

**MEMORANDUM OF UNDERSTANDING (“MOU”) BETWEEN THE  
IRISH AUDITING AND ACCOUNTING SUPERVISORY AUTHORITY (“IAASA”)  
AND  
THE FINANCIAL REPORTING COUNCIL LIMITED (“FRC”)  
ON CO-OPERATION AND THE EXCHANGE OF INFORMATION  
RELATED TO THE OVERSIGHT OF AUDITORS**

**THIS MOU IS BETWEEN**

1. The Irish Auditing and Accounting Supervisory Authority (“IAASA”), of Willow House, Millennium Park, Naas, Co. Kildare, Ireland, based on its obligations and authority under applicable legislation including the Irish Companies Act 2014, and
  2. The Financial Reporting Council Limited (“FRC”), of 8th Floor, 125 London Wall, London, EC2Y 5AS, United Kingdom (UK), based on its obligations and authority under applicable legislation including the Companies Act 2006 and the Statutory Auditors and Third Country Auditors Regulations 2016;
- each a ‘Party’ and together the ‘Parties’.

**1. Purpose**

- 1.1 Both Parties seek to improve the quality, accuracy and reliability of the audit of companies through audit regulation and auditor supervision to foster in the public interest high quality financial and governance stewardship of listed and other entities and so support investor, market and public confidence. Given the global nature of capital markets, the Parties recognise that it is in their common interest to cooperate in the oversight of Auditors that fall within the regulatory jurisdiction of both Parties, to the extent such co-operation is compatible with the laws or regulations that apply to the Parties, their important interests and their available resources. They also recognise the importance of co-operation to avoid an undue burden on audit firms of overlapping supervision.
- 1.2 The purpose of this MOU is to facilitate co-operation between the Parties, to the extent permitted by their respective national laws, around public oversight, registration, inspection and investigations of Auditors of companies that are subject to the regulatory jurisdictions of both IAASA and the FRC.
- 1.3 This MOU recognises that the United Kingdom has decided upon the equivalence referred to in Chapter 4A of Part 42 Companies Act 2006 in respect of Ireland and the adequacy referred to in Chapter 4B of Part 42 Companies Act 2006 in respect of IAASA. However, this MOU also recognises that the UK is not an EEA member state and that the FRC has not been declared adequate in accordance with article 47(3) of the EU Statutory Audit Directive and that there is no agreement of working arrangements on the basis of reciprocity between the FRC and IAASA. For these reasons, the scope of this MOU is limited to Registered Auditors that are registered in both the UK and Ireland.

## 2. Definitions

*“Information”* refers to public and non-public information and/or documents that include but are not limited to: (1) reports on the outcomes of inspections and investigations, including information on firm-wide procedures and engagement reviews, (2) audit working papers or other documents held by Auditors, and (3) other areas of mutual interest for the purpose of supervision, provided that the information relates to matters that are subject to the regulatory jurisdictions of both Parties

*“Inspections”* refers to external quality assurance reviews of Auditors generally undertaken on a regular basis with the aim of enhancing audit quality

*“Laws or regulations”* mean any laws, rules or regulations in force in the respective countries of the Parties

*“Liaison Officer”* means a liaison officer designated from time to time by the signatories to this Memorandum, or their respective successors, for the purpose of transmitting or receiving information between the Parties in accordance with this Memorandum

*“MOU”* means this Memorandum of Understanding

*“Party”* means IAASA and/or the FRC, and *“Parties”* shall be construed accordingly

*“Registered Auditor”* means a firm entered on the register as eligible for appointment as a statutory auditor in the UK under section 1239 of the 2006 Act **and** entered on the register as eligible for appointment as a statutory auditor in Ireland under section 1484 of the 2014 Act.

*“Requesting Party”* means the Party submitting a request for information under this Memorandum

*“Respondent Party”* means the Party to whom a request for information has been submitted under this Memorandum

*“the 2014 Act”* means the Irish Companies Act 2014 as amended by the Companies (Statutory Audits) Act 2018. This definition includes the direct requirements of the EU Regulation 537/2014 of 16 April 2014.

*“the 2006 Act”* means the UK Companies Act 2006. This definition includes the direct requirements of the EU Audit Regulation as retained within UK law, to the extent reflected in the 2006 Act.

Any reference to legislation includes any subordinate or delegated legislation or statutory instrument made under or pursuant to that legislation.

Words in the singular include words in the plural and vice versa.

## 3. Intent and status of the Memorandum

- 3.1. Notwithstanding any other provision of this Memorandum, this Memorandum is not intended to create legally binding relations between the Parties but, rather, to outline the intentions of the Parties regarding co-operation between them.
- 3.2. This Memorandum does not delimit in any way the scope for the sharing of information between the Parties which is permitted by law.
- 3.3. This Memorandum shall not operate to make a Party liable to any person in damages or otherwise for anything done or omitted for which it would not otherwise be so liable.

#### **4. Effective date, termination, and effect of termination**

This Memorandum will come into force from the date of signature of both Parties. The Parties may consult and revise the terms of this Memorandum in the event of a substantial change in the laws, regulations or practices affecting the operation of the Memorandum. This Memorandum will continue in effect until the expiration of 30 days after either Party gives written notice to the other Party of its intention to terminate the Memorandum. If either Party gives such notice, this Memorandum will continue to have effect regarding all requests for assistance that either Party had made before the effective date of notification until the Requesting Party terminates the matter for which it requested such assistance. The provisions of this Memorandum concerning confidentiality will continue thereafter with respect to information in the possession of the Requesting Party.

#### **5. Recognition of aspects of common functions**

It is recognised that, by virtue of their respective supervisory/regulatory roles in relation to Registered Auditors in Ireland that are **both** (i) UK registered in respect of audits of UK entities **and** (ii) Irish registered in respect of audits of Irish entities, certain overlaps of functions of the Parties will arise from time to time. Similarly, the Parties recognise that it is likely that issues of interest to both Parties will arise from time to time. In that context, the Parties will co-operate to identify overlaps in their respective functions and issues of interest.

#### **6. Exchange of Information**

- 6.1.** To the extent that such disclosure is connected with the functions of the Parties, the FRC and IAASA hereby agree to the exchange of information to the extent that the disclosure and provision of such information is permitted by law.
- 6.2.** Any information disclosed by the FRC to IAASA must be in accordance with the provisions of section 1224A of and paragraph 66 to Schedule 11A of the 2006 Act and any other relevant laws.
- 6.3.** Any information disclosed by IAASA to the FRC must be in accordance with the provisions of section 940 of the 2014 Act and any other relevant laws.

#### **7. Requests for Information**

- 7.1.** Each Party agrees that, prior to making a formal request for information under 7.3 and 7.4 below, it will discuss with the other Party whether the request is reasonable and will take the views of the other Party into account before making the request.
- 7.2.** Each Party agrees that, on considering a request made to a Liaison Officer of the Respondent Party, it will provide to the Requesting Party any information in its possession of a kind specified in the request where it is permitted to do so by law, unless one of the reasons for refusing to act on a request, as set out in Article 36.4 of the Statutory Audit Directive (2006/43/EC), or in section 1253B of the 2006 Act (as appropriate), or any other legal basis to withhold, applies in which case the Respondent Party may refuse to act upon a request based on the provisions of that Article.
- 7.3.** The request shall:
  - set out the nature of the information requested;
  - state that the information is reasonably required by the Requesting Party in connection with the exercise of its statutory functions; and
  - state the particular statutory functions for which the information is required.
- 7.4.** Except in respect of urgent requests made under clause 7.7, no request for information will be accepted by the Respondent Party unless the request is made in

writing, copied to a relevant Liaison Officer of the respective Parties.

- 7.5. The FRC and IAASA agree, as far as is permitted by law, to endeavour to provide each other with every reasonable assistance upon receipt of a request for information.
- 7.6. In general, the Respondent Party will make all reasonable efforts to comply with the request for information within 10 working days. Where compliance within this timeframe is not possible, the Respondent Party will notify the Requesting Party of this fact as soon as possible and will seek to provide the requested information by a mutually agreed later date.
- 7.7. In cases of urgency, requests for information may, at first instance, be made orally, and their responses given orally. Upon receipt of an urgent request, the Respondent Party will endeavour to provide the required information as soon as reasonably practicable. The Requesting Party shall confirm any urgent oral requests in writing in accordance with clauses 7.3 and 7.4.
- 7.8. Each Party will endeavour to provide information in a format and medium appropriate to the requirements of the Requesting Party.
- 7.9. Where a request for information is declined, the Respondent Party shall take all reasonable steps to provide reasons for the request having been declined and shall otherwise provide as much information as it is able and permitted (or required) by law to do.

## 8. Voluntary Disclosure of Information

Where either Party possesses information which is, in its opinion, connected with the statutory functions of the other Party, it may disclose that information to the other Party, provided that the disclosure is permitted by law.

## 9. Use and Disclosures of Information

- 9.1. Except as may be required by law, a Party will not disclose any information which it has received from the other Party to a third party without the latter Party's prior written approval.
- 9.2. Except as may be required by law, the Parties hereby commit themselves to use the information solely for the purposes described in the request.
- 9.3. Except as may be required by law, should the Requesting Party wish to use the shared information for any purpose other than the purpose(s) expressed in the request, it must obtain the prior written approval of the Respondent Party.

## 10. Co-operation

Opportunities to enhance co-operation between the two Parties will be considered on an ongoing basis. In particular, those activities referred to in Articles 11 to 12 of this Memorandum will be reviewed with a view to enhancing co-operation between the Parties.

## 11. Oversight of Registered Auditors registered in both the UK and Ireland

- 11.1. **Timing of Audit Inspection Visits:** As far as practicable, on an annual basis, each Party will provide the other with the proposed timing of the relevant audit inspection visits it intends to undertake in the following year.
- 11.2. **Joint Audit Inspection Visits:** In recognition of the overlap in the functions of the Parties, and having regard to the proposed timing of visits and the size of the firm being inspected, a periodic assessment will be made as to the feasibility of undertaking joint on-site visits to one or more Registered Auditors.

- 11.3. Oversight of Audit Inspection Visits/Reviews carried out by recognised professional bodies:** Where a professional body is recognised both as a Recognised Supervisory Body (RSB) in the UK and as a Recognised Accountancy Body (RAB) in Ireland, on an annual basis or as soon as practicable, each Party will provide the other with the proposed timing of the compliance/supervisory reviews it intends to carry out in the following year. Each Party will, if requested, and to the extent permitted by law, inform such a professional body that the Party consents to such arrangements as the professional body may make to facilitate the participation of the staff of the other Party in compliance/supervisory reviews including audit inspection visits to Registered Auditors that come within the remit of both Parties.
- 11.4. Staff secondments:** Both Parties will carry out a periodic assessment of the feasibility of the secondment of staff of one Party to the other Party for the purpose of work experience and the development of skills and knowledge. The duration and conditions of any secondments will be agreed between the Parties.
- 11.5. Work Programmes:** The Parties will exchange audit inspection firm-wide work programmes. The scope of the work programmes and the frequency of exchange will be by agreement between the Parties.
- 11.6. Sharing of inspection working papers and findings relating to firm-wide procedures:** Each Party, on request, will, to the extent permitted by law, share with the other Party the working papers and findings relating to its inspection of a Registered Auditor in respect of whole-firm procedures where that Registered Auditor falls within the jurisdiction of both parties.
- 11.7. Exchange of Review Reports/Findings:** Prior to finalisation, each Party on request, to the extent permitted by law, will discuss its principal findings and recommendations arising from its review with the other Party to ensure, as far as possible, consistency in the regulation of Registered Auditors. On finalisation, subject to the Registered Auditor's prior consent, each Party will provide a copy to the other Party of each of its review reports with its overall firm findings pertaining to the Registered Auditor.
- 11.8. Annual Returns & Statistical information:** Subject to the prior consent of professional bodies that are both RSBs and RABs, each Party will, if requested, and where permitted by law, make annual returns and/or other statistical information submitted by the professional bodies available to the other Party.
- 11.9. Review of Constitutional Documents:** In recognition of the overlap in the functions of the Authorities, and IAASA's statutory function to require changes to and approve the constitution and bye laws of each RAB, including its investigation and disciplinary procedures and its standards, the Parties may consult in relation to proposed amendments to the professional bodies' relevant rules and regulations.
- 11.10. Registration of Auditors and responsible individuals:** Subject to the prior consent of a Registered Auditor, each Party, on request, will provide information about the ownership, control and governance structure of a Registered Auditor to the other Party, where that Registered Auditor is registered by a RSB and/or RAB and registered by the FRC as a Public Interest Entity Auditor of UK Public Interest Entities.
- 11.11. Other:** The Parties may consult with each other on other issues which in their opinion are connected with the common functions of the Parties.

## **12. Measures to Promote an Understanding of the Parties' Roles and Functions**

Each Party agrees to take reasonable steps to ensure that relevant staff of the other is aware of its principal statutory obligations, functions and powers.

**13. Review of this Memorandum**

The Parties may review this Memorandum at the request of either Party. This Memorandum may be varied at any time by consent of both Parties. Any variation agreed shall be in writing, shall be signed by the signatories of this Memorandum or their respective successors and shall be introduced on a date agreed by the Parties.

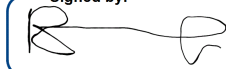
**14. Meetings**

**14.1. Scheduled Meetings:** At least once a year a meeting will take place between the Parties, *inter alia*, to promote communication and to provide a forum for regular updating and exchange of views of matters of relevance to the Parties' remits.

**14.2. Ad-hoc Meetings:** Notwithstanding the foregoing, a Party may request a meeting with the other Party to discuss one or more information requests or any other relevant issue, and the other Party agrees to endeavour to attend a meeting as requested.

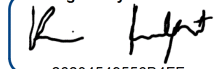
**15. Costs**

Each Party agrees to bear its own costs, fees and expenses incurred in responding to a request for, or the giving of, information under this Memorandum, except in circumstances where a Responding Party incurs, or is likely to incur, excessive costs, fees or expenses in respect of such a request, in which case any such costs must be agreed between the parties in advance of being incurred.

Signed by:  
  
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**Chief Executive Officer**  
**The Financial Reporting Council Limited**

09 October 2024  
**(Date)** \_\_\_\_\_

Signed by:  
  
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**Chief Executive**  
**Irish Auditing and Accounting Supervisory Authority**

09 October 2024  
**(Date)** \_\_\_\_\_