NO	BY LAW / OTHERS	MINIMUM COVERAGE	MAXIMUM DEDUCTIBLE	LIST OF UNCOVERED RISKS
KINGDOM			professional body. ICAEW Scotland and Ireland, the maximum amount of insurance required by regulations is £1 million (€1,489,092.4) or 2.5 times practice income if that would be a lower amount (subject to an absolute minimum of £50,000 (€74,454.62) for a sole practitioner or £100,000 - €148,909.24 otherwise). In practice, many firms have more insurance than this, usually written on a 'per claim' basis.	higher than £ 30,000 (€44,718.2) per partner)	

Legal obligation of insurance

These tables show whether the legal entity or the individual auditor is obliged to maintain the legal obligation of insurance in case the statutory auditor is the audit firm.

COUNTRY	LEGAL OBLIGATION OF INSURANCE		
	LEGAL ENTITY	INDIVIDUAL AUDITOR	BOTH
AUSTRIA	x	--	--
BELGIUM	--	--	x
CYPRUS	--	--	x
CZECH REPUBLIC	--	--	x
DENMARK	--	x	--
ESTONIA	--	x	--
FINLAND	--	--	--
FRANCE	--	--	x
GERMANY	x (for auditors practising in a	x (for auditors practicing in a civil law	--

COUNTRY	LEGAL OBLIGATION OF INSURANCE		
	LEGAL ENTITY	INDIVIDUAL AUDITOR	BOTH
	public limited liability company or a limited liability company)	association)	
GREECE	--	--	X
HUNGARY	--	X (the insurance of the firm can also be accepted under certain circumstances)	--
IRELAND	X	--	--
ITALY	X	--	--
LATVIA	X	--	--
LITHUANIA	X	--	--
LUXEMBOURG	--	--	--
MALTA	--	--	X
NETHERLANDS	X	--	--
POLAND	--	--	X (but the obligation of insurance does not rest with an auditor who delivers audit services on behalf of an audit firm, not acting in his own name and on his account)
PORTUGAL	--	X	--
SLOVAK REPUBLIC	--	--	X (but there is no obligation for the individual auditor if he delivers audit services on behalf of an audit company)
SLOVENIA	X	--	--
SPAIN	X	--	--
SWEDEN	--	--	X
UNITED KINGDOM	X	--	--

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