

KREDITTILSYNET

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Act on auditing and auditors (Auditors Act)

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Chapter 1. Scope

Section 1-1. Scope

This Act concerns the statutory audit obligation, authorisation of auditors, auditors' tasks and requirements on the performance of auditors' tasks.

The auditing of the annual accounts of undertakings that are subject to the statutory audit obligation shall be carried out in accordance with the provisions of this Act. The same shall apply to the auditing of the annual accounts of undertakings that are not subject to the statutory audit obligation if an auditor indicates in the audit report or in some other manner that the accounts have been audited.

Auditors who provide consulting or other non-audit services to undertakings that are subject to the statutory audit obligation shall carry on their business in accordance with section 4-4, section 5-2 second paragraph, section 5-3, section 5-5 and section 6-1. In the case of auditors who are confirming information provided to public authorities section 3-7, sections 4-1 to 4-6 and section 5-4 shall also apply.

The King lays down rules regarding this Act's application on Svalbard and may lay down special rules taking into account local conditions.

Chapter 2. Statutory audit obligation, etc.

Section 2-1. Statutory audit obligation

Entities with a statutory obligation to keep accounting records pursuant to section 1-2 first paragraph of the Accounting Act shall ensure that their annual accounts are audited by a registered auditor or state authorised auditor in accordance with section 2-2 (statutory audit obligation), except as otherwise provided by or pursuant to law.

The statutory audit obligation pursuant to the first paragraph shall not apply if operating revenues from all business activities are less than NOK 5 million. Should the annual accounts indicate operating revenues above this threshold, the statutory audit obligation shall become effective for the following year. If operating revenues in the two subsequent years fall below this threshold, the statutory audit obligation shall cease to apply from and including the third accounting year. The exemption in the first to the third sentence shall not apply to:

- 1) private limited liability companies and public limited liability companies,
- 2) entities as listed in the Accounting Act section 1-2 first paragraph no. 4 having a statutory obligation to keep accounting records, where the number of partners exceeds five,
- 3) limited partnerships where the general partner is a legal person and where no limited partner incurs personal liability for the partnership's obligations either on an undivided basis or in respect of parts which in aggregate constitute the legal person's total obligations, or
- 4) general partnerships where all partners are legal persons and where no partner incurs personal liability for the partnership's obligations either on an undivided basis or in respect of parts which in aggregate constitute the legal person's total obligations, or
- 5) foundations.

The exemption pursuant to the second paragraph shall not apply where a statutory audit obligation is prescribed by other law or by regulations laid down pursuant to law.

The exemption pursuant to the second paragraph shall not apply to undertakings that have a statutory obligation to prepare group accounts.

Section 2-2. Requirement regarding registered or state authorised auditors

The annual accounts of entities that are subject to the statutory audit obligation under section 2-1 shall be audited by at least one registered or state authorised auditor.

Audits as mentioned in the first paragraph may be carried out by an audit firm that has been authorised by Kredittilsynet. The audit firm must appoint a statutory auditor to take charge of each assignment. The statutory auditor must be a registered or state authorised auditor in accordance with the requirements of the first paragraph.

Chapter 3. Authorisation of auditors

Section 3-1. Authorisation by Kredittilsynet

Registered and state authorised auditors must be authorised by Kredittilsynet. Authorisation is granted to persons who meet the requirements of sections 3-2 to 3-3 and section 3-4.

Audit firms which audit annual accounts for entities subject to the statutory audit obligation must be authorised by Kredittilsynet. Authorisation is granted to firms that meet the requirements of section 3-5.

The titles “registered auditor” and “state authorised auditor” may only be used by persons who are authorised in accordance with the provisions of this chapter.

Section 3-2. Education

Registered auditors must have successfully completed auditor education of three years’ duration in accordance with a national curriculum.

State authorised auditors must have successfully completed auditor education of three years’ duration, bachelor of commerce, professional law or economics education or other education approved by Kredittilsynet. The person concerned must also have successfully completed advanced auditor education with a prescribed duration of at least one and half years.

Education at universities and university colleges abroad may be approved in line with education in Norway provided that it is equivalent to education as mentioned in the first and second paragraphs.

The ministry may lay down further regulations regarding auditor education, higher auditor education and foreign education, including requirements regarding examinations and grade levels.

Section 3-3. Practical training

Registered and state authorised auditors shall have at least three years of varied practical training in the auditing of annual accounts or equivalent financial statements.

At least two years of the period of practical training shall be carried out after successful completion of auditor education, bachelor of commerce, professional law or economics education or other education approved by Kredittilsynet pursuant to section 3-2 second paragraph first sentence.

At least two years of the period of practical training shall be under the supervision of a registered or state authorised auditor.

Kredittilsynet may approve up to one year's practical training in internal auditing, public auditing, inspection activities or other relevant activities as practical training under the first paragraph. The ministry may lay down further rules enabling up to two years' practical training in the Office of the Auditor General, local authority or county audit and tax audit to be approved as practical training under the first paragraph.

An auditor must have taken a practical examination following completion of theoretical and practical training that proves that he is fit to undertake audit assignments.

Practical training shall take place in Norway or another EEA country. The practical examination mentioned in the fifth paragraph must be taken in Norway.

The ministry may lay down further rules in regard to what shall be considered as varied practical training under the first paragraph and in regard to what requirements shall be made on the practical examination under the fifth paragraph.

Section 3-4. Requirement of good repute, etc.

Anyone seeking authorisation as a registered or state authorised auditor must be:

1. of good repute,
2. capable of fulfilling their obligations as they fall due, and
3. of legal age and capacity

Section 3-5. Authorisation of audit firms

An audit firm must be organised as a general partnership, private limited liability company or public limited liability company and meet the following conditions:

1. the firm shall have a board of directors, of which the majority of both members and alternates are auditors who have been authorised in accordance with this Act or by the authorities of another EEA country or a country with which Norway has signed an agreement on mutual recognition of auditors,
2. auditors or audit firms that fulfil the requirements of no. 1 shall hold more than half of the share or contributed capital and votes of the firm,
3. in accordance with the partnership agreement or articles of association, resolutions passed at a partners' meeting or general meeting shall not be valid unless at least half of those entitled to vote and at least half of the firm's total capital have voted in favour,
4. the firm must be capable of fulfilling its obligations as they fall due, and
5. the firm must have permanent office premises in Norway.

The ministry may lay down further rules on the conditions for the authorisation of audit firms. Kredittilsynet may in individual decisions make time-limited exemptions from the requirement of the first paragraph no. 1 that a majority of the board members shall be auditors

and from the requirement of the first paragraph no. 2. Kredittilsynet may in individual decisions make exemptions from the requirement of the first paragraph no. 5 regarding permanent office premises in Norway provided that the auditor's documents relating to clients in Norway are retained in an orderly and proper manner in a permanent place in Norway. The documents shall be available for, and organised with a view to, inspection by public supervisory authorities and other statutory inspection.

Section 3-6. *Authorisation of auditors from other countries*

The provisions of sections 3-2 to 3-4 shall not prevent auditors who are authorised in another EEA country, or a country with which Norway has signed an agreement on the mutual recognition of auditors, from being authorised as registered or state authorised auditors if:

1. the auditor has passed an aptitude test in accordance with rules laid down by the ministry, and
2. the conditions of section 3-4 are met.

The ministry may lay down further rules on conditions for authorisation of foreign auditors.

Section 3-7. *Additional requirements on auditors who audit the annual accounts of entities which are subject to the statutory audit obligation*

Auditors who audit the annual accounts of entities which are subject to the statutory audit obligation must also:

1. undergo continuing education in accordance with rules laid down by the ministry,
2. have permanent office premises in Norway,
3. be resident in an EEA state, and
4. possess sufficient security against liability which may be incurred under chapter 8 in accordance with rules laid down by the ministry.

Kredittilsynet may grant exemptions from the requirement that the auditor shall be resident in an EEA state. Kredittilsynet may in individual decisions make exemptions from the requirement of the first paragraph no. 2 regarding permanent office premises in Norway provided that the auditor's documents relating to clients in Norway are retained in an orderly and proper manner in a permanent place in Norway. The documents shall be available for, and organised with a view to, inspection by public supervisory authorities and other statutory inspection.

Chapter 4. Auditor's independence and objectivity

Section 4-1. *General requirements regarding independence and objectivity*

Should an auditor or an auditor's close associate (cf. fourth paragraph) be related to an entity that is subject to the statutory audit obligation or to employees or officers of such entity in a manner that might impair the auditor's independence or objectivity, the person concerned may not audit the annual accounts of the said entity. The same shall apply where other special circumstances are present which might impair confidence in the auditor.

The annual accounts of entities which are subject to the statutory audit obligation may not be audited by:

1. anyone who is employed by such entity or who is otherwise in a collaborative, subordinate or dependent relationship to such entity or to someone as mentioned in nos. 2 to 5,
2. anyone who holds ownership shares in, is the proprietor of or a partner in such entity,

3. anyone who is owed money by or who owes money to such entity with the exception of outstanding fees for the last two accounting years (the same shall apply with respect to provision of security),
4. anyone who is a member or alternate member of the governing bodies or control committee, or is the general manager, of such entity,
5. anyone who is responsible for or participates in the accounting of such entity, or in the preparation of the annual report, or who provides concrete recommendations regarding the assessment of items in the annual accounts or in returns to public authorities.

The annual accounts of entities subject to the statutory audit obligation may not be audited by anyone with close associates as mentioned in the fourth paragraph who have a relationship as mentioned in the second paragraph nos. 2 to 5 with such entity. This provision shall not prevent an auditor from having close associates as mentioned in the fourth paragraph nos. 3 to 5 with ownership shares or outstanding accounts etc as mentioned in the second paragraph nos. 2 to 3, unless these are substantial.

The following shall be considered close associates of an auditor:

1. spouse or person cohabiting with the auditor in a relationship akin to marriage,
2. the auditor's under-age children, and under-age children of a person as mentioned in no. 1 with whom the auditor cohabits,
3. relatives in direct line of ascent or descent and siblings,
4. relatives in direct line of ascent or descent and siblings of a person as mentioned in no. 1, and
5. spouse of, or person cohabiting in a relationship akin to marriage with, someone as mentioned in no. 3.

Persons who are prevented by the rules of this chapter from auditing annual accounts prepared by a parent company may not audit the annual accounts of subsidiaries of such parent company.

Section 4-2. *Audit firms*

No one may act as statutory auditor in charge of the audit when other auditors or senior employees of the audit firm or members or alternate members of the audit firm's governing bodies have a relationship as mentioned in section 4-1 first and second paragraphs with the entity subject to the statutory audit obligation.

The first paragraph shall also apply where a shareholder or partner who owns more than 10 per cent of the share or contributed capital and votes of the audit firm has a relationship as mentioned to the entity subject to the statutory audit obligation. Ownership shares or outstanding accounts etc as mentioned in section 4-1 second paragraph nos. 2 and 3 shall not be of consequence for an auditor's independence unless they are substantial.

No one may act statutory auditor in charge of the audit where persons as mentioned in the first and second paragraphs have close associates as mentioned in section 4-1 fourth paragraph nos. 1 to 3 who have a relationship as mentioned in section 4-1 second paragraph nos. 2 to 5 with an entity subject to the statutory audit obligation. Ownership shares or outstanding accounts etc as mentioned in section 4-1 second paragraph nos. 2 and 3 shall not be of consequence for an auditor's independence unless they are substantial.

An audit firm may not audit the annual accounts of an entity subject to the statutory audit obligation if the audit firm or its parent has a relationship with the entity subject to the statutory audit obligation as mentioned in section 4-1 first, second or fifth paragraphs. The ministry may, in regulations, prescribe that this provision shall apply to a corresponding extent to other companies in a group.

Section 4-3. *Use of staff*

Only audit staff who meet the requirements of section 4-1 may be used.

Section 4-4. *Participation in other business activities*

Auditors or audit firms may not participate in or have functions in other business activities if doing so may lead to a conflict between the interests of the auditor or firm concerned and those of the client undertaking, or might in some other manner impair confidence in the auditor or audit firm.

Section 4-5. *Non-audit services, etc.*

An auditor who audits the annual accounts of an entity subject to the statutory audit obligation may not provide consulting or other non-audit services to that entity if doing so might influence or raise doubts about the auditor's independence and objectivity.

The auditor may not provide services which fall under the management and control tasks of the audited entity.

The auditor may not act as attorney-in-fact for the said entity. Exemptions to this apply in regard to assistance in tax matters under section 218 of the Courts of Justice Act.

In the case of audit firms, this provision shall apply to a corresponding extent to auditors who are not the statutory auditor in charge of the audit.

The ministry may, in regulations, lay down supplementary provisions to this section.

Section 4-6. *Other matters*

An auditor shall ensure that fees from a client, a group of cooperating clients or from one and the same source do not constitute such a large proportion of the auditor's total fees that they might influence or raise doubts about the auditor's independence and objectivity.

Section 4-7. *Cooperation agreements, ownership shares, etc.*

In the case of cooperating auditors who from the outside appear to be a joint operation, provisions laid down in or pursuant to this chapter shall apply as if they were an audit firm.

Where an auditor or audit firm has ownership shares in an undertaking that provides consulting or other non-audit services, these shall be viewed as one for the purpose of provisions laid down in or pursuant to this chapter.

The annual accounts of an entity subject to the statutory audit obligation may not be audited by anyone who has a cooperation agreement with someone providing consulting or other non-audit services if this might influence or raise doubts about the auditor's independence and objectivity. The ministry may, in regulations, provide that rules laid down in or pursuant to this chapter shall apply where such a cooperation agreement exists.

Section 4-8. Exemptions

Kredittilsynet may, in individual decisions, grant exemptions from section 4-1 second and third paragraphs, section 4-2 and section 4-3 when called for on special grounds.

Chapter 5. Auditor's tasks when auditing annual accounts, etc.**Section 5-1. Content of the audit**

The auditor shall assess whether annual accounts have been prepared and approved in accordance with laws and regulations, and whether the management of an entity subject to the statutory audit obligation has fulfilled its duty to produce a proper and clearly set out record and documentation of accounting information in accordance with laws and regulations. The auditor shall assess whether information in annual reports concerning the financial statements, the going concern assumption and the proposal for application of profit or coverage of loss is in accordance with laws and regulations, and whether the information is consistent with the financial statements.

The auditor shall ensure that an entity subject to the statutory audit obligation has arranged for satisfactory management of its assets and that proper controls are in place.

The auditor shall by way of audits help to prevent and bring to light irregularities and errors.

Section 5-2. Auditor's duties

The auditor shall conduct the audit to the best of his judgement, including assessing the risk that the annual accounts may contain incorrect information as a result of irregularities or errors. The auditor shall ensure that he has an adequate basis for assessing whether infringements of laws and regulations of material significance for the annual accounts have taken place.

The auditors shall conduct his business in accordance with good auditing practice.

Entities subject to the statutory audit obligation shall permit auditors to undertake such examinations as an auditor finds necessary, and shall make available to the auditor such information as he requires for the execution of his tasks.

The auditor shall in writing draw the following matters to the attention of the management of entities subject to the statutory audit obligation:

1. deficiencies in regard to the duty to produce a proper and clearly set out record and documentation of accounting information,
2. errors and deficiencies in the organisation and control of its asset management,
3. irregularities and errors that may lead to incorrect information in the annual accounts,
4. circumstances that may lead to liability on the part of members of the board, corporate assembly, supervisory board or general manager,
5. the reason for any signature missing in confirmations given to public authorities in accordance with laws or regulations, and
6. the reason for any withdrawal from an assignment pursuant to section 7-1.

Section 5-3. Documentation of assignments

The auditor shall be able to document how an audit was conducted, as well as the result of the audit, in a manner that is sufficient to support, and enable the testing of, the auditor's

conclusions. It must be possible to document separately any matters indicating that irregularities or errors are present, accompanied by a statement of any action taken by the auditor in that connection.

If an auditor withdraws from an assignment and in that connection advises another auditor not to take on the assignment pursuant to section 7-2, this shall be documented and the reason shall be given. A new auditor's reason for taking on an assignment contrary to a previous auditor's advice shall also be documented. Documentation as mentioned can be produced in an electronic format provided a satisfactory method is used that authenticates the person responsible for it and secures the document's contents for a lengthy period.

When providing consulting or other non-audit services to entities subject to the statutory audit obligation, the auditor shall be able to document the nature of the assignment, its scope and any recommendations. Such services shall be invoiced separately, stating the nature of the assignment.

Section 5-4. *Numbered letters*

Letters drawing attention to matters as mentioned in section 5-2 fourth paragraph four shall be numbered sequentially. Letters may be sent electronically provided a satisfactory method is used that authenticates the sender and secures the document's contents for a lengthy period.

Section 5-5. *Retention of documents*

The auditor shall retain documentation and numbered letters under this chapter in an organised and satisfactory manner for at least 10 years. The same shall apply to correspondence related to provision of non-audit services. The ministry may lay down further rules on methods of retention.

Section 5-6. *Audit report*

The auditor shall submit an audit report without undue delay after the annual accounts have been approved and no later than seven months after the end of the accounting year. Section 7-4 second sentence of the Private Limited Companies Act and section 7-4 second sentence of the Public Limited Companies Act shall nonetheless apply in the case of private limited liability companies and public limited liability companies. An audit report shall also be submitted in cases where annual accounts do not exist or are incomplete. Audit reports for entities subject to the statutory audit obligation shall be in Norwegian except as otherwise prescribed by the ministry in regulations or by individual decision. The audit report shall be dated and signed by the auditor.

The audit report shall contain an introduction which shall at a minimum disclose which annual accounts have been audited and which rules for financial reporting have been applied in the preparation of the annual accounts.

In the audit report the auditor shall confirm that the audit has been conducted in accordance with law, regulations and good auditing practice. The audit report shall contain a description of the scope of the audit which shall at a minimum disclose which auditing standards have been applied in the conduct of the audit.

In the audit report the auditor shall express an opinion regarding the following matters:

1. a clear indication of whether the annual accounts in the auditor's judgement give a fair presentation in conformity with the rules for financial reporting that have been applied.
2. whether the annual accounts have been prepared and approved in accordance with law and regulations,
3. whether the management of the entity subject to the statutory audit obligation has fulfilled its duty to produce a proper and clearly set out record and documentation of accounting information, and
4. whether the information in the annual report concerning the financial statements, the going concern assumption and the proposal for application of profit or coverage of loss is in accordance with laws and regulations, and whether the information is consistent with the financial statements.

If the accounts fail to provide the information about an undertaking's results and financial position that should have been provided, the auditor shall make an audit reservation and in the event provide necessary supplementary information in his report.

Should the auditor deem that the accounts should not be approved as they stand, this shall be indicated separately.

Should the auditor find during his examinations that circumstances exist which may lead to liability on the part of members of the board, corporate assembly, supervisory board or the general manager, this shall be remarked upon in the audit report. The auditor shall also disclose any other information about circumstances which he believes should be drawn to the attention of the partners or shareholders of the audited entity.

An auditor who audits the annual accounts of a parent company shall present a joint audit report for the parent company and the group. The provisions of the first to the seventh paragraph apply to a corresponding extent.

Chapter 6. Auditor's duty of confidentiality and duty of disclosure

Section 6-1. Auditor's duty of confidentiality

Auditors and auditors' colleagues shall treat as confidential any information which comes to their knowledge in the course of their work unless otherwise prescribed by law or unless the person to whom the information relates has given his consent for the duty of confidentiality to be waived. Auditors and auditors' colleagues may not use such information in their own work or in the service or employment of others.

An auditor who reviews another auditor's audit assignment may in connection with this review be provided with information and documentation notwithstanding the other auditor's duty of confidentiality under the first paragraph. The duty of confidentiality under the first paragraph shall apply to a corresponding extent to the auditor who is conducting the review.

The provision of the first paragraph shall not prevent an auditor who is auditing the annual accounts of a subsidiary, an associated company or a joint venture from providing necessary information to the auditor who is auditing the annual accounts of the parent company, a company with significant influence, or partners who control the undertaking.

Notwithstanding the provision of the first paragraph or a confidentiality agreement, an auditor may make a statement, and present documentation regarding an audit assignment or other

services, to the police when an investigation has been initiated in a criminal case. Furthermore, an auditor may inform the police if, in the course of an audit assignment or other services, circumstances emerge that give reason to suspect that a criminal act has been committed.

The duty of confidentiality shall remain in effect after the assignment has been concluded.

Section 6-2. Auditor's duty of disclosure

An auditor shall, within the framework of an assignment, disclose information about matters relating to an entity subject to the statutory audit obligation of which the auditor has become aware in the course of an audit when this is required by a shareholder at a general meeting, by a partner at a partnership meeting, by a member of a corporate assembly, control committee or board of directors, a general manager or an investigator. The duty to disclose information shall not apply if the information required cannot be provided without causing disproportionate harm to the audited entity.

Should an auditor be requested in a non-meeting context to disclose information to a member of the corporate assembly, control committee or board of directors, the auditor may request the right to respond at a meeting of the body concerned.

When required to do so by an auditor who is auditing the annual accounts of a parent company, a company with significant influence or partners in a joint venture, an auditor who is auditing the annual accounts of a subsidiary, an associated company or a joint venture shall be obliged to disclose necessary information.

Where an entity subject to the statutory audit obligation fails to fulfil a duty under law or regulations to surrender specific documents to public authorities the auditor shall at the request of the authorities concerned surrender copies of documents that he has in his possession.

Where an entity subject to the statutory audit obligation has initiated debt negotiations, the Bankruptcy Act section 18a) concerning an auditor's duty of disclosure and assistance shall apply. If the estate of an entity subject to the statutory audit obligation is in the process of being wound up, section 101 fourth paragraph of the Bankruptcy Act shall apply.

Chapter 7. Auditor's withdrawal and transfer of audit assignment

Section 7-1. Auditor's right and duty to withdraw from an audit assignment

An auditor is duty bound to withdraw without undue delay from an audit assignment for an entity subject to the statutory audit obligation if, during the course of his work, he has identified and drawn attention to significant breaches of law and regulations to which the said entity is subject, and the entity fails to take necessary steps to rectify the situation.

Where circumstances as mentioned in the first paragraph are not present, the auditor shall only be entitled to unilaterally withdraw from the assignment if he is not given the opportunity to discharge his duties under this Act or if other special grounds exist.

The auditor shall give an entity subject to the statutory audit obligation reasonable prior warning of his intention to withdraw from the assignment. Prior warning may be sent by electronic means of communication if the recipient has expressly accepted this method. The

auditor shall without undue delay notify the Brønnøysund Register Centre that the assignment has been terminated.

Section 7-2. *New auditor*

Before a new auditor undertakes to audit the annual accounts of an entity subject to the statutory audit obligation, the auditor shall request a statement from the entity's previous auditor about the existence of any circumstances indicating that a new auditor should not undertake the assignment. The previous auditor shall without undue delay disclose in writing the reasons for his withdrawal.

The previous auditor of the entity concerned shall, notwithstanding the duty of confidentiality, disclose information and documentation about his audit assignment when the new auditor so requests and it may be of significance for the future audit.

Should an auditor undertake the assignment against the advice of the previous auditor, his grounds for doing so shall be documented, cf. section 5-3 second paragraph.

Section 7-3. *Transfer of audit assignment in the event of merger or reorganisation*

In the event of the merger of audit firms the merged unit shall continue the audit assignments performed by the companies prior to the merger. The same shall apply in the event of reorganisations of an audit firm under company law if there is no de facto change in ownership. The aforementioned provisions shall apply to a corresponding extent when a personally run audit business is absorbed into an audit firm.

The right to transfer audit assignments under the first paragraph shall entail no restrictions in the client undertaking's right to replace its auditor.

Persons or firms as mentioned in the first paragraph shall without undue delay advise client undertakings and Kredittilsynet in writing of any merger, reorganisation or admission.

Chapter 8. Compensatory damages

Section 8-1. *Liability for damages*

An auditor shall be liable for any damages to which he has given rise, wilfully or through negligence, in the performance of his assignment.

An audit firm shall be jointly and severally liable with an auditor who has performed an assignment on its behalf.

Section 8-2. *Reduction*

Liability for damages under section 8-1 may be reduced pursuant to section 5-2 of the Compensatory Damages Act.

Chapter 9. Withdrawal of authorisation, sanctions, etc.

Section 9-1. *Withdrawal of authorisation*

Kredittilsynet shall withdraw authorisation as a registered or state authorised auditor where an auditor no longer meets the requirements of section 3-4 no. 2 or 3.

Kredittilsynet shall withdraw authorisation as an audit firm if the firm no longer meets the requirements of section 3-5.

Kredittilsynet may withdraw authorisation as a registered or state authorised auditor or as an audit firm where an auditor or a firm is judged to be unfit because the person or firm concerned:

1. is guilty of a criminal act which must be assumed to impair the trust required for the practice of the profession, or
2. has grossly or repeatedly contravened an auditor's duties pursuant to law or regulations.

Orders made pursuant to this paragraph may apply for a time-limited period.

Section 9-2. *Suspension of authorisation*

Where an auditor or an audit firm is charged with an offence that may lead to withdrawal of authorisation, authorisation may be suspended until the criminal case has been concluded.

Section 9-2a. *Appeal board*

The ministry may in regulations provide that an appeal board shall decide appeals against orders made under sections 9-1 and 9-2. The ministry may in regulations decide that the appeal board shall also decide appeals against other orders made pursuant to this Act.

The Public Administration Act is applicable to the activity of the appeal board. The ministry may adopt further rules concerning deadlines for appeal, the contents of an appeal, appeal reply and oral proceedings and concerning the composition and activity of the appeal board.

The appeal board's expenses on handling appeals under the first paragraph shall be met by Kredittilsynet and distributed in accordance with the Financial Supervision Act section 9 on the auditors and audit firms authorised under chapter 3. The ministry shall fix the members' remuneration.

A fee may be charged for handling an appeal as mentioned in the first paragraph. The ministry may issue further rules concerning when a fee shall be charged, the size of such fees and their collection.

Section 9-3. *Penalties*

Anyone who wilfully or through negligence violates section 2-1, section 3-1 third paragraph, sections 4-1 to 4-7, section 5-1 first and second paragraph, section 5-2 first, third and fourth paragraph, sections 5-3 to 5-6, section 6-1, section 6-2, section 7-1 or section 7-2 of this Act with appurtenant regulations shall be punished by fines or imprisonment not exceeding one year.

Gross or repeated breaches of good auditing practice, cf. section 5-2 second paragraph, shall be subject to the same penalties.

Complicity shall be subject to the same penalties.

Violation of any provision laid down in or pursuant to this Act shall be a misdemeanour.

The limitation period for instituting criminal proceedings shall be five years.

Chapter 10. Register of auditors

Section 10-1. *The register of auditors*

Kredittilsynet shall keep a register of registered and state authorised auditors and audit firms that are authorised under this Act.

The register shall contain the following information about registered and state authorised auditors:

1. name and, where appropriate, the name of the firm,
2. residential address and any office address or other address for retention of an auditor's documents concerning clients in Norway, cf. section 3-5 second paragraph third sentence and section 3-7 second paragraph second sentence,
3. eleven-digit personal identity number, D number¹ and any organisation number,
4. date of authorisation and specification of authorised title,
5. - - -
6. whether security is posted pursuant to section 3-7 first paragraph no. 4,
7. whether an auditor's authorisation has been withdrawn or suspended pursuant to chapter 9.

The register shall contain the following information about audit firms:

1. the firm's name, office address and postal address,
2. organisation number,
3. date of authorisation,
4. names of statutory auditors as mentioned in section 2-2 second paragraph second sentence,
5. whether the firm's authorisation has been withdrawn or suspended pursuant to chapter 9.

The register shall contain the following information about an audit firm's board members, alternate board members, general manager and shareholders or partners with an ownership share as mentioned in section 3-5 first paragraph no. 2:

1. name,
2. residential address, and
3. eleven-digit personal identity number or D number.

Section 10-2. *Obligation to notify*

When applying for authorisation or when amending registered information, auditors and audit firms shall disclose to Kredittilsynet information as mentioned in section 10-1 in accordance with further rules laid down by the ministry. Information about an audit firm shall be disclosed by the firm's general manager or someone authorised to sign on behalf of the firm. Information as mentioned may be submitted electronically provided a satisfactory method is used that authenticates the sender and secures the document's contents.

Section 10-3. *Information from the register of auditors*

Anyone shall have the right to obtain information from the register of auditors. For bodies other than public authorities, however, this shall not apply to information regarding the five-digit personal number of an auditor or the eleven-digit personal identity numbers of persons as mentioned in section 10-1 fourth paragraph.

¹ Translator's note: A five-digit "D number" is assigned to foreign nationals not holding a Norwegian personal identity number who wish to register with the Brønnøysund Register Centre.

The right to information shall not apply to information about deceased auditors. Kredittilsynet may make exceptions to this rule.

Section 10-4. *Deletion of information*

Information in the register shall be deleted ten years after:

1. the death of an auditor,
2. an audit firm has been dissolved, or
3. authorisation under this Act has been withdrawn.

Section 10-5. *Regulations*

The ministry may lay down further regulations on the keeping and maintenance of the register of auditors and on the register's contents.

Chapter 11. Transitional rules, entry into force and amendments to other Acts

Section 11-1. *Transitional rules*

Anyone who is authorised as a registered or state authorised auditor and recorded in the auditor register at the time the Act enters into force shall be deemed to be authorised under chapter 3.

Anyone who is enrolled as a student on an auditor education programme or higher auditor education programme before the Act comes into force and who passes or has previously passed the examination in accordance with the rules that applied previously may be authorised as an auditor provided the requirements of section 3-4 are met.

The ministry may lay down further regulations on transitional arrangements.

Section 11-2. *Entry into force*

This Act shall enter into force on the date decided by the King. The individual provisions may be given effect at different times.

Section 11-3. *Amendments in other acts*

The following amendments to other acts shall apply as from the date on which this Act enters into force: - - -

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