ACT

of 11 November 2015

on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended

The National Council of the Slovak Republic hereby adopts the following Act:

Section I

PART ONE

BASIC PROVISIONS

Article 1

Scope of the Act

(1) This Act shall regulate:

a) the conditions for the performance of statutory audit;

b) the status and activities of statutory auditors, audit firms, and assistants to statutory auditors;

c) oversight of the performance of statutory audit (hereafter referred to as "oversight");

d) the scope of activities of the Slovak Chamber of Auditors (hereafter referred to as the "Chamber");

e) the scope of activities of the Auditing Oversight Authority (hereafter referred to as the "Authority").

(2) This Act and specific legislation1) shall apply to statutory auditors, audit firms, public-interest entities, and the Authority.

Article 2

Definitions

(1) "Statutory audit" shall mean an audit of individual financial statements or consolidated financial statements and an audit of an individual annual report or a consolidated annual report prepared under specific legislation2) or on the basis of a decision of an accounting


2) Article 19, Article 20 (3), and Articles 22 to 22b of Act No. 431/2002 Coll. on accounting as amended.
entity\(^3\) that is not required to have its individual financial statements or consolidated financial statements and its individual annual report or consolidated annual report audited.

(2) "Statutory auditor" shall mean a natural person registered in the list of statutory auditors maintained by the Authority who has an authorisation to carry out statutory audits (hereafter referred to as a "licence"), except for an auditor referred to in Article 7.

(3) "Audit firm" shall mean a legal entity registered in the list of audit firms maintained by the Authority and which has a licence, except for an audit firm referred to in Article 7.

(4) "Assistant to a statutory auditor" shall mean a natural person registered in the list of assistants to statutory auditors maintained by the Chamber.

(5) "European auditor" shall mean a natural person who has a licence and is registered in the list of statutory auditors in another Member State of the European Union or a state that is a party to the Agreement on the European Economic Area (hereafter referred to as a "Member State").

(6) "Audit firm of another Member State" shall mean a legal entity or another entity, regardless of its legal form, that has a licence and is registered in the list of audit firms in another Member State.

(7) "Third-country auditor" shall mean a natural person who has a licence and is registered in the list of auditors in a state other than a Member State.

(8) "Third-country audit firm" shall mean a legal entity or another entity, regardless of its legal form, that has a licence and is registered in the list of audit firms in a state other than a Member State.

(9) "Statutory auditor of a consolidated group"\(^4\) shall mean a statutory auditor or an audit firm carrying out the statutory audit of consolidated financial statements and the statutory audit of the consistency of a consolidated annual report with consolidated financial statements.\(^5\)

(10) "Home Member State" shall mean a Member State in which a statutory auditor referred to in paragraph 2 is registered in the list of statutory auditors or an audit firm referred to in paragraph 3 is registered in the list of audit firms.

(11) "Host Member State" shall mean a Member State in which a statutory auditor registered in his home Member State applies for registration pursuant to Article 4 or in which an audit firm registered in its home Member State applies for registration pursuant to Article 5 (2) if its key audit partner satisfies the conditions laid down in Article 4 (1).

(12) "Network" shall mean a cluster which is aimed at cooperation and to which a statutory auditor or an audit firm belongs, and

a) which is clearly aimed at profit- or cost-sharing; or

\(^3\) Article 1 of Act No. 431/2002 Coll. as amended.
\(^4\) Article 6 (4) of Act No. 431/2002 Coll. as amended.
\(^5\) Article 22 of Act No. 431/2002 Coll. as amended.
b) shares common ownership, control or management, common quality-control policies and procedures, a common business strategy, the use of a common brand-name or a significant part of professional resources.

(13) "Affiliate of an audit firm" shall mean any company, regardless of its legal form, which is associated with an audit firm by means of common ownership, control or management.

(14) "Key audit partner" shall mean:

a) the statutory auditor designated by an audit firm for a particular statutory audit engagement as being primarily responsible for carrying out the statutory audit on behalf of the audit firm;

b) in the case of a statutory audit of a consolidated group, the statutory auditor designated by an audit firm for a particular statutory audit at the level of the consolidated group as being primarily responsible for carrying out the statutory audit on behalf of the audit firm, and the statutory auditor designated by an audit firm for a particular statutory audit as being primarily responsible for carrying out the statutory audit at the level of material subsidiaries; or

c) the statutory auditor who signs the audit report.

(15) "Entity subject to oversight" shall mean:

a) a statutory auditor and an audit firm;

b) an audit firm registered pursuant to Article 5 (2), where statutory audit referred to in paragraph 1 is subject to oversight;

c) a third-country auditor and a third-country audit firm that are registered pursuant to Article 7;

d) the Chamber;

e) a public-interest entity;

f) a company, from the accounting period preceded by at least two consecutive accounting periods in which it met at least two of the following conditions:

1. its total assets exceeded EUR 170,000,000; total assets being defined as the amount determined from the balance sheet before adjustments for items specified in specific legislation;\(^6\)

2. its net turnover according to specific legislation\(^7\) exceeded EUR 170,000,000;

3. its average recalcualted number of employees exceeded 2,000 during the individual accounting period.

(16) "Public-interest entity" shall mean:

\(^6\) Article 26 (3) of Act No. 431/2002 Coll. as amended by Act No. 198/2007 Coll.

\(^7\) Article 2 (15) of Act No. 431/2002 Coll. as amended by Act No. 333/2014 Coll.
a) an accounting entity whose transferable securities are admitted to trading on a regulated market of any Member State;

b) a bank and a branch of a foreign bank;

c) the Export-Import Bank of the Slovak Republic;

d) an insurance company and a branch of a foreign insurance company;

e) a reinsurance company and a branch of a foreign reinsurance company;

f) a health insurance company;

g) an asset management company and a branch of a foreign asset management company;

h) a pension management company;

i) a supplementary pension insurance company;

j) the Stock Exchange;

k) Slovak Rail;

l) an accounting entity that prepares consolidated financial statements of central administration;\(^8\))

m) a higher territorial unit;

n) an accounting entity that is a municipality, a city, or a city district pursuant to specific legislation,\(^9\)) from the accounting period preceded by at least two consecutive accounting periods in which it met the following conditions:

1. its total assets exceeded EUR 100,000,000; total assets being defined as the amount determined from the consolidated financial statements of a public sector accounting entity;\(^10\))

2. its population exceeded 50,000.

(17) "Assurance and related audit services" shall mean the provision of services in accordance with international guidelines on quality control, statutory audit, review, other assurance and related audit services issued by the International Federation of Accountants (IFAC) (hereafter referred to as "International Auditing Standards"). Assurance and related audit services may be provided by a statutory auditor and an audit firm. This Act shall apply to the provision of assurance and related audit services where appropriate.

(18) "Code of Ethics for Auditors" shall mean an internal regulation issued by the Chamber in accordance with the Code of Ethics issued by the International Federation of Accountants (IFAC), unless this Act or specific legislation\(^1\) provides otherwise.

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\(^8\) Article 22a (2) of Act No. 431/2002 Coll. as amended.


\(^10\) Article 22a of Act No. 431/2002 Coll. as amended.
PART TWO

STATUTORY AUDITOR, AUDIT FIRM, AND ASSISTANT TO STATUTORY AUDITOR

Article 3

Conditions for the Performance of Statutory Audit

(1) The performance of statutory audit shall be conditional upon obtaining a certificate of competence to carry out statutory audits (hereafter referred to as the "certificate") issued by the Authority to an applicant who:

a) is fully capable of performing legal acts;

b) is of good repute;

c) has a second-level university degree;

d) has at least five years' professional experience in accounting;

e) has taken part in continuing education for assistants to statutory auditors;

f) has submitted to the Authority officially certified copies of certificates and licences from other Member States and third countries held by the applicant, including the name of the issuing authority and their registration numbers;

g) has passed an examination of professional competence referred to in Article 15.

(2) During his professional experience pursuant to paragraph 1 (d), an assistant to a statutory auditor shall be required to complete, on the basis of a written agreement with a statutory auditor or an audit firm, a minimum of three years' practical training in statutory audit, assurance and related audit services of no less than 2,100 hours, two thirds of which shall be with a statutory auditor or an audit firm registered in the list of statutory auditors or the list of audit firms (hereafter referred to as the "relevant list"), with a European auditor or an audit firm of another Member State.

(3) The period during which the extent of the practical training referred to in paragraph 2 is assessed may last for a maximum of six years, including an interruption of practice pursuant to Article 13 (6).

(4) An assistant to a statutory auditor shall take part in practical training under the supervision of a trainer of the assistant to a statutory auditor (hereafter referred to as the "trainer"), who:

a) performed the activities of a statutory auditor as his main activity throughout the year;

b) has at least five years' practical experience as a statutory auditor or European auditor;

c) is of good repute;

d) has not been subject to a disciplinary measure pursuant to Article 49 (1) and sanctions pursuant to Article 64 or a disciplinary measure and sanctions in another Member State;
e) has fulfilled his liabilities toward the Chamber or, for a European auditor, liabilities toward the relevant self-administrative professional organisation of which he is a member in another Member State;
f) is registered in the list of trainers maintained by the Chamber if he is a member of the Chamber or in the list of trainers maintained by the Authority if the trainer is a European auditor.

(5) The Authority shall also issue a certificate to a European auditor who satisfies the conditions laid down in paragraph 1 (a) and (b) if he:

a) presents a valid certificate issued in another Member State;
b) presents a confirmation from the authority that has issued the licence or the authority overseeing the fulfilment of the requirement of continuing education as proof of his participation in continuing education in the immediately preceding period;
c) has passed an aptitude test referred to in Article 16.

(6) Based on reciprocity, the Authority may issue a certificate to a third-country auditor who satisfies the conditions set out in paragraph 1 (a) and (b) and enable him to carry out statutory audit pursuant to this Act if he:

a) presents a valid licence issued in a third country and presents proof that the examination of professional competence that he has taken in the third country meets the requirements set out in Article 15 (2);
b) presents a confirmation from the authority that has issued the licence or the authority overseeing the fulfilment of the requirement of continuing education as proof of his participation in continuing education in the immediately preceding period;
c) has passed an aptitude test referred to in Article 16.

(7) The conditions referred to in paragraph 1 (a) to (f), paragraph 5 (a) and (b), and paragraph 6 (a) and (b) must be satisfied before filing an application for an examination of professional competence or an aptitude test. An assistant to a statutory auditor shall prove the fulfilment of the condition referred to in:

a) paragraph 1 (a) with his identity card, passport, or other relevant document;
b) paragraph 1 (c) with his university diploma or a certified copy thereof or a decision on the recognition of documents certifying qualifications;
c) paragraph 1 (d) with a confirmation from a trainer;
d) paragraph 1 (e) with a confirmation from the Chamber.

(8) A European auditor and a third-country auditor shall prove the fulfilment of the condition referred to in paragraph 1 (a) with his passport or other relevant document.

(9) For the purpose of this Act, a natural person shall be considered to be of good repute if he:

a) has a clean criminal record;
b) is not in arrears with the payment of health insurance and social insurance contributions and mandatory contributions to old-age pension savings for himself and his employees, which he shall document by means of a statutory declaration;
c) is not in arrears with the payment of tax, which he shall document by means of a statutory declaration;
d) has not breached the prohibition of illegal employment pursuant to specific legislation\textsuperscript{11}) during the previous five years, which he shall document by means of a statutory declaration;
e) has not breached the obligations related to the performance of statutory audit during the previous five years.

(10) For the purpose of this Act, a person with a clean criminal record shall be a person who has not been legally sentenced for an intentional criminal act.

(11) A clean criminal record shall be documented by an extract from criminal records\textsuperscript{12}) not older than three months. If the competent authorities of Member States and third countries do not issue such documents, an extract from criminal records shall be substituted by a confirmation issued by the competent oversight authority.

(12) Documents issued in a foreign language shall be submitted to the Authority as notarised translations into the official language.\textsuperscript{13})

(13) A certificate is an official public document.

(14) A natural person who satisfies the conditions for receiving a certificate shall swear an oath to the chair of the Authority's Board with the following wording: "I promise on my honour and conscience that I will comply with the Constitution of the Slovak Republic, the laws and other generally binding regulations, and International Auditing Standards, I will duly fulfil my obligations as a statutory auditor, and keep confidential all matters that come into my possession in connection with the performance of statutory audit and comply with the Code of Ethics for Auditors."

Article 4

Conditions for Registration in the List of Statutory Auditors

(1) The Authority shall register in the list of statutory auditors, within two months of receipt of a written application whose mandatory content is set out in an internal regulation of the Authority, a person who:

a) has a certificate referred to in Article 3 (1), (5) or (6);
b) has sworn the oath;
c) has not been deleted from the list of statutory auditors in the past or by the deadline laid down in Article 12 (7);
d) has paid to the Authority a registration fee for registration in the list of statutory auditors.

(2) The Authority shall not register in the list of statutory auditors a person who has been deleted from the list of statutory auditors for any reason referred to in Article 12 (2) (e), (i) or (k).

\textsuperscript{11}) Act No. 82/2005 Coll. on illegal work and illegal employment and on amendments to certain laws as amended.
\textsuperscript{12}) Act No. 330/2007 Coll. on criminal records and on amendments to certain laws as amended.
\textsuperscript{13}) Act of the National Council of the Slovak Republic No. 270/1995 Coll. on the official language of the Slovak Republic as amended.
Article 5

Conditions for Registration in the List of Audit Firms

(1) The Authority shall register in the list of audit firms, within two months of receipt of a written application whose mandatory content is set out in an internal regulation of the Authority, a legal entity:

a) in which a majority of voting rights is held by statutory auditors, audit firms, European auditors, or audit firms from another Member State, which are registered in the relevant list maintained by the Authority or by the competent authority of another Member State;

b) in which a majority of the members of the statutory body of the audit firm are statutory auditors or European auditors; if the legal entity's statutory body has two members, at least one of them must be a statutory auditor or a European auditor;

c) on behalf of which the carrying-out of statutory audit will be ensured by statutory auditors;

d) which has paid to the Authority a registration fee for registration in the list of audit firms;

e) which is of good repute.

(2) The Authority shall register in the list of audit firms, within two months of receipt of a written application whose mandatory content is set out in an internal regulation of the Authority, an audit firm which is registered in the list maintained by the competent authority of another Member State and:

a) whose key audit partner is registered in the list of statutory auditors maintained by the Authority;

b) which has paid to the Authority a registration fee for registration in the list of audit firms;

c) which is of good repute.

(3) For the purpose of this Act, a legal entity or an audit firm is of good repute if:

a) all members of its statutory body have a clean criminal record; this fact shall be documented pursuant to Article 3 (11);

b) is not in arrears with the payment of health insurance and social insurance contributions and mandatory contributions to old-age pension savings for its employees, which it shall document by means of a statutory declaration;

c) is not in arrears with the payment of tax, which it shall document by means of a statutory declaration;

d) has not breached the prohibition of illegal employment pursuant to specific legislation during the previous five years, which it shall document by means of a statutory declaration;
e) has not breached the obligations related to the performance of statutory audit or no sanction was imposed on it pursuant to specific legislation\(^14\) during the previous five years.

(4) A legal entity's application for registration in the list of audit firms shall be accompanied by the articles of association or memorandum of association, the statutes if issued by the company, and an extract from the Commercial Register; the originals or notarised copies of these documents must be submitted. An audit firm from another Member State shall document the registration of the audit firm in the home Member State by means of a certificate that must not be older than three months.

(5) Documents issued in a foreign language shall be submitted to the Authority as notarised translations into the official language.\(^15\)

(6) The Authority shall not register in the list of audit firms an audit firm that has been deleted from the list of audit firms for any reason referred to in Article 12 (2) (i) or (k) even after the deadline laid down in Article 12 (8).

(7) The Authority shall not register in the list of audit firms an audit firm in which any member of the management body is a statutory auditor who has been a member of the management body of an audit firm deleted from the list of audit firms for any reason referred to in Article 12 (2) (i) or (k).

(8) The Authority shall not register in the list of audit firms an audit firm in which any member of the management body is a natural person who has been deleted from the list of statutory auditors pursuant to Article 12 (2) (e), (i) or (k).

Article 6

**Filing an Application via a Point of Single Contact**

An application referred to in Article 4 (1), Article 5 (1) and Article 12 (7) and (8) may also be filed via a point of single contact.\(^15\) After receiving an application pursuant to the first sentence, the Authority shall issue to the applicant a confirmation of the receipt of the application without delay.\(^16\)

Article 7

**Registration of Third-Country Auditors and Third-Country Audit Firms**

(1) The Authority shall also register in the relevant list a third-country auditor and a third-country audit firm if:

a) they submit an audit report concerning the financial statements of an accounting entity registered outside the Member States whose transferable securities are admitted to trading on a regulated market in the Slovak Republic, except when the accounting entity is an issuer exclusively of outstanding debt securities admitted to trading on a regulated market in the Slovak Republic


\(^{15}\) Article 66b (2) (b) of Act No. 455/1991 Coll. on trade licence activities (Trade Licensing Act) as amended by Act No. 136/2010 Coll. Article 11 of Act No. 136/2010 Coll. on services on the internal market and on amendments to certain laws.

\(^{16}\) Article 4 (1) of Act No. 136/2010 Coll.
1. prior to 31 December 2010, the denomination per unit of which is at least EUR 50,000 as of the date of issue or, in the case of debt securities denominated in another currency, equivalent, as of the date of issue, to at least EUR 50,000 per unit; an audit report concerning financial statements that has been issued by a third-country auditor or a third-country audit firm that is not registered in the relevant list shall have no legal effect in the Slovak Republic;

2. from 31 December 2010, the denomination per unit of which is at least EUR 100,000 as of the date of issue or, in the case of debt securities denominated in another currency, equivalent, as of the date of issue, to at least EUR 100,000 per unit; an audit report concerning financial statements that has been issued by a third-country auditor or a third-country audit firm that is not registered in the relevant list shall have no legal effect in the Slovak Republic;

b) the third-country auditor carrying out the statutory audit on behalf of the third-country audit firm satisfies conditions that are equivalent to those laid down in Article 3 (1) and (2) and Article 21;

c) the majority of the members of the statutory body of the third-country audit firm satisfy conditions that are equivalent to those laid down in Article 3 (1) and (2);

d) the statutory audit of the accounting entity referred to in (a) was carried out in accordance with International Auditing Standards and the requirements laid down in Article 21 and Article 23 (8);

e) within four months of the end of the accounting period, they have published on their website a transparency report, which contains information that is equivalent to that included in the transparency report pursuant to specific legislation\(^1\) for the immediately preceding accounting period.

(2) The Authority shall not register in the relevant list a third-country auditor or a third-country audit firm unless they prove that they publish a transparency report referred to in paragraph 1 (e) on their website on an annual basis.

(3) The information provided by a third-country auditor or a third-country audit firm pursuant to paragraph 1 shall be signed by the auditor or a statutory representative of the audit firm. If this information is provided in electronic form, a qualified electronic signature or a qualified electronic seal\(^{17}\) must be used.

(4) A third-country auditor and a third-country audit firm shall be required to notify the Authority without delay, within one month at the latest, of any information referred to in paragraph 1 that has been changed or ceased to be applicable.

(5) A third-country auditor and a third-country audit firm registered pursuant to paragraph 1 shall not be subject to a statutory audit quality assurance review pursuant to Article 35 if the system of statutory audit quality assurance reviews in that country has been recognised by the European Commission as equivalent and the competent authority of another Member State or of the third country has carried out a statutory audit quality assurance review of the auditor or audit firm concerned during the previous three years.

(6) A third-country auditor and a third-country audit firm registered pursuant to paragraph 1 shall not be subject to oversight pursuant to Article 36 and sanctions set out in Article 64 if

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\(^1\) Articles 4 and 4a of Act No. 215/2002 Coll. on the electronic signature and on amendments to certain laws as amended by Act No. 305/2013 Coll.
they are included in the system of oversight and disciplinary liability in that third country and this system has been recognised by the European Commission as equivalent.

**Article 8**

**Licence**

(1) The Authority shall issue a licence to a statutory auditor as of the date of his registration in the list of statutory auditors.

(2) The Authority shall issue a licence to an audit firm as of the date of its registration in the list of audit firms.

(3) Licences referred to in paragraphs 1 and 2 are official public documents.

(4) As of the date of registration in the list of statutory auditors, a statutory auditor shall be entitled to use the designation "certified auditor" and the acronym "CA" to describe his profession.

**Article 9**

**Suspension of a Licence**

(1) The Authority shall suspend the licence of a statutory auditor and an audit firm:

a) at their own request, in which the period during which the licence is suspended shall be stated;

b) if they have carried out a statutory audit in contradiction with the licence issued or this Act;

c) if they have failed to fulfil the obligation to conclude an indemnity insurance contract pursuant to Article 28 (4); until the date of its conclusion; or if they have failed to inform the Authority of the conclusion of an indemnity insurance contract; until the date of the fulfilment of this obligation;

d) until the date of payment of a fine referred to in Article 64 (1) (c) if the fine has not been paid by the payment deadline;

e) if a sanction has been imposed on them pursuant to Article 64 (1) (f); as of the effective date of the decision on the imposition of the sanction;

f) until the date of payment of the costs of proceedings pursuant to Article 64 (10) if the costs of the proceedings have not been paid by their due date.

(2) The Authority shall record the suspension of a licence in the relevant list without delay, at the latest within one month of the date on which it learned about any of the facts referred to in paragraph 1. The Authority shall notify those concerned in writing of the record without delay, at the latest within one month of the record being made.

(3) The suspension of a licence shall expire at the end of the period for which the licence was suspended, or on the date specified in an application for restoration of the licence if the licence was suspended for an indefinite period.

(4) After the suspension of the licence, the statutory auditor or the audit firm shall be required to deposit their licence with the Authority without delay, within one month at the latest. The Authority shall return the licence to a statutory auditor following an application after the statutory auditor documents the fulfilment of the conditions specified in paragraph 8.
or paragraph 9. The Authority shall return the licence to an audit firm based on an application if the audit firm documents that the reason for which its licence was suspended has been removed.

(5) During the period of suspension of the licence:
   a) the statutory auditor and the audit firm may not carry out statutory audits;
   b) the membership of the statutory auditor and the audit firm in the Chamber shall not cease;
   c) the obligation of the statutory auditor and the audit firm to pay contributions to the Chamber shall not be affected;
   d) the statutory auditor's obligation to take part in continuing education pursuant to Article 31 shall not be affected;
   e) the obligation of the statutory auditor and the audit firm to maintain confidentiality pursuant to Article 32 shall not be affected;
   f) the disciplinary liability of the statutory auditor and the audit firm pursuant to Article 49 shall not be affected;
   g) the statutory auditor and the audit firm shall be subject to sanctions set out in Article 64.

(6) If the licence of a statutory auditor or an audit firm was suspended in another Member State or a third country, the Authority shall suspend their licence issued pursuant to Article 8 without delay, at the latest within one month of the date on which the Authority learned about the suspension; this shall not apply if the licence was suspended at the request of the statutory auditor or the audit firm.

(7) The Authority shall inform the competent authority of another Member State or the third country in which the licence has been issued to the statutory auditor or the audit firm about the suspension of the licence pursuant to paragraph 1 and the termination of the suspension.

(8) If the licence was suspended for a period exceeding three years, the statutory auditor shall be required to undergo a re-examination conducted by the Authority based on the statutory auditor's written request. The re-examination shall be conducted in writing and consist of the subjects referred to in Article 15 (2). If a statutory auditor fails the re-examination, he may retake the re-examination following a written application. Only the part of the re-examination in which the statutory auditor has failed needs to be retaken. If the statutory auditor does not successfully pass the re-examination on the nearest subsequent date, the entire re-examination shall be repeated.

(9) A statutory auditor whose licence was suspended on the basis of his own request shall not be obliged to take a re-examination pursuant to paragraph 8 if he documents that he was taking part in continuing education pursuant to Article 31 during the suspension of the licence.

(10) A fee shall be paid by the statutory auditor to the Authority for the re-examination and for its retaking in the amount specified in the Examination Rules.
Article 10

List of Statutory Auditors

(1) The list of statutory auditors is a publicly accessible register maintained by the Authority, which contains information about statutory auditors. The list may be viewed at the seat of the Authority or on the Authority's website.

(2) The list of statutory auditors shall contain the following information:
   a) the name and seat of the Authority;
   b) the name and seat of the Chamber;
   c) the name, surname, and permanent address of the statutory auditor;
   d) the place of business if the statutory auditor carries out statutory audits in his own name and on his own account;
   e) the date of completion of an examination of professional competence or an aptitude test and the date of issue of the certificate and its number;
   f) the date of the re-examination referred to in Article 9 (8) and its result;
   g) the date of registration in the list of statutory auditors and the licence number;
   h) a list of all certificates and licences issued to the statutory auditor in another Member State and a third country, including their registration numbers and the name of the issuing authority;
   i) the identification number and the website of the audit firm in which the statutory auditor is a shareholder, statutory body or employee or with which the auditor is otherwise associated;
   j) the date of and the reasons for the suspension of the licence, the date of and the reasons for the termination of the licence, and the date on which the licence was returned;
   k) a record of the imposition of a disciplinary measure pursuant to Article 49 and a sanction pursuant to Article 64 (1) (b), (c), (e) to (g).

(3) The Authority shall enter a change or expiration of information referred to in paragraph 2 in the list of statutory auditors without delay, at the latest within one month of the date on which it becomes aware thereof.

(4) In the list of statutory auditors, the Authority shall specifically indicate third-country auditors registered pursuant to Article 7, who are not authorised to carry out statutory audits pursuant to this Act.

(5) Information in the list of statutory auditors shall be maintained in the official language.\textsuperscript{13}

Article 11

List of Audit Firms

(1) The list of audit firms is a publicly accessible register maintained by the Authority, which contains information about audit firms. The list may be viewed at the seat of the Authority or on the Authority's website.

(2) The list of audit firms shall contain the following information:
a) the name and seat of the Authority;
b) the name and seat of the Chamber;
c) the legal name, registered office, website, identification number, and contact person of the audit firm;
d) the legal form of the audit firm;
e) the address of each office of the audit firm in the Member State;
f) the date of registration in the list of audit firms and the licence number;
g) a list of all licences issued to the audit firm in another Member State and a third country, including their registration numbers and the name of the issuing authority;
h) information on whether the audit firm has been registered pursuant to Article 5 (2) and which Member State is its home Member State;
i) the audit firm's membership of a network and a list of all entities included in the network and affiliates of audit firms and their registered offices, or the place where such information is publicly available;
j) the names, surnames, and permanent addresses of statutory auditors employed by the audit firm or who are the shareholders thereof or are otherwise associated with the audit firm, including the numbers of their certificates and licences;
k) the names, surnames, permanent addresses, legal names and registered offices of all owners and shareholders of the audit firm;
l) the names, surnames, and permanent addresses of the members of the statutory body, management body, or supervisory body of the audit firm;
m) the date of and the reasons for the suspension of a licence, the date of and the reasons for the termination of the licence, and the date on which the licence was returned;
n) a record of the imposition of a disciplinary measure pursuant to Article 49 and a sanction pursuant to Article 64 (1) (b), (c), (e) to (g).

(3) The Authority shall enter a change or expiration of information referred to in paragraph 2 in the list of audit firms without delay, at the latest within one month of the date on which it becomes aware thereof.

(4) The Authority shall specifically indicate in the list of audit firms the third-country audit firms registered pursuant to Article 7, which are not authorised to carry out statutory audits pursuant to this Act.

(5) Information in the list of audit firms shall be maintained in the official language.

Article 12

**Termination of a Licence and Deletion from the Relevant List**

(1) A licence shall be terminated as of the date of deletion of a statutory auditor or an audit firm from the relevant list.

(2) The Authority shall delete from the list of statutory auditors a statutory auditor:

a) who has died; as of the date of death;
b) who has been pronounced legally dead; as of the effective date of a court's decision on the pronouncement of the death;

c) who has been legally incapacitated on the basis of a valid court decision or whose capacity to perform legal acts has been legally restricted on the basis of a valid court decision; within 60 days of the date on which the Authority becomes aware thereof;

d) on whom a prohibition of activity\(^{18}\) consisting of a ban on carrying out statutory audits has been imposed on the basis of a valid court decision; within 60 days of the date on which the Authority becomes aware thereof;

e) who has been validly sentenced for an intentional criminal act; within 60 days of the date on which the Authority becomes aware thereof;

f) against whose assets bankruptcy has been declared, restructuring has been permitted, or a bankruptcy petition has been rejected due to insufficient assets for the payment of bankruptcy expenses; as of the effective date of the decision on declaration of bankruptcy, permission of restructuring, or rejection of the bankruptcy petition;

g) who is subject to liquidation; as of the date of entry into liquidation;

h) who has ceased to satisfy the conditions specified in Article 21 (2) and (3) if he fails to comply with Article 21 (2) and (3) within three months;

i) who has demonstrably misused information obtained in connection with the carrying-out of a statutory audit;

j) on whom a sanction has been imposed pursuant to Article 64 (1) (g); as of the effective date of the decision on the imposition of this sanction;

k) whose good repute has been seriously compromised, unless he removes these doubts within three months or refrains from the conduct that resulted in a breach of the obligation related to the carrying-out of the statutory audit;

l) who has failed to remove within the specified time limit the deficiencies due to which his licence has been suspended in accordance with Article 64 (1) (f);

m) who carried out a statutory audit during the period of suspension of the licence;

n) whose licence has been revoked in another Member State or a third country due to a breach of discipline;

o) who has submitted to the Authority a written application with a notarised signature for deletion from the list of statutory auditors; by the end of the calendar month following the month in which the application for deletion from the list of statutory auditors was delivered to the Authority, unless a later date is stated in the application;

p) whose licence has been suspended and who has not successfully passed the re-examination referred to in Article 9 (8).

(3) The Authority shall delete from the list of audit firms an audit firm:

a) for any of the reasons referred to in paragraph 2 (f) to (o);

\(^{18}\) Article 61 of the Criminal Code as amended.
b) which has been wound up without liquidation pursuant to Article 69 of the Commercial Code; this shall not apply to a change of the legal form of an audit firm;

c) which has ceased to satisfy the conditions specified in Article 5 (1) and (2), if it fails to comply with Article 5 (1) and (2) within three months.

(4) A deletion from the relevant list shall be recorded by the Authority in the relevant list without delay, at the latest within one month of the date on which it becomes aware of the fact referred to in paragraphs 2 and 3, unless a different time limit is laid down therein.

(5) The Authority shall notify those concerned in writing of the record referred to in paragraph 4 without delay, at the latest within one month of the record being made. The Authority shall also inform the competent authorities of other Member States and the competent authorities of third countries, in which a licence has been issued to the statutory auditor or the audit firm, of the deletion from the relevant list and the reasons for the deletion.

(6) After being deleted from the relevant list, the statutory auditor or the audit firm shall be required to hand over their licence to the Authority without delay, within one month of the date of notification at the latest. The statutory auditor shall also be required to hand over his certificate to the Authority.

(7) A statutory auditor, except for a statutory auditor referred to in paragraph 2 (e), (i) or (k), may be re-entered in the list of statutory auditors following a written application after the fulfilment of the conditions specified in Article 3 (1), after at least three years have elapsed since the date on which the statutory auditor was deleted from the list of statutory auditors.

(8) An audit firm, except for an audit firm referred to in paragraph 2 (i) or (k), may be re-entered in the list of audit firms following a written application after the fulfilment of the conditions specified in Article 5 (1), after at least three years have elapsed since the date on which the audit firm was deleted from the list of audit firms.

(9) In the application referred to in paragraph 2 (o), the statutory auditor or the audit firm shall state the date as of which they request to be deleted from the relevant list. As of the same date, the statutory auditor or the audit firm shall be required to send the original of their licence and certificate to the Authority. As of the date of deletion from the relevant list, the statutory auditor or the audit firm shall be required to fulfil all their obligations towards the Authority and the Chamber.

Article 13

List of Assistants to Statutory Auditors

(1) Following a written application, the Chamber shall register in the list of assistants to statutory auditors any natural person, except for a natural person specified in Article 14 (1) (d) and (e), who:

a) is fully capable of performing legal acts;

b) is of good repute as referred to in Article 3 (9) to (11);

c) has a second-level university degree;

d) is a natural person on whom a disciplinary measure has been imposed pursuant to Article 49 (1) (c) if at least three years have elapsed since the imposition of this disciplinary measure;
e) has successfully passed an entry test to examine the professional level of the applicant's theoretical knowledge before a commission appointed by the Chamber;

f) has paid to the Chamber an entry test fee and a registration fee for registration in the list of assistants to statutory auditors.

(2) The Chamber shall determine the extent and content of an entry test, details regarding the submission of an application for taking an entry test, the method of evaluation of the entry test and non-attendance at an entry test, the amount of the fee for an entry test, and the registration fee for registration in the list of assistants to statutory auditors.

(3) The Chamber shall make an entry in the list of assistants to statutory auditors without delay, at the latest within one month of the conditions specified in paragraph 1 being satisfied.

(4) The Chamber shall issue to an assistant to a statutory auditor a confirmation of his registration in the list of assistants to statutory auditors.

(5) An assistant to a statutory auditor shall be entitled to perform all activities which he is authorised to perform by the statutory auditor, except for signing an audit report pursuant to Article 27.

(6) An assistant to a statutory auditor shall have the right to apply to the Chamber in writing for an interruption of his practical training as an assistant to a statutory auditor for up to three years.

(7) The list of assistants to statutory auditors shall contain the following information:

   a) the name, surname and permanent address of the assistant to a statutory auditor;
   b) the name, surname and permanent address of the statutory auditor or the legal name and registered office of the audit firm in which he undergoes practical training as an assistant to a statutory auditor;
   c) the date on which he took the entry test;
   d) the name, surname and permanent address of the trainer;
   e) a record of permission for the interruption of practical training as an assistant to a statutory auditor;
   f) a record of the imposition of a disciplinary measure pursuant to Article 49.

(8) The Chamber shall make a record of any registered information that has been changed or has ceased to be applicable in the list of assistants to statutory auditors without delay, at the latest within one month of the date on which it becomes aware thereof. An assistant to a statutory auditor shall be required to notify the Chamber without delay, within one month at the latest, of any registered information that has been changed or has ceased to be applicable.

(9) Information entered in the list of assistants to statutory auditors shall be publicly available at the seat of the Chamber or on its website.

(10) An assistant to a statutory auditor, except for an assistant to a statutory auditor referred to in Article 14 (1) (d) and (e), may be re-entered in the list of assistants to statutory auditors following a written application after the fulfilment of the conditions specified in paragraph 1, after at least three years have elapsed since the date on which the assistant to a statutory auditor was deleted from the list of assistants to statutory auditors.
Article 14

Deletion from the List of Assistants to Statutory Auditors

(1) The Chamber shall delete from the list of assistants to statutory auditors an assistant to a statutory auditor:

a) who has died; as of the date of death;

b) who has been pronounced legally dead; as of the effective date of a court's decision on the pronouncement of the death;

c) who has been legally incapacitated or whose capacity to perform legal acts has been legally restricted; as of the effective date of the court's decision on legal incapacitation or as of the effective date of the court's decision on restriction of legal capacity;

d) who has been validly sentenced for an intentional criminal act; as of the effective date of the court's decision;

e) who has demonstrably misused information related to the carrying-out of a statutory audit, which has been obtained during his performance of practical training as an assistant to a statutory auditor;

f) on whom a disciplinary measure has been imposed pursuant to Article 49; as of its effective date;

g) who fails to pay contributions or make other monetary payments prescribed by the Chamber for more than one year;

h) whose good repute has been seriously compromised, and who does not remove these doubts or does not refrain from the conduct that resulted in the breach of the obligation related to the carrying-out of the statutory audit after the deadline set by the Supervisory Board of the Chamber;

i) who applies to the Chamber in writing for deletion from the list of assistants to statutory auditors;

j) who has been registered in the list of statutory auditors; as of the date of registration in the list of statutory auditors.

(2) A deletion from the list of statutory auditors shall be recorded by the Chamber in the list of statutory auditors without delay, at the latest within one month of the date on which it becomes aware of any of the facts referred to in paragraph 1, unless a different time limit is laid down therein.

(3) After being deleted from the list of assistants to statutory auditors, the assistant to a statutory auditor shall be required to hand over the confirmation of registration in the list of assistants to statutory auditors to the Chamber without delay, within one month at the latest.

(4) At the latest within one month of the deletion of an assistant to a statutory auditor from the list of assistants to statutory auditors, the Chamber shall be required to inform of this fact the trainer and the statutory auditor or the audit firm by which the assistant to a statutory auditor is employed or in which he undergoes practical training as an assistant to a statutory auditor.
Article 15

Examination of Professional Competence

(1) An examination of professional competence serves to substantiate the competence to carry out statutory audits and to verify the professional level of the applicant's theoretical knowledge and its application in practice. The examination of professional competence shall be conducted based on the applicant’s written request. The examination of professional competence shall be conducted in the official language before the Examination Commission of the Authority.

(2) The examination of professional competence shall cover the following:

a) economics, financial management, and financial analysis;
b) accounting, including management accounting;
c) preparation of individual financial statements and consolidated financial statements;
d) the International Financial Reporting Standards (hereafter referred to as the "International Accounting Standards") adopted pursuant to specific legislation;\(^\text{19)}\)
e) civil law, commercial law, financial law, labour law, social security law, and other legal areas specified in the Examination Rules;
f) management information systems, risk management and internal control, data processing systems, mathematical and statistical methods used during the carrying-out of a statutory audit;
g) audit policies, methods, and procedures, including International Auditing Standards, legislation relating to statutory audit, statutory auditors, and audit firms;
h) the Code of Ethics for Auditors.

(3) An examination of professional competence shall be in writing.

(4) An examination of professional competence consists of several partial examinations in the areas referred to in paragraph 2.

(5) The Examination Commission shall prepare the minutes of the examination of professional competence, which shall contain the following information:

a) the names and surnames of the chair and the members of the Examination Commission of the Authority;
b) the name and surname of the natural person taking the examination;
c) the place and date of the examination of professional competence;
d) the examination questions;
e) the decision of the Examination Commission on the result of the examination of professional competence; in the event of failure to pass the examination of professional competence, the reasons for the failure shall be stated.

(6) An applicant who has failed the examination of professional competence may retake the examination of professional competence following a written application. The applicant only needs to retake the part of the examination of professional competence which he failed. If the applicant fails the examination of professional competence at a regular examination session or at another two retake examination sessions determined by the Authority, he shall retake the entire examination of professional competence.

(7) A fee shall be paid by the applicant to the Authority for the examination of professional competence and for its retaking in the amount specified in the Examination Rules.

Article 16

Aptitude Test

(1) For the purpose of this Act, an aptitude test shall test the professional knowledge required to carry out a statutory audit by European auditors and third-country auditors if they document that they are authorised to carry out statutory audits in another Member State or a third country. The aptitude test shall be conducted following an applicant's written request. The aptitude test shall be done in writing before the Examination Commission of the Authority in the official language.

(2) The aptitude test shall cover the following:
   
   a)  accounting, to the extent required for carrying out a statutory audit in the Slovak Republic;
   
   b)  civil law, commercial law, financial law, labour law, social security law, and other legal areas to the extent required for carrying out a statutory audit in the Slovak Republic.

(3) The Examination Commission of the Authority shall prepare the minutes of the aptitude test, which shall contain the following information:

   a)  the names and surnames of the chair and the members of the Examination Commission of the Authority;
   
   b)  the name and surname of the natural person taking the aptitude test;
   
   c)  the place and date of the aptitude test;
   
   d)  the aptitude test questions;
   
   e)  the decision of the Examination Commission of the Authority on the result of the aptitude test; in the event of failure to pass the aptitude test, the reasons for the failure shall be stated.

(4) An applicant who fails the aptitude test may retake the aptitude test following a written application. The applicant only needs to retake the part of the aptitude test which he failed. If the applicant does not pass the aptitude test on the nearest subsequent date set by the Authority, he shall retake the entire aptitude test.

(5) A fee shall be paid by a European auditor or a third-country auditor to the Authority for the aptitude test and for its retaking in the amount specified in the Examination Rules.
Article 17

Examination Rules

(1) The details regarding the extent and content of the examination of professional competence, aptitude test and re-examination, the submission of applications, the course and method of evaluation of the examination of professional competence, aptitude test and re-examination, the issuance of certificates, the amount of fees, the number of members of the Examination Commission, and the procedure in the event of non-attendance at the examination of professional competence, aptitude test and re-examination shall be stipulated in the Examination Rules.

(2) The Examination Rules shall be stipulated by the Ministry of Finance of the Slovak Republic (hereafter referred to as the "Ministry") by means of a Decree. The Ministry shall promulgate the Decree by announcing its publication in the Collection of Acts of the Slovak Republic.

Article 18

Examination Commission of the Authority

The chair and members of the Examination Commission of the Authority shall be appointed and dismissed by the Authority's Board. The Examination Commission of the Authority shall consist of statutory auditors and other experts in theory and practice, appointed by the Chamber, the Authority, or the Ministry. The deputy chair of the Examination Commission of the Authority shall always be the President of the Chamber. The term in office of the Examination Commission of the Authority shall be three years, except for that of the deputy chair of the Examination Commission of the Authority whose term in office shall last while he performs his duties in office. The number of members of the Examination Commission of the Authority shall be specified in the Examination Rules.

PART THREE

PERFORMANCE OF STATUTORY AUDIT

Article 19

International Auditing Standards

(1) A statutory audit of accounting entities with their registered offices in the Slovak Republic shall be carried out in accordance with International Auditing Standards and related Statements and Standards relevant to the performance of statutory audit, unless they are contrary to this Act or specific legislation.

(2) If it follows from specific legislation, additional statutory audit procedures and additional requirements to International Auditing Standards must be applied when carrying out a statutory audit. International Auditing Standards or parts thereof may only not be applied when carrying out a statutory audit in the light of national conditions if this follows from specific legislation.

(3) The Authority shall be required to communicate the selective application of a certain part of International Auditing Standards, application of a different national procedure and its reasons to the Member States and the European Commission at least six months prior to the effective date of the specific legislation referred to in paragraph 2. If the reasons for leaving out a part of the International Auditing Standards existed at the time of their adoption, the Authority shall be required to communicate the different national procedure to the Member
States and the European Commission, at the latest within three months of the adoption of the relevant international auditing standard.

(4) In cooperation with the Authority, the Chamber shall issue an internal regulation stipulating simplified requirements for carrying out a statutory audit, except for the statutory audit of a public-interest entity or a large accounting entity,20) which a statutory auditor or an audit firm may apply proportionately to the scale and complexity of the activities of the accounting entity in which they carry out the statutory audit (hereafter referred to as the "audited entity"), namely in the following areas:

a) internal organisation of the statutory auditor or the audit firm pursuant to Article 24;

b) audit working papers;

c) application of International Auditing Standards.

Article 20

Professional Scepticism

(1) During the performance of a statutory audit, the statutory auditor and the audit firm shall be required to review facts subject to the statutory audit and be alert to conditions which may indicate possible misstatement due to error or fraud and critically assess evidence identified when carrying out the statutory audit (hereafter referred to as "professional scepticism").

(2) When the statutory auditor or the audit firm carries out a statutory audit, they must recognise the possibility of a material misstatement, including fraud or error, due to facts or behaviour indicating the existence of irregularities, notwithstanding their past experience of the honesty and integrity of the audited entity's management and of the persons charged with its governance. The statutory auditor and the audit firm shall maintain professional scepticism in particular when reviewing management estimates relating to the valuation of assets and liabilities at their fair values, the impairment of assets, provisions, and future cash flow relevant to the audited entity's ability to continue as a going concern.

Article 21

Independence

(1) When carrying out a statutory audit, the statutory auditor and the audit firm shall be objective and independent of the audited entity or the client pursuant to Article 23 (7). Any natural person in a position to directly or indirectly influence the outcome of the statutory audit must be independent of the audited entity and must not be involved in the decision-taking of the audited entity. Independence shall be required during the period covered by the financial statements to be audited and the period during which the statutory audit is carried out. If a statutory auditor carries out a statutory audit on behalf of an audit firm, the owners, shareholders, and members of the statutory bodies, management bodies and supervisory bodies of this audit firm or its affiliate firm may not intervene in the carrying-out of the statutory audit in any way which jeopardises the independence and objectivity of the statutory auditor.

(2) A statutory auditor and an audit firm must not carry out a statutory audit of the audited entity if they take part in its decision-making processes and are not independent of the audited

entity; impediments to the carrying-out of a statutory audit in the period under review and during the period in which a statutory audit is carried out primarily include:

a) ownership, co-ownership or membership of the audited entity or other personal interest, except for the condition referred to in paragraph 4 or paragraph 12;

b) the statutory auditor's employment relationship with the audited entity;

c) membership in the statutory bodies, management bodies or supervisory bodies of the audited entity;

d) if the auditor is a close person\(^{21}\) to the persons having a relationship with the audited entity as specified in (a) to (c);

e) performance of the duties of a trustee in bankruptcy, liquidator, or forced administrator of the audited entity pursuant to specific legislation;\(^{22}\)

f) if the audited entity has not paid for more than one year for the statutory audit carried out with respect to the preceding period;

g) the relationship referred to in (a) to (f) between the network, any natural person in a position to influence the outcome of the statutory audit, and the audited entity, including the provision of non-audit services pursuant to Article 23 (4), as a result of which a third party would conclude that the statutory auditor's or the audit firm's independence is compromised;

h) other impediments that are contrary to the Code of Ethics for Auditors.

(3) In addition to the impediments referred to in paragraph 2, the maintaining of accounting books and the preparation of financial statements of the audited entity shall also constitute an impediment to the statutory auditor's, the audit firm's and the network's independence.

(4) A statutory auditor, an audit firm, their key audit partners, their employees, and any other natural person who provides services to or is controlled by such a statutory auditor or audit firm and who is directly involved in statutory audit activities, and persons closely associated with them pursuant to specific legislation\(^{23}\) must not have a material and direct beneficial interest in securities and ownership interests issued, guaranteed, or otherwise supported by the audited entity, other than interests owned indirectly through diversified collective investment schemes, including managed funds such as pension funds or life insurance.

(5) Persons referred to in paragraph 4 must not participate in or otherwise influence the outcome of a statutory audit if they:

a) own securities and ownership interests of the audited entity, other than interests owned indirectly through diversified collective investment schemes, including managed funds such as pension funds or life insurance;

b) own securities and ownership interests of any accounting entity related to the audited entity, the ownership of which may cause, or may be generally perceived

\(^{21}\) Articles 116 and 117 of the Civil Code.

\(^{22}\) For example, Act No. 483/2001 Coll. on banks and on amendments to certain laws as amended, Act No. 566/2001 Coll. on securities and investment services and on amendments to certain laws (Act on Securities) as amended, Act No. 7/2005 Coll. on bankruptcy and restructuring and on amendments to certain laws as amended, Act No. 39/2015 Coll. on the insurance business and on amendments to certain laws.

\(^{23}\) Article 71f (3) (b) and Article 132d (1) (c), (d) and (e) of Act No. 566/2001 Coll. as amended.
as causing, a conflict of interest, other than interests owned indirectly through diversified collective investment schemes, including managed funds such as pension funds or life insurance;

c) have had an employment, business or other relationship with the audited entity within the period referred to in paragraph 1 that may cause, or may be generally perceived as causing, a conflict of interest.

(6) Persons referred to in paragraph 4 must not solicit, accept from, or provide to the audited entity or any entity related to the audited entity any pecuniary gifts or non-pecuniary gifts or other favours unless an objective, reasonable and informed third party would consider the value thereof to be inconsequential.

(7) If, during the period covered by the financial statements, an accounting entity merges, amalgamates with, is acquired by, or acquires another accounting entity, the statutory auditor and the audit firm shall be required, within three months at the latest:

a) to identify and evaluate any current or recent interests or relationships by virtue of providing any non-audit services or other relationships with the other accounting entity which could compromise the statutory auditor's independence and ability to continue with the statutory audit after the effective date of the merger, amalgamation or acquisition;

b) to adopt safeguards to terminate any current interests or relationships that could compromise their independence;

c) to adopt safeguards to minimise any threat to their independence arising from prior and current interests and relationships.

(8) A statutory auditor or a key audit partner may not take up a key management position, become a member of the audit committee or of a body performing equivalent functions, or become a non-executive member of the administrative body or a member of the supervisory board of the audited entity until one year has elapsed, or in the case of a statutory audit of a public-interest entity, two years have elapsed, since he ceased to act as a statutory auditor or key audit partner. The same restriction shall apply to persons who have been approved as statutory auditors, such as an employee, a partner other than the key audit partner, and any natural person who has provided services during the carrying-out of a statutory audit or has been under the control of the statutory auditor, for a period of one year since they were directly involved in the carrying-out of the statutory audit.

(9) A statutory auditor and an audit firm shall be required to take measures to mitigate any threats affecting their independence. A statutory auditor and an audit firm must not carry out a statutory audit if the significance of these threats compared to the measures taken is such that their independence is compromised.

(10) Before concluding a contract based on which a statutory audit is carried out (hereafter referred to as an "audit contract") or renewing an audit contract, a statutory auditor or an audit firm shall assess and document the following:

a) whether they comply with the requirements set out in paragraphs 1 to 9;

b) whether there are threats to their independence and the safeguards applied to mitigate those threats;

c) whether they have the employees, time and resources needed to carry out the statutory audit in an appropriate manner;
d) whether, in the case of an audit firm, the key audit partner is registered in the list of statutory auditors.

(11) A statutory auditor and an audit firm shall be required to document in the audit working papers all significant threats to their independence, as well as the safeguards applied to mitigate those threats.

(12) A statutory audit of the financial statements of the Authority or the Chamber carried out by a statutory auditor or an audit firm shall not constitute an impediment to the carrying-out of a statutory audit.

Article 22
Audit Working Papers

(1) A statutory auditor and an audit firm shall maintain audit working papers regarding the performance of a statutory audit in accordance with International Auditing Standards. The audit working papers shall include, inter alia:

a) the audit contract;
b) the plan and work program of the statutory audit;
c) the audit report;
d) the individual financial statements or consolidated financial statements;
e) the annual report or consolidated annual report; and
f) other documents documenting the performance of the statutory audit.

(2) A statutory auditor or an audit firm shall maintain records concerning the audited entity, which shall contain the following information for each audited entity:

a) the name, address, and place of business;
b) the name of the key audit partner;
c) the fees for the statutory audit and the fees for other services in the individual accounting periods.

(3) A statutory auditor or an audit firm shall create audit working papers for each statutory audit, in which they shall include as a minimum the information referred to in paragraph 1 and Article 21 (10) and pursuant to specific legislation.\(^{24}\) The audit working papers shall be closed no later than 60 days after the date of signature of the audit report. The statutory auditor or the audit firm shall keep records of any complaints made in writing about the performance of the statutory audits carried out and the results of the review of these complaints for a period of ten years from the date of their receipt.

(4) Audit working papers may only be accessed by natural persons authorised to perform oversight pursuant to specific legislation,\(^{25}\) persons appointed by the Authority to perform oversight, persons authorised by the Authority or by the Chamber to carry out a statutory audit quality assurance review, natural persons authorised to carry out an engagement quality control review pursuant to Article 24 (1) (k) or specific legislation\(^{26}\) and monitor the quality control system of the statutory auditor or the audit firm in accordance with the International Auditing Standards.\(^{24}\)

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\(^{24}\) Articles 6 to 8 of Regulation (EU) No. 537/2014.

\(^{25}\) For example, Act No. 483/2001 Coll. as amended, Act No. 747/2004 Coll. on oversight of the financial market and on amendments to certain laws as amended.

\(^{26}\) Article 8 of Regulation (EU) No. 537/2014.
Auditing Standards, the members of the Supervisory Board of the Chamber, the members of the Disciplinary Commission of the Chamber, a court if the proceedings concern the statutory auditor or the audit firm, and authorities dealing with criminal proceedings if the criminal proceedings concern the statutory auditor or the audit firm.

(5) Audit working papers, reports, and information contained therein shall be in the ownership of the statutory auditor or the audit firm, unless the audit contract with the accounting entity provides otherwise. The ownership of audit working papers or information in the audit working papers may not be passed on to a third party without the consent of the accounting entity or its successor, except as provided in paragraph 6.

(6) Audit working papers may only be provided to another Member State or a third country following a written application from the oversight authorities of the other Member State or the third country via the Authority, except as provided in Article 26 (7). These audit working papers shall be provided without delay and in compliance with the obligation to maintain confidentiality pursuant to Article 32.

(7) Audit working papers shall be retained for ten years after the date of preparation of an audit report.

(8) A statutory auditor and an audit firm shall not be authorised to order that changes or corrections be made to information presented by an accounting entity.

(9) A statutory auditor shall be entitled to request that the audited entity provide him with documents and other documentation, information and explanations necessary to duly carry out a statutory audit in the form requested by the statutory auditor. The obligation to provide the statutory auditor with necessary information, documents and other documentation concerning the audited entity shall also apply to the audited entity's business partners and legal representatives with the consent of the audited entity and following the statutory auditor's request. A statutory auditor shall be entitled to request from a bank or a branch of a foreign bank, with the consent of the audited entity, a report containing information concerning the audited entity maintained by the bank or the branch of a foreign bank.

(10) A statutory auditor shall be entitled to be present during reconciliation procedures regarding the audited entity's assets and liabilities or to request reconciliation procedures in the area where the statutory auditor has found discrepancies.

Article 23

(1) A statutory auditor shall carry out a statutory audit in his name and on his account, or as a shareholder, statutory body, or employee of an audit firm on its behalf and on its account, or as a statutory auditor's employee on the statutory auditor’s behalf and on his account.

(2) A statutory auditor may only employ another statutory auditor if he himself has not concluded an employment contract or does not carry out other paid activities, except for pedagogic, scientific, and publication activities.

(3) When carrying out a statutory audit, in addition to information referred to in Article 2 (1), a statutory auditor shall also be required to review other information prescribed by specific legislation. The scope of the statutory audit shall not include assurance on the

27) Article 91 (3) of Act No. 483/2001 Coll. as amended.
28) For example, Article 9 (5) (a) and (7) of Act No. 42/1992 Coll. regulating property relations and settlement of property claims in cooperatives, Article 40 (1) and Article 42 (2) of Act No. 483/2001 Coll. as amended, Article 76 of Act No. 566/2001 Coll. as amended, Article 16 (3) of Act No. 583/2004 Coll. on budgetary rules of territorial self-administration and on amendments to certain laws as amended by Act No. 426/2013 Coll.
future viability of the audited entity or on the efficiency or effectiveness of past or future decisions of the management bodies of the audited entity.

(4) A statutory auditor and an audit firm may also provide non-audit services, which shall be primarily understood as services as regards maintaining accounting books, accounting system analyses, economic and financial consulting, asset valuation, preparation of recommendations and the provision of consultations regarding a review and assessment of a business plan, and other non-audit services provided to the extent required by the audited entity or client pursuant to paragraph 7, unless Articles 21 and 33 provide otherwise.

(5) A statutory auditor and an audit firm shall carry out a statutory audit for a fee based on the written audit contract. An audit contract shall always be concluded if a statutory auditor has been chosen by the drawing of lots pursuant to specific legislation, and the fee for the statutory audit may not unjustifiably exceed the fee that the statutory auditor usually charges for a statutory audit of similar accounting entities. A statutory auditor and an audit firm shall also be entitled to reimbursement for reasonable expenses incurred in direct connection with the carrying-out of a statutory audit.

(6) As regards the appointment of a statutory auditor or an audit firm to carry out a statutory audit of an audited entity pursuant to specific legislation, any contractual clause shall be null and void if it restricts the choice by the general meeting or members' meeting of this entity to certain categories or lists of statutory auditors or audit firms.

(7) A statutory auditor and an audit firm may also conclude an audit contract with a client other than the audited entity, provided that the audited entity agrees therewith.

(8) Fees for a statutory audit may not be made conditional upon, influenced or determined in any way by:
   a) the provision of non-audit services; or
   b) other facts that jeopardise the independence, objectivity, or quality of the performance of the statutory audit.

   Article 24

   Internal Organisation of Statutory Auditors and Audit Firms

(1) When carrying out a statutory audit, a statutory auditor and an audit firm shall be required to establish, with regard to the scale and complexity of their activities:

   a) appropriate policies and procedures to ensure that the shareholders, as well as the members of the administrative bodies, management bodies and supervisory bodies of the audit firm, or of an affiliate firm, do not intervene in the carrying-out of a statutory audit in any way which jeopardises the independence and objectivity of the statutory auditor who carries out the statutory audit on behalf of the audit firm;

   b) administrative and accounting procedures, internal quality control mechanisms, effective procedures for risk assessment, and effective control and safeguard arrangements for information processing systems; such internal quality control mechanisms shall be designed to secure compliance with decisions and procedures at all levels of the audit firm or of the work organisation of the statutory auditor;

   c) appropriate policies and procedures to ensure that their employees and any other natural persons who provide services for them or are under their control, and who

29) Act No. 85/2005 Coll. on political parties and political movements as amended.
are directly involved in the statutory audit activities, have appropriate knowledge and experience for the duties assigned;

d) appropriate policies and procedures to ensure that the carrying-out of important audit functions by another legal entity or natural person is not undertaken in such a way as to impair the quality of the statutory auditor's or the audit firm's internal quality control and the ability of the competent authorities to supervise the statutory auditor's or the audit firm's compliance with the obligations laid down in this Act or specific legislation;1)

e) appropriate and effective organisational and administrative arrangements to prevent any threats to their independence as referred to in Article 21 and to identify, eliminate or manage and disclose such threats;

f) appropriate policies and procedures for carrying out statutory audits, coaching, supervising and reviewing employees' activities and organising the structure of the audit working papers as referred to in Article 22;

g) an internal quality control system to ensure the quality of the statutory audit; the internal quality control system must as a minimum cover the policies and procedures referred to in f);

h) the use of appropriate systems, resources and procedures to ensure continuity and regularity in the carrying-out of their statutory audit activities;

i) appropriate and effective organisational and administrative arrangements for dealing with and recording incidents which have, or may have, serious consequences for their statutory audit activities;

j) adequate remuneration policies and adequate profit-sharing policies, providing sufficient performance incentives to secure statutory audit quality; in particular, the amount of revenue that the statutory auditor or the audit firm derives from providing non-audit services to the audited entity shall not form part of the performance evaluation and remuneration of any person involved in, or able to influence the carrying-out of, this statutory audit;

k) the monitoring and evaluation of the adequacy and effectiveness of their systems, internal quality control mechanisms and arrangements established in accordance with this Act and specific legislation26) and the adoption of appropriate measures to address any deficiencies; other experts as referred to in Article 36 (5) may also be engaged to carry out an engagement quality control review and monitor the internal quality control system.

(2) A statutory auditor and an audit firm shall carry out an annual evaluation of the internal quality control system as referred to in paragraph 1 (g) and keep records of the findings of that evaluation and any proposed measures to modify the internal quality control system. Responsibility for the internal quality control system at an audit firm shall lie with a person who is a statutory auditor.

(3) A statutory auditor and an audit firm shall communicate the policies and procedures referred to in paragraph 1 to their employees.

(4) The provision of information to another statutory auditor for the purpose of carrying out internal quality control and for the purpose of an engagement quality control review shall not be considered a breach of the obligation to maintain confidentiality pursuant to Article 32.
A statutory auditor and an audit firm shall not be relieved of their responsibility toward the audited entity if they entrust another legal entity or natural person with the performance of important audit functions.

Article 25
Organisation of the Work of Statutory Auditors and Audit Firms

(1) A statutory auditor who employs statutory auditors and an audit firm carrying out a statutory audit shall designate at least one key audit partner, and securing statutory audit quality, independence and competence shall be the main selection criteria. The key audit partner shall be actively involved in and bear the primary responsibility for the carrying-out of the statutory audit. A statutory auditor who employs statutory auditors or an audit firm shall provide the key audit partner with sufficient resources and with personnel that have the necessary competence and capabilities to enable him to carry out his duties appropriately.

(2) When carrying out the statutory audit, the statutory auditor shall devote sufficient time to the carrying-out of the statutory audit and shall assign sufficient resources to enable him to carry out his duties appropriately.

(3) The statutory auditor and the audit firm shall be required to keep records of any breaches of the provisions of this Act or specific legislation and of any consequence of such breaches, including the measures taken to address such breaches and including the measures taken to modify their internal quality control system. The statutory auditor and the audit firm shall prepare an annual report containing an overview of any such measures taken, and the statutory auditor shall make it available to statutory auditors or assistants to statutory auditors if he employs them, and the audit firm shall make it available to all statutory auditors and assistants to statutory auditors of the audit firm.

(4) If a statutory auditor or an audit firm asks external experts for advice, they shall keep a written request related thereto and documents related to the consulting provided for a period of ten years from the date of their receipt.

Article 26
Statutory Auditor of a Consolidated Group

(1) The statutory auditor of a consolidated group shall bear responsibility for the audit report concerning the consolidated group and for the additional report to the audit committee if such a report is prepared.

(2) The statutory auditor of a consolidated group shall be required to evaluate the audit work and document the nature, timing and extent of the activities performed by any statutory auditor or audit firm, European auditor or audit firm of another Member State, and third-country auditor or third-country audit firm for the purpose of the statutory audit of the consolidated group.

(3) When carrying out the statutory audit of a consolidated group, the statutory auditor of the consolidated group shall be required to review the activities performed by any statutory auditor or audit firm, European auditor or audit firm of another Member State, and third-country auditor or third-country audit firm. The statutory auditor of the consolidated group shall be required to maintain audit working papers regarding this review. The audit working papers must be kept in such a way as to enable the Chamber and the Authority to review the work of the statutory auditor of the consolidated group. If the activities cannot be reviewed pursuant to the first sentence, the statutory auditor of the consolidated group shall take measures that include carrying out additional statutory audit work at the subsidiary accounting
(4) For the purpose of carrying out a review pursuant to paragraph 3, the statutory auditor of the consolidated group shall be required to request the agreement of the statutory auditor or audit firm, European auditor or audit firm of another Member State, and third-country auditor or third-country audit firm concerned to the transfer of the relevant audit working papers during the conduct of the statutory audit of consolidated financial statements, as a condition of the reliance on the activities of that statutory auditor or audit firm, European auditor or audit firm of another Member State, and third-country auditor or third-country audit firm.

(5) Where the statutory auditor of the consolidated group is subject to a statutory audit quality assurance review or an investigation concerning the statutory audit of the consolidated group, the statutory auditor of the consolidated group shall, when requested, make available to the Authority or the Chamber the audit working papers prepared by the respective statutory auditor or audit firm, European auditor or audit firm of another Member State, or third-country auditor or third-country audit firm for the purpose of the statutory audit of the consolidated group, including any working papers relevant to the statutory audit of the consolidated group.

(6) The Authority may request additional documentation on the audit work performed by any European auditor or audit firm of another Member State for the purpose of the statutory audit of the consolidated group from the competent authorities pursuant to Article 37. Where a statutory audit of a parent accounting entity or a subsidiary accounting entity of a consolidated group is carried out by a third-country auditor or a third-country audit firm, the Authority may request additional documentation on the audit work performed by any third-country auditor or third-country audit firm from the competent authorities from third countries through the working arrangements referred to in Article 37.

(7) If the statutory audit of certain accounting entities included in a consolidated group is carried out by an auditor from a third country or an audit firm from a third country that has no working arrangements with the Slovak Republic as referred to in Article 37, the statutory auditor of the consolidated group shall be required, when requested, to ensure delivery of the additional documentation of the audit work from the third-country auditor or the third-country audit firm. For this purpose, the statutory auditor of the consolidated group is required to retain a copy of such audit working papers, or alternatively agree with the third-country auditor or the third-country audit firm that he is to be given unrestricted access to such documentation upon request, or take any other appropriate action. Where legal impediments or other impediments prevent audit working papers from being passed from the third-country auditor or the third-country audit firm to the statutory auditor of the consolidated group, the statutory auditor of the consolidated group must retain all evidence that he has taken all necessary steps to gain access to the audit working papers.

Article 27

Audit Report

(1) The statutory auditor shall present the results of the statutory audit in an audit report.

(2) An audit report must contain the following:

a) an introduction in which the statutory auditor specifies the financial statements subject to the statutory audit, identifying:

1. the name of the accounting entity;
2. the date as of which the financial statements have been prepared and the accounting period to which the financial statements relate;

3. the procedures applied to the preparation of the financial statements;

b) a description of the scope of the statutory audit performed, which shall include the applied International Auditing Standards in accordance with which the statutory audit was conducted;

c) the statutory auditor's opinion as to whether the financial statements give a true and fair view of the financial position and the financial result in accordance with specific legislation\(^\text{31}\)) or International Accounting Standards, and the statutory auditor may express an unqualified, qualified, or adverse opinion; if the statutory auditor is unable to express an opinion on the basis of available information, the audit report shall contain a disclaimer of opinion;

d) an indication of facts emphasised by the statutory auditor without qualifying the audit opinion;

e) a statement on any material uncertainty relating to events or conditions that may cast significant doubt on the accounting entity's ability to continue as a going concern;

f) information on the home Member State of the audit firm if the statutory auditor is carrying out the statutory audit on behalf of an audit firm registered pursuant to Article 5 (2).

(3) The statutory auditor shall be required to prepare the audit report in writing and include his name, surname, licence number, the date of preparation of the audit report, and signature. The audit report shall be signed by the key statutory auditor who carried out the statutory audit on behalf of the audit firm, including his name, surname and licence number, the legal name, registered office and licence number of the audit firm, the date of preparation of the audit report, and signature.

(4) Where the statutory audit was carried out by more than one statutory auditor or audit firm, they shall agree on the results of the statutory audit and prepare a joint audit report and opinion. If the statutory auditors hold divergent opinions, each statutory auditor shall state his opinion in a separate paragraph of the audit report and shall state the reason for his opinion. The joint audit report must contain information referred to in paragraph 3 on all statutory auditors who carried out the statutory audit and must bear the signature of each statutory auditor or must contain information on each audit firm and statutory auditor pursuant to paragraph 3 and bear the signature of the key audit partner who carried out the statutory audit on behalf of the audit firm.

(5) In exceptional circumstances, information on the statutory auditor pursuant to paragraph 3 need not be disclosed to the public if such disclosure could lead to a threat to the security of any person. The statutory auditor must provide reasons for this fact and notify the Authority thereof within one month of the completion of the audit report.

(6) The statutory auditor shall include information and express his opinion on information in the annual report pursuant to specific legislation\(^\text{32}\)) in the audit report or in an appendix to the audit report. If the audited entity prepares its annual report after the date on which the

\(^{31}\) Act No. 431/2002 Coll. as amended.

\(^{32}\) For example, Article 20 (3) and Article 22b of Act No. 431/2002 Coll. as amended, Article 30 of Act No. 85/2005 Coll. as amended.
audit report is issued, the statutory auditor shall prepare an appendix to the audit report. In exceptional cases, an appendix to the audit report may also be prepared by a statutory auditor other than the statutory auditor who carried out the statutory audit of the financial statements.

(7) Audit reports and appendices to audit reports are official public documents.

(8) Paragraphs 2 to 7 shall equally apply to an audit report concerning consolidated financial statements. Where the individual financial statements of the parent accounting entity are attached to the consolidated financial statements, the audit reports may be combined.

(9) If an audit report is prepared in a foreign language, the statutory auditor or the audit firm shall ensure that it is also prepared in the Slovak language, except for an audit report referred to in Article 7.

Article 28

Professional Due Care and Liability for Damages

(1) A statutory auditor and an audit firm shall be required to carry out statutory audits with professional due care and be objective.

(2) A statutory auditor and an audit firm shall be required to comply with specific legislation, the provisions of this Act, International Auditing Standards, internal regulations issued by the Authority and by the Chamber, and the Code of Ethics for Auditors.

(3) A statutory auditor and an audit firm shall be liable for damage caused during the performance of a statutory audit of public-interest entities of up to 20 times the fee for the performance of the statutory audit and for other accounting entities of up to 10 times the fee for the performance of the statutory audit.

(4) A statutory auditor and an audit firm shall be required to conclude without delay, at the latest within ten working days of registration in the relevant list, an indemnity insurance contract with respect to any damage that may be incurred in connection with the performance of a statutory audit. A statutory auditor and an audit firm shall be required to inform the Authority in writing of the conclusion of the indemnity insurance contract or of the expiration of the indemnity insurance contract at the latest within one month of the date on which the contract was concluded or expired. A statutory auditor and an audit firm may also conclude an indemnity insurance contract in another Member State or a third country if this contract is identical or comparable with the requirements set out in paragraph 3 regarding the conclusion of such a contract in the Slovak Republic.

(5) A statutory auditor shall not be required to conclude an indemnity insurance contract if he carries out a statutory audit on behalf of an audit firm and the audit firm’s insurance covers this liability, or if his licence has been suspended. An audit firm shall not be required to conclude an indemnity insurance contract if its licence has been suspended.

Article 29

(1) A statutory auditor and an audit firm shall be required to inform, without delay, the competent authority performing oversight of the accounting entity pursuant to specific legislation, if:

a) the accounting entity has breached generally binding legislation regulating the conditions of its activities;

33) For example, Article 373 of the Commercial Code.
34) For example, Act No. 483/2001 Coll. as amended, Act No. 566/2001 Coll. as amended.
b) there exist facts that have a fundamentally negative impact on its financial management;

c) the going concern assumption is jeopardised;

d) there exist facts based on which the statutory auditor and the audit firm may refuse to issue an opinion or issue an adverse opinion on the financial statements.

(2) A statutory auditor and an audit firm shall be required to notify those who have close links35) with the accounting entity of the facts referred to in paragraph 1.

(3) If, while carrying out a statutory audit of an accounting entity, a statutory auditor and an audit firm identify facts referred to in paragraph 1 or other facts assumed to constitute an economic crime, corruption, or a crime against property, they shall be required to inform in writing and without delay the authorities dealing with criminal proceedings,36) the statutory body and the supervisory body of the accounting entity, the local council if the accounting entity is a municipality, and the council of the higher territorial unit if the accounting entity is a higher territorial unit, and the audit committee if established.

Article 30

(1) A statutory auditor and an audit firm shall be required to notify the Authority without delay, within one month at the latest, of any changes in the fulfilment of the requirements of good repute pursuant to Article 3 (9) to (11) and Article 5 (3) and of any information entered in the relevant list pursuant to Article 10 (2) and Article 11 (2) that has been changed or has ceased to be applicable; this shall be signed by the statutory auditor or the statutory representative of the audit firm. The Authority shall inform the statutory auditor or the audit firm of the deadline for and the manner of removing the reason for their good repute being compromised.

(2) A statutory auditor and an audit firm shall be required to notify the Authority in writing and without delay of their dismissal or resignation during the conduct of a statutory audit, at the latest within one month of the date of their dismissal or resignation. They shall also be required to notify the National Bank of Slovakia of their dismissal or resignation during the conduct of a statutory audit if they carried out a statutory audit of an accounting entity at which the National Bank of Slovakia performs oversight pursuant to specific legislation.35) They shall also be required to give the Authority an explanation of the reasons for their dismissal or resignation.

(3) A statutory auditor and an audit firm shall be required to provide to the Authority, at the latest within four months of the end of the accounting period, a list of audited entities for the preceding accounting period, according to the types of accounting entities. The aforementioned obligation shall not apply to a statutory auditor who carries out a statutory audit as a shareholder, statutory body or employee of the audit firm in its name and on its account.

(4) A statutory auditor and an audit firm shall be required to notify the Authority in writing within 15 days of the establishment and termination of an employment relationship of a statutory auditor employed by them. A statutory auditor and an audit firm shall be required

35) For example, Article 7 (13) of Act No. 483/2001 Coll. as amended by Act No. 213/2014 Coll., Article 8 (e) of Act No. 566/2001 Coll.

36) For example, Article 5 of Act No. 297/2008 Coll. on protection from legalisation of income from criminal activities and on protection from the financing of terrorism and on amendments to certain laws as amended.
to inform the Authority in which host Member States the statutory auditor or the audit firm is registered.

(5) If information referred to in paragraphs 1, 3 and 4 is provided in electronic form, a qualified electronic signature or a qualified electronic seal must be used.

(6) A statutory auditor and an audit firm shall be required to create conditions for an assistant to a statutory auditor that will enable him to prepare for the profession of statutory auditor. In particular, an assistant to a statutory auditor must be allowed to take part in continuing education, prepare for an examination of professional competence and take this examination.

(7) A trainer shall be required to prepare an evaluation for an assistant to a statutory auditor regarding the extent of his involvement in the performance of a statutory audit and the specific activity performed by the assistant to a statutory auditor.

Article 31

Continuing Education

(1) A statutory auditor and an assistant to a statutory auditor shall be required to take part in continuing education to maintain their knowledge and professional skills at a sufficiently high level. The Chamber shall be required to formulate the principles of continuing education for statutory auditors and assistants to statutory auditors, including the criteria and method of their evaluation. The principles of continuing education for statutory auditors and assistants to statutory auditors shall be approved by the Authority. Continuing education shall be organised by the Chamber or statutory auditors, audit firms, European auditors, audit firms from other Member States, third-country auditors, or third-country audit firms. Lecturing activities, pedagogical activities, and publication activities related to audit activities shall also be considered continuing education.

(2) A statutory auditor and an assistant to a statutory auditor shall be required to attend at least 120 hours of continuing education during a three-year cycle, and at least 20 hours a year. A statutory auditor whose licence has been suspended and an assistant to a statutory auditor whose practical training has been interrupted shall be required to take part in continuing education to the same extent. Following a request from a statutory auditor, the Authority may decide, on serious health grounds or for other serious reasons temporarily restricting the activities of the statutory auditor, to reduce the number of hours of education or interrupt the education requirement for the necessary period. Following a request from an assistant to a statutory auditor, the Chamber may decide, on serious health grounds or for other serious reasons temporarily restricting the activities of the assistant to a statutory auditor, to reduce the number of hours of education or interrupt the education requirement for the necessary period.

(3) Continuing education shall be monitored:
   a) by the Authority with respect to a statutory auditor or an audit firm carrying out a statutory audit of public-interest entities;
   b) by the Chamber with respect to a statutory auditor or an audit firm carrying out a statutory audit of accounting entities other than public-interest entities; this shall not affect the Authority's authorisation to monitor continuing education of statutory auditors or audit firms carrying out a statutory audit of accounting entities other than public-interest entities.

(4) If a statutory auditor or an assistant to a statutory auditor does not take part in
continuing education during a three-year cycle, the Commission for Continuing Education shall send a proposal for disciplinary proceedings to the Disciplinary Commission.

(5) If a statutory auditor continues to fail to take part in continuing education despite the imposition of a disciplinary measure pursuant to Article 49 (1) (b) (2), the Disciplinary Commission shall send, in accordance with Article 50 (12), a proposal to impose a sanction pursuant to Article 64 to the Authority, following a proposal from the Commission for Continuing Education.

Article 32
Obligation to Maintain Confidentiality

(1) Unless paragraphs 3 to 8, Article 24 (4) or specific legislation provide otherwise, a statutory auditor and an audit firm shall be required to maintain the confidentiality of all information that they obtain in connection with the performance of a statutory audit; this obligation shall continue after the end of the performance of a statutory audit, during the suspension of a licence, and after deletion from the relevant list. The obligation to maintain the confidentiality of all information related to the performance of a statutory audit shall also apply to assistants to statutory auditors, all shareholders in an audit firm, members of their statutory body, members of their supervisory body, and their employees. The obligation to maintain confidentiality shall also continue after the end of the performance of their duties in office, employment, or other legal relationship with a statutory auditor or an audit firm.

(2) The obligation to maintain the confidentiality of all information related to the performance of duties in office, employment relationship, or other legal relationships shall also apply to the members of the Authority's Board, members of the Supervisory Committee of the Authority, members of the Authority committees, members of the Authority commissions, members of the Supervisory Board of the Chamber, members of the Examination Commission, employees of the Authority and of the Chamber, non-practitioners and other persons who have obtained information related to oversight, the activities of the Authority, or a statutory audit quality assurance review. The obligation to maintain confidentiality shall also continue after the end of the performance of their duties in office, employment, or other legal relationship with a statutory auditor, an audit firm, the Chamber, or the Authority. The obligation to provide information pursuant to specific legislation shall not apply to the provision of information subject to the confidentiality obligation.

(3) The obligation to maintain confidentiality pursuant to paragraph 1 may be lifted by the Authority, an audited entity, or its legal successor. The obligation to maintain confidentiality pursuant to paragraph 2 may be lifted by the Authority.

(4) The obligation to maintain confidentiality shall not apply to the obligation to provide information pursuant to this Act, specific legislation, or the duty to prevent a crime from being committed.

(5) The provision of information to the Slovak Intelligence Service for the purpose of the fight against organised crime and terrorism shall not be considered a breach of the obligation to maintain confidentiality pursuant to paragraphs 1 and 2. Persons who have provided information shall be required not to divulge this fact nor divulge the gathering of information to investigate a suspicion of legalisation of income from criminal activities or

37) Act No. 211/2000 Coll. on free access to information and on amendments to certain laws (Act on Freedom of Information) as amended.
38) Article 2 (1) (d) and (2) of Act of the National Council of the Slovak Republic No. 46/1993 Coll. on the Slovak Intelligence Service as amended.
financing of terrorism. The Slovak Intelligence Service may relieve them of this obligation for the purpose of proceedings before a state authority at the request of that authority.

(6) If a statutory auditor is replaced by another statutory auditor or an audit firm is replaced by another audit firm, the former statutory auditor or former audit firm shall be required to provide the incoming statutory auditor or audit firm with access to all relevant information and provide information pursuant to this Act and specific legislation concerning the audited entity and the most recent statutory audit of that entity.

(7) A statutory auditor and an audit firm shall be required to provide information about an accounting entity if they are required to do so by this Act or specific legislation. The provision of such information shall not be considered a breach of the obligation to maintain confidentiality; the statutory auditor and the audit firm shall not incur any liability toward the accounting entity as a result of providing such information.

(8) It shall not be considered a breach of the obligation to maintain confidentiality pursuant to paragraph 1 if a statutory auditor or an audit firm that carries out an audit of an accounting entity which is part of a consolidated group whose parent accounting entity is situated in the Slovak Republic, in another Member State or in a third country provides the relevant documentation on the audit work performed to the statutory auditor of a consolidated group situated in the Slovak Republic, in another Member State or in a third country if such documentation is necessary for the performance of the statutory audit of consolidated financial statements of the parent accounting entity. A statutory auditor or an audit firm that carries out an audit of an accounting entity which has issued securities in another Member State or in a third country, or which forms part of a consolidated group issuing consolidated financial statements in another Member State or in a third country, may transfer the audit working papers on the performance of the statutory audit or other documents relating to that audited entity to a competent authority in another Member State or in the relevant third country under the conditions set out in Article 37. The transfer of information to the statutory auditor of the consolidated group in another Member State or in a third country must comply with specific legislation.

(9) Information obtained by the Authority from the competent oversight authorities of another Member State or a third country may only be used for the purpose of oversight.

Statutory Audit of a Public-Interest Entity

Article 33

(1) A statutory auditor and an audit firm carrying out a statutory audit of a public-interest entity or a company referred to in Article 2 (15) (f) may also provide to the public-interest entity or a company referred to in Article 2 (15) (f) non-audit services pursuant to specific legislation.

(2) The service referred to in paragraph 1 may be provided by a statutory auditor and an audit firm that carry out a statutory audit of a public-interest entity or a company referred to in

39) For example, Article 40 and Article 47 (1) of Act No. 483/2001 Coll. as amended, Article 3 (1) of Act No. 747/2004 Coll. as amended by Act No. 373/2014 Coll.

40) Act No. 122/2013 Coll. on personal data protection and on amendments to certain laws as amended by Act No. 84/2014 Coll.

41) Article 5 (1) (a) (i), (iv) to (vi) and (f) of Regulation (EU) No. 537/2014.
Article 2 (15) (f), provided that the provision of the service complies with the conditions set out in specific legislation.  

(3) A statutory auditor and an audit firm carrying out a statutory audit of a public-interest entity shall conclude an audit contract with the public-interest entity, unless specific legislation provides otherwise, for a minimum of two years and a maximum of three years if the audit contract with that entity is concluded for the first time (hereafter referred to as the "initial engagement"). The maximum duration of any further audit contract subsequently concluded with the public-interest entity (hereafter referred to as the "renewed engagement") may be a maximum of three years, provided that the statutory auditor is approved by the general meeting, the members’ meeting, or another body of the audited entity which appoints and dismisses a statutory auditor. An initial engagement in combination with any renewed engagements must not exceed ten years. After ten years, a renewed engagement may be extended by a maximum of:

a) 10 years if the procedure for the selection of a statutory auditor is conducted in accordance with specific legislation;

b) 14 years if at least two statutory auditors are appointed at the same time and issue an audit report pursuant to Article 27 (4).

(4) A statutory auditor or a key audit partner responsible for carrying out a statutory audit of a public-interest entity or a company referred to in Article 2 (15) (f) may carry out a statutory audit of the same entity or of the same company for a maximum of five consecutive years from the date of their appointment. They may again carry out a statutory audit of that entity or of that company after a minimum of three years have elapsed since the last statutory audit.

(5) A statutory auditor and an audit firm shall be required to provide to the Authority, at the latest within four months of the end of the accounting period, a list of public-interest entities in which they carried out a statutory audit, broken down pursuant to specific legislation.

(6) A statutory auditor and an audit firm carrying out the statutory audit of a public-interest entity shall be required to submit to the Authority information laid down in specific legislation.

(7) A duly justified claim for the dismissal of a statutory auditor or an audit firm that carries out a statutory audit of a public-interest entity may be brought before a court by:

a) shareholders representing 5% or more of the voting rights or of the share capital of the audited entity;

b) the management body or the supervisory body of the audited entity; or

c) the Authority.

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42) Article 5 (3) (a) to (c) of Regulation (EU) No. 537/2014.
43) Act No. 25/2006 Coll. on public procurement and on amendments to certain laws as amended. Act No. 343/2015 Coll. on public procurement and on amendments to certain laws.
44) Article 16 (2) to (5) of Regulation (EU) No. 537/2014.
A statutory auditor and an audit firm carrying out a statutory audit of a company referred to in Article 2 (15) (f) may not provide non-audit services pursuant to specific legislation to that company, unless paragraphs 1 and 2 provide otherwise.

Article 34

Audit Committee

(1) An accounting entity that is a public-interest entity or a company referred to in Article 2 (15) (f) shall be required to establish an audit committee, unless paragraph 5 provides otherwise. An audit committee shall have at least three members and may be established as a stand-alone committee or a committee of the management body or a committee of the supervisory body.

(2) An audit committee shall be composed of non-executive members of the management body, members of the supervisory body, or members appointed by the general meeting. If an accounting entity does not have a general meeting, members of the audit committee shall be appointed by a similar body or by the method of appointment laid down in specific legislation, and the accounting entity shall publish the composition of the audit committee in its annual report. At least one member of the audit committee shall have professional experience in accounting or statutory audit. The audit committee members as a whole must have competence relevant to the sector in which the accounting entity is operating.

(3) The chair of the audit committee shall be appointed by the members of the audit committee or by the supervisory body of the accounting entity. The chair of the audit committee and a simple majority of the members of the audit committee must be independent. An independent member shall be a natural person who is not connected with the accounting entity or its subsidiary accounting entity, shareholders, members of statutory bodies, or the statutory auditor of the accounting entity via capital holdings or personnel, is not a person close to them and has no income from the accounting entity or its subsidiary accounting entity, except for remuneration for work on the supervisory board or audit committee. Where all members of the audit committee are members of the management body or the supervisory body, they need not satisfy the condition that a majority of the members of the audit committee be independent.

(4) An audit committee shall:

a) monitor the process of preparation of financial statements and compliance with specific legislation and submit recommendations and proposals to ensure the integrity of this process;

b) monitor the effectiveness of the accounting entity's internal control, internal audit and risk management systems if they affect the preparation of financial statements;

c) monitor the performance and results of the statutory audit of individual financial statements and of the statutory audit of consolidated financial statements, taking into account any findings and conclusions by the Authority;

d) review and monitor the independence of the statutory auditor or the audit firm pursuant to Articles 21, 24 and 25 and in particular the appropriateness of the provision of non-audit services in accordance with specific legislation and services provided by the statutory auditor or the audit firm pursuant to Article 33 (1);

e) be responsible for the procedure for the selection of a statutory auditor or an audit firm and recommend the appointment of a statutory auditor or an audit firm to be approved to carry out a statutory audit for the accounting entity in accordance with specific legislation;\(^{49}\) a company referred to in Article 2 (15) (f) shall not proceed pursuant to specific legislation\(^{49}\) with regards to the procedure for the selection of a statutory auditor or an audit firm and recommendations for the appointment of a statutory auditor or an audit firm to be approved to carry out a statutory audit;

f) set a deadline for a statutory auditor or an audit firm to present a statutory declaration on their independence;

g) inform the management body or the supervisory body of the accounting entity of the outcome of the statutory audit and explain how the statutory audit of financial statements contributed to the integrity of the financial statements and what the role of the audit committee was in that process.

(5) An accounting entity that is a public-interest entity or a company referred to in Article 2 (15) (f) need not establish an audit committee if:

a) it is a subsidiary accounting entity and its parent accounting entity has established an audit committee and this committee also carries out activities referred to in paragraph 4 for the subsidiary accounting entity;

b) its registered office is in another Member State and it has established a body that carries out activities as an audit committee, established and carrying out its activities pursuant to the legislation applicable in that Member State; in this case, the accounting entity shall state in its annual report which body performs these activities and provide information on its composition;

c) it is an accounting entity referred to in Article 2 (16) (n), in which the activities of an audit committee are ensured by a similar body determined by the mayor;

d) its supervisory board carries out activities as an audit committee.

PART FOUR

STATUTORY AUDIT QUALITY ASSURANCE REVIEW, OVERSIGHT, AND INTERNATIONAL COOPERATION

Article 35

Statutory Audit Quality Assurance Review

(1) Statutory auditors and audit firms shall be subject to a statutory audit quality assurance review carried out by:

a) the Authority by inspectors appointed by the Authority for a statutory auditor and an audit firm carrying out a statutory audit of public-interest entities or companies referred to in Article 2 (15) (f);

b) the Chamber by inspectors appointed by the Chamber for statutory auditors and audit firms carrying out a statutory audit of accounting entities other than public-interest entities or companies referred to in Article 2 (15) (f); this shall not affect the Authority's authorisation to carry out statutory audit quality assurance reviews

\(^{49}\) Article 16 of Regulation (EU) No. 537/2014.
of statutory auditors and audit firms that carry out a statutory audit of accounting entities other than public-interest entities.

(2) The system of statutory audit quality assurance reviews shall be independent of the reviewed statutory auditors and audit firms and the funding for the statutory audit quality assurance review must be free from any influence by statutory auditors and audit firms. The system of statutory audit quality assurance reviews carried out by the Chamber shall be subject to oversight performed by the Authority.

(3) A natural person who meets the following criteria may be appointed as an inspector:
   a) is fully capable of performing legal acts;
   b) is of good repute as referred to in Article 3 (9) to 11;
   c) has a second-level university degree;
   d) has practical experience in statutory audit and preparation of financial statements;
   e) has completed training focused on a statutory audit quality assurance review organised by the Authority or the Chamber;
   f) has never been, or has not been for at least three years, a partner or employee of, or otherwise associated with, the statutory auditor or the audit firm in which he carries out the statutory audit quality assurance review;
   g) has declared that there is no conflict of interest between him and the statutory auditor or the audit firm in which a statutory audit quality assurance review is to be carried out.

(4) The selection of entities to be subject to a statutory audit quality assurance review shall be effected on the basis of an analysis of the risk and must be carried out as a minimum:
   a) every three years in the case of a statutory auditor and an audit firm that carried out a statutory audit of an accounting entity that is a public-interest entity or a company referred to in Article 2 (15) (f);
   b) every six years in the case of other statutory auditors and audit firms.

(5) A statutory audit quality assurance review shall be appropriate and proportionate with regard to the scale and complexity of the activity of the reviewed statutory auditor or audit firm, and the inspector shall primarily assess the following, using files selected from the audit working papers:
   a) compliance with International Auditing Standards, the provisions of this Act, specific legislation, the Code of Ethics for Auditors, and the internal regulations of the Authority and the Chamber;
   b) the requirements concerning the statutory auditor's independence;
   c) the quantity and quality of resources spent, in particular the quantity and quality of statutory audit personnel and the number of statutory audit hours;
   d) the adequacy of the statutory audit fees;
   e) the internal quality control system of the audit firm.

(6) The statutory audit quality assurance review shall result in a report on the statutory audit quality assurance review, which shall contain the main findings of the statutory audit quality assurance review. The obligation to provide information pursuant to specific legislation shall not apply to information on a statutory audit quality assurance review and
the result of the statutory audit quality assurance review. A report on the statutory audit quality assurance review carried out pursuant to paragraph 1

a) (a), shall be sent by the inspector to the Committee for Statutory Audit Quality Assurance which, after evaluating the report, shall stipulate recommendations and appropriate deadlines for the removal of the deficiencies found;

b) (b), shall be sent by the inspector to the Supervisory Board of the Chamber, which, after evaluating the report, shall stipulate recommendations and appropriate deadlines for the removal of the deficiencies found.

(7) A statutory auditor and an audit firm shall be required to document the fulfilment of the recommendations for the removal of deficiencies by the specified deadline to the Supervisory Board of the Chamber or to the Committee for Statutory Audit Quality Assurance. If the statutory auditor and the audit firm fail to follow the recommendations referred to in paragraph 6, the chair of the Supervisory Board of the Chamber shall send a proposal for disciplinary proceedings before the Chamber and the chair of the Committee for Statutory Audit Quality Assurance shall send a proposal for proceedings before the Authority on the imposition of a sanction.

(8) The Chamber shall submit to the Authority an overview of the overall results of statutory audit quality assurance reviews for the preceding calendar year at the latest by 31 March and publish the same on its website at the latest by 30 April of the current year. The Authority shall publish the overview of the overall results of statutory audit quality assurance reviews on its website without delay, by 31 May of the current year at the latest.

(9) The Authority shall inform the Chamber of which statutory auditors and audit firms are subject to a statutory audit quality assurance review pursuant to paragraph 1 (a). The Authority and the Chamber shall set out the principles of a statutory audit quality assurance review in their internal regulations, and the Chamber shall submit them to the Authority for approval. These internal regulations shall not be published or made available pursuant to specific legislation.37).

Article 36

Oversight

(1) Oversight for statutory auditors, audit firms, companies referred to in Article 2 (15) (f), and public-interest entities shall be focused on the fulfilment of the obligations laid down in this Act and specific legislation in connection with statutory audit. Audit services and non-audit services shall be subject to oversight to the extent necessary for the performance of oversight. Oversight for the Chamber shall be focused on the fulfilment of the obligations prescribed by this Act for the Chamber.

(2) The Authority shall perform oversight by investigation, usually using non-practitioners and experts (hereafter referred to as the "person performing oversight") with whom the Authority may conclude a contract for the performance of specific tasks if necessary. Oversight shall be free from any undue influence by statutory auditors and audit firms.

(3) The system of oversight approved in other Member States shall be considered equivalent to oversight in the Slovak Republic.

(4) For the purpose of this Act, "non-practitioner" shall mean a natural person who, during his involvement in the bodies of the Authority and for at least three years preceding that involvement, has not carried out statutory audits, has not held voting rights in an audit firm, has not been a member of the statutory body, management body or supervisory body of an
audit firm and has not been employed by, or otherwise closely associated with, an audit firm. A non-practitioner may be an employee of the Authority, a member of an Authority body, or a person who performs oversight based on a contract with the Authority, has been authorised to perform oversight, and acts on behalf of the Authority. A non-practitioner must have a second-level university degree and practical experience in statutory audit.

(5) For the purpose of this Act, "expert" shall mean a natural person with specific expertise in financial markets, accounting, statutory audit or other fields relevant for the performance of oversight. An expert who is a statutory auditor may not be an employee of the Chamber or a member of the bodies of the Chamber, except for the Assembly. An expert who performs oversight must be independent.

(6) The person performing oversight shall ascertain and assess information on the entities subject to oversight and their activities, at the entity's premises subject to oversight and at the location required for the purpose of oversight. Oversight shall be performed to the extent necessary to achieve the objective specified in this Act.

(7) Prior to the commencement of the performance of oversight, the Authority shall deliver to the entity subject to oversight a written notification on the commencement of the oversight. This notification must include the location of the performance of the oversight, the date of the commencement of the oversight, the subject of the oversight, the period subject to oversight, the planned duration of the oversight, the name and surname of the person performing the oversight, the seal of the Authority, the signature of the authorised employee of the Authority and his name, surname, and position.

(8) The Authority shall be authorised to commence oversight without the notification referred to in paragraph 7 if there is a threat that accounting documents or other documents will be damaged, destroyed, or altered.

(9) A person performing oversight shall be excluded from the oversight if there are doubts about his objectivity as regards his relationship to the subject of the oversight, the entity subject to the oversight or its employees. The Authority shall be required to ensure the proper continuation and completion of the oversight.

(10) A person performing oversight whose objectivity is in doubt may only perform essential acts regarding the matter until a decision on his objectivity has been issued.

(11) The person performing oversight, the entity subject to the oversight, and other persons participating in the oversight shall be required to notify the Managing Director of the Authority without delay of the facts referred to in paragraph 9. The Authority shall decide on this notification at the latest within ten working days of its delivery.

(12) The exclusion from oversight of a person performing oversight shall be decided by an authorised employee of the Authority, who may also decide on the exclusion at his own discretion. He shall inform the Committee for Statutory Audit Quality Assurance on the exclusion in writing.

(13) With respect to the person performing oversight, the entity subject to oversight shall be entitled to:

a) request the presentation of a service card and a written authorisation to perform oversight;

b) submit evidence documenting his statements during the oversight;

c) comment on facts identified during the oversight and the method of their finding;
d) attend meetings with other persons participating in the proceedings, for example, certified experts and witnesses;

e) take part in the discussion on the protocol on the oversight performed (hereafter referred to as the "protocol").

(14) With respect to the person performing oversight, the entity subject to oversight shall have the following duties:

a) to enable the person performing oversight to perform the oversight;

b) to ensure an appropriate location and conditions for the performance of the oversight;

c) to allow access to the land, seat, and operating premises of the entity subject to the oversight and enable discussion with its employees;

d) to provide information, documents, and other written materials in written or technical form, or their notarised translations if the documentation is in a foreign language, as well as explanations and standpoints on them;

e) to lend out documents outside the seat or operating premises of the entity subject to oversight or provide extracts from or copies of these documents.

(15) If the entity subject to oversight does not provide documents and other written materials referred to in paragraph 14 (d), it shall be presumed not to have prepared them.

(16) The person performing oversight shall confirm the receipt of documents referred to in paragraph 14 (e) with his signature upon their receipt.

(17) The person performing oversight shall prepare a protocol on the outcome of the oversight, which shall contain the following information:

a) the name, surname, and permanent address if the entity subject to oversight is a natural person, and the legal name, registered office, and identification number if the entity subject to oversight is a legal entity;

b) the names, surnames, and positions of the persons taking part in the oversight;

c) the location of the oversight, the date of commencement and the duration of the oversight;

d) the subject of the oversight and the period subject to the oversight;

e) the documented findings;

f) the deadlines for comments on the protocol;

g) the date of preparation of the protocol;

h) the date of the discussion on the protocol;

i) the name, surname, and handwritten signature of the person performing the oversight;

j) the handwritten signature of the entity subject to oversight or its authorised representative.

(18) The protocol shall be signed after it has been discussed. The person performing oversight shall record the refusal of the entity subject to oversight to sign the protocol and the reason for the refusal, if known. The person performing oversight shall give a copy of the protocol to the entity subject to oversight. If the entity subject to oversight refuses to sign or
take over the protocol, or if the entity or its authorised representative fails to participate in the discussion on the protocol, the date specified in the invitation to discuss the protocol shall be considered the date on which the protocol was discussed and delivered.

(19) Oversight shall be deemed completed as of:
   a) the date of the discussion on the protocol by the Committee for Statutory Audit Quality Assurance, unless a proposal to initiate proceedings pursuant to Article 64 has been submitted;
   b) the effective date of a decision on the imposition of a sanction if a proposal to initiate proceedings on the imposition of a sanction has been submitted.

(20) The Authority shall retain the protocol for a period of ten years following the year in which the oversight was completed. The obligation to provide information pursuant to specific legislation shall not apply to information on oversight and the outcome and findings of the oversight.

(21) State authorities, territorial self-administration authorities, and entities subject to oversight shall be required to provide the Authority with information necessary for the performance of oversight. If they possess documents that may serve as evidence during oversight, they shall be required to submit or lend the documents to the Authority, unless this is contrary to specific legislation.50)

Article 37

International Cooperation Regarding Oversight

(1) The Authority shall ensure cooperation with competent oversight authorities of other Member States and third countries. The Authority shall be entitled to request that an investigation of the activities of a European auditor or an audit firm of another Member State be carried out by the competent oversight authority of the other Member State or request that its own personnel be allowed to participate in the investigation of the activities of an auditor or an audit firm of the other Member State. The investigation shall be subject to the oversight by the Member State in whose territory it is conducted.

(2) For oversight of consolidated financial statements, no additional requirements may be imposed with respect to registration in the relevant list, a statutory audit quality assurance review, International Auditing Standards, ethics and independence of the statutory auditor or the audit firm carrying out a statutory audit of a subsidiary accounting entity established in another Member State.

(3) If the securities of an accounting entity that has its registered office in another Member State are traded on a regulated market in the Slovak Republic, the Slovak Republic may not impose any additional requirements concerning registration in the relevant list, a statutory audit quality assurance review, International Auditing Standards, the ethics and independence of the statutory auditor or the audit firm carrying out a statutory audit of this accounting entity.

(4) The Authority shall, when requested, supply any information obtained in relation to oversight to the competent oversight authorities of other Member States. If the Authority is unable to comply with a request to provide information, it shall notify the requesting authority thereof and state the reasons without delay. This information may be used to the extent

50) For example, Act No. 215/2004 on the protection of confidential information and on amendments to certain laws as amended.
defined in this Act and within administrative or judicial proceedings related to the performance of the statutory audit.

(5) The provision of information or an investigation referred to in paragraph 1 may be refused for the following reasons:

a) the supplied information or an investigation could adversely affect the sovereignty, security, or public order of the Slovak Republic;

b) judicial proceedings have been initiated with respect to the same actions and against the same statutory auditors and audit firms before the competent authorities of the Slovak Republic;

c) final judgment has been passed with respect to the same actions and on the same statutory auditors or audit firms by the competent authorities of the Slovak Republic.

(6) If the Authority possesses documented information that activities contrary to this Act or the Code of Ethics for Auditors are being or have been carried out in another Member State, it shall inform the competent oversight authority of the other Member State thereof. If the Authority obtains information referred to in the first sentence from the competent oversight authority of another Member State, it shall adopt measures pursuant to this Act against the statutory auditor or the audit firm and shall inform the competent oversight authority of the other Member State thereof.

(7) The Authority may, when requested by the competent oversight authorities of third countries, supply audit working papers, reports on statutory audit quality assurance reviews, and protocols on oversight concerning the statutory audit if:

a) the audited entity has issued securities in that third country or forms part of a consolidated group preparing consolidated financial statements in that third country;

b) the competent oversight authority of the third country complies with the requirement of equivalence of the performance of oversight with respect to the competent oversight authorities of other Member States; the fulfilment of the requirement of equivalence shall be considered appropriate if the European Commission so decides;

c) working arrangements exist between the Authority and the competent oversight authority of the third country, which also contain provisions on the mutual exchange of audit working papers;

d) the protection of personal data and the use of the obtained information solely for the purpose of oversight have been ensured.

(8) Working arrangements referred to in paragraph 7 (c) must include the following:

a) a requirement regarding the justification of the request;

b) a provision that employees of the competent oversight authority of the third country shall be subject to the obligation to maintain confidentiality;

c) a provision that the competent oversight authority of the third country may only use the audit working papers for the purpose of oversight, statutory audit quality assurance reviews, and investigations;

d) a provision that the protection of the commercial interests of the accounting entity, including its industrial and intellectual property, is not threatened;
e) the option to refuse to provide audit working papers if their provision were to adversely affect the sovereignty, security, or public order of other Member States or if proceedings have been initiated with respect to the same actions and against the same persons before the competent authorities of the Slovak Republic, or if the competent authorities of the Slovak Republic have already passed final judgment with respect to the same actions and on the same persons.

Article 38

Reporting of Breaches

(1) For the purpose of the reporting of breaches pursuant to this Act:

a) "whistle-blower" shall mean a natural person who in good faith makes a report to the Authority or an audit firm;

b) "report" shall mean the provision of facts concerning any breaches of this Act and specific legislation) of which the whistle-blower becomes aware in connection with his employment relationship, profession, position or function;

c) "complaint" shall mean a non-anonymous or anonymous report made by a whistle-blower; a report that does not include the name, surname, and address of the person shall be considered anonymous;

d) "good faith" shall mean the conduct of a whistle-blower who, given the circumstances known to him and the knowledge possessed by him at the time, is convinced of the veracity of the disclosed facts.

(2) The Authority shall be required to accept and investigate every complaint. The Managing Director of the Authority shall appoint an organisational unit or a natural person (hereafter referred to as the "person in charge") directly reporting to the Managing Director to be responsible for receiving and recording complaints. The designation of the person in charge and the methods of filing complaints must be published on the Authority's website.

(3) When investigating a non-anonymous complaint, the Authority shall be required to keep confidential the identity of the person who filed the complaint. The person in charge shall forward the complaint to the Committee for Statutory Audit Quality Assurance, which shall consider performing oversight pursuant to Article 36. In the case of a non-anonymous complaint, the Authority shall inform in writing the person who filed the complaint of the outcome of the investigation of the complaint within 60 days of its completion; confidentiality must be maintained pursuant to Article 32.

(4) The Authority shall keep records of complaints pursuant to paragraph 2 for a period of five years and as a minimum to the following extent:

a) the date of delivery of the complaint;

b) the name, surname, and permanent residence or temporary residence address of the person who filed the complaint; in the case of an anonymous complaint, a note stating that it is an anonymous complaint shall be attached;

c) the subject of the complaint;

d) the outcome of the investigation of the complaint;

e) the date of completion of the investigation of the complaint.

(5) The Authority shall issue an internal regulation specifying details of the following:
a) filing complaints;
b) investigation of complaints and the authorisations of the person in charge;
c) the procedure for investigating complaints;
d) keeping confidential the identity of the person who filed a complaint;
e) recording complaints;
f) processing of personal data contained in a complaint.

(6) An audit firm shall establish appropriate internal procedures for its employees to report potential or actual breaches of this Act or specific legislation.1) The provisions of paragraphs (1) to (5) shall apply to an audit firm where appropriate.

(7) Specific legislation51) shall not apply to proceedings referred to in paragraphs 1 to 6.

PART FIVE

THE CHAMBER

Article 39

(1) The Chamber is an independent self-administrative professional organisation that associates statutory auditors and audit firms registered in the list of members of the Chamber.

(2) The Chamber is a legal entity with its registered office in Bratislava.

(3) To perform its tasks, the Chamber may establish territorial sections. Details regarding the establishment of territorial sections shall be stipulated in an internal regulation of the Chamber.

Article 40

Tasks of the Chamber

The Chamber shall primarily:

a) represent, protect, and assert the legitimate interests of its members and assistants to statutory auditors;
b) provide methodological guidance to members of the Chamber and assistants to statutory auditors on statutory audit, accounting, ethics, and International Accounting Standards;
c) ensure the proper execution of statutory audit and a high professional level of statutory auditors and assistants to statutory auditors;
d) deal with suggestions, proposals, and complaints made by members of the Chamber and assistants to statutory auditors with regard to their rights and duties arising from this Act; it shall inform the Authority once a year of the investigation of suggestions, proposals, and complaints;
e) issue a confirmation of membership in the Chamber and its termination and a confirmation of the payment of a membership fee;

51 ) Act No. 9/2010 Coll. on complaints as amended by Act No. 289/2012 Coll.
f) following an approval by the Assembly, issue the statutes of the Chamber and internal regulations of the Chamber and monitor their observance;

g) select a statutory auditor by drawing lots to carry out a statutory audit of an accounting entity referred to in specific legislation\(^ {29} \), except for a statutory auditor who is an employee of the statutory auditor or the audit firm; if an impediment to the performance of a statutory audit pursuant to Article 21 applies to the selected auditor, the drawing of lots shall be repeated;

h) carry out a statutory audit quality assurance review pursuant to Article 35;

i) organise and control the continuing education of statutory auditors and assistants to statutory auditors pursuant to Article 31;

j) conduct disciplinary proceedings and impose disciplinary measures pursuant to Articles 49 and 50;

k) make comments on draft legislation relating to statutory auditors' activities;

l) cooperate and exchange information with other authorities if specific legislation so provides;\(^ {52} \)

m) cooperate with the Authority in the performance of oversight;

n) maintain a list of members of the Chamber; the Chamber shall stipulate the details of the list in an internal regulation;

o) maintain a list of assistants to statutory auditors and a list of trainers and publish them on its website; the Chamber shall stipulate the details of the list of trainers in an internal regulation;

p) issue the Code of Ethics for Auditors;

q) perform other tasks as stipulated in an internal regulation of the Chamber.

### Article 41

**Membership in the Chamber**

(1) Membership in the Chamber shall commence upon registration in the list of members of the Chamber.

(2) Membership in the Chamber shall be mandatory for all statutory auditors and audit firms for which the Slovak Republic is the home Member State. Registration in the Chamber's list of assistants to statutory auditors shall not establish membership in the Chamber for an assistant to a statutory auditor.

(3) Membership in the Chamber shall be terminated upon deletion of the statutory auditor or the audit firm from the list of members of the Chamber. The Chamber shall issue a confirmation on the termination of membership.

### Article 42

**Rights and Duties of Statutory Auditors, Audit Firms, and Assistants to Statutory Auditors Toward the Chamber**

\(^ {52} \) For example, Article 6 (13) of Act No. 483/2001 Coll. as amended, Article 3 (1) and (2) of Act No. 747/2004 Coll. as amended by Act No. 373/2014 Coll.
(1) A statutory auditor and an audit firm shall be entitled to elect candidates to the bodies of the Chamber. A statutory auditor has the right to be elected to the bodies of the Chamber.

(2) The Chamber shall stipulate the duties of a statutory auditor and an audit firm in its internal regulations.

(3) An assistant to a statutory auditor shall be required to:
   a) familiarise himself and comply with the internal regulations of the Chamber;
   b) report any changes in information concerning him personally in connection with his preparation for the statutory auditor profession;
   c) fulfil resolutions adopted by the bodies of the Chamber and notify the Chamber of any changes in the fulfilment of the requirements of good repute referred to in Article 3 (9) to (11).

(4) A statutory auditor, an audit firm and an assistant to a statutory auditor shall be required to pay membership fees to the Chamber and make other monetary payments prescribed by the internal regulations of the Chamber. Membership fees of a statutory auditor and an audit firm shall be reduced by an annual contribution paid pursuant to Article 68 (3) (e) and an annual registration fee referred to in Article 68 (7).

Article 43

Bodies of the Chamber and Their Powers

(1) The bodies of the Chamber are:
   a) the Assembly;
   b) the Presidium;
   c) the Supervisory Board; and
   d) the Disciplinary Commission.

(2) The term in office of members of the bodies of the Chamber referred to in paragraph 1 (b) to (d) shall be four years, unless paragraph 7 provides otherwise. The term in office shall begin on the date of approval by the Assembly. The same natural person may be re-elected as a member of a body of the Chamber, but only for a maximum of two consecutive terms in office. If membership in the bodies of the Chamber ends prior to the expiration of the term in office for any of the reasons referred to in paragraph 7 (b) to (f), a new member of the body of the Chamber shall be elected for the remainder of the term in office of the member of the Chamber body whom he has replaced in office.

(3) A candidate for a member of a body of the Chamber shall be required to document before taking up his duties that he meets the requirements of good repute laid down in Article 3 (9) to (11). Members of the bodies of the Chamber shall be required to report any changes in the fulfilment of the requirements of good repute laid down in Article 3 (9) to (11) on an annual basis.

(4) The duties performed for the bodies of the Chamber shall be honorary. For the performance of these duties, statutory auditors shall be entitled to reimbursement for travel expenses, reimbursement for expenses incurred, and to compensation for their time. Details of reimbursement and compensation shall be stipulated in the statutes of the Chamber.
The Chamber shall provide detailed guidance for the election of members of the bodies of the Chamber in the Election Procedure Rules.

Details of the organisation of the Chamber, its bodies and their scope of activities, the number of members of the Presidium, the Supervisory Board, and the individual commissions shall be stipulated in the statutes of the Chamber.

The duties of the President of the Chamber and members of the bodies of the Chamber shall cease:

a) as of the date of expiration of their term in office;
b) upon resignation; as of the date of delivery of a written request to the Chamber;
c) upon ceasing to be of good repute as referred to in Article 3 (9) to (11) based on a decision of the Chamber's Disciplinary Commission;
d) upon expulsion from the Chamber;
e) upon dismissal;
f) if they die or are pronounced legally dead.

The Chamber shall issue internal regulations of the Chamber in accordance with this Act. The internal regulations of the Chamber shall also contain details regarding the establishment of the Commission for Continuing Education, the Commission for Statutory Audit Quality Assurance, and other commissions that the Chamber may establish in order to support its activities.

Membership in the individual elected bodies of the Chamber shall be mutually incompatible.

**Article 44**

**The Assembly**

(1) The Assembly is the highest body of the Chamber. The Assembly shall consist of statutory auditors and audit firms registered in the list of members of the Chamber, including statutory auditors and audit firms whose licences have been suspended pursuant to Article 9.

(2) The Assembly shall be convened by the Presidium, as a rule once a year. If at least one third of the members of the Chamber request so in writing, the Presidium shall be required to convene the Assembly at the latest within two months of the date of delivery of a written request to the Chamber.

(3) The Assembly shall:

a) elect and dismiss the President of the Chamber;
b) elect and dismiss members of the bodies of the Chamber;
c) approve the statutes of the Chamber and amendments thereto;
d) approve internal regulations of the Chamber and amendments thereto, in particular the Election Procedure Rules, the Official Procedure Rules, the financial management principles, and the Code of Ethics for Auditors, except for internal regulations subject to approval by the Authority;
e) approve the amount of registration fees and membership fees; the approval of membership fees shall require the consent of a four-fifths majority of the members present;
f) approve the budget of expenses and income and financial statements of the Chamber.

Article 45
The Presidium

(1) The Presidium shall consist of the President of the Chamber and members of the Presidium. The Presidium shall be the executive body of the Chamber during the period between two meetings of the Assembly and shall be bound by the resolutions adopted by the Assembly. The Presidium shall fulfil resolutions adopted by the Assembly and shall be accountable to the Assembly for its activities.

(2) The number of the Presidium members responsible for each territorial section must correspond to the ratio between the number of members of the Chamber in the territorial section and the total number of members of the Chamber, and each territorial section must be represented by at least one member.

(3) The President of the Chamber is the statutory body of the Chamber; he shall represent the Chamber toward third parties, act on its behalf on all matters, and manage the employees of the Chamber.

(4) The Presidium shall:
   a) convene the Assembly and prepare documents for its meeting;
   b) be responsible for publication, documentation, and study activities within the statutory audit profession;
   c) ensure methodological guidelines for statutory auditors and assistants to statutory auditors pursuant to Article 40 (b);
   d) establish the Commission for Continuing Education and the Commission for Statutory Audit Quality Assurance, as well as other executive commissions to ensure the activities imposed on the Chamber by this Act;
   e) submit the principles of a statutory audit quality assurance review to the Authority for approval;
   f) approve the amount of fees for entry tests and payments for services provided by the Chamber;
   g) organise international activities of the Chamber with respect to its membership in international institutions;
   h) ensure participation of members of the Chamber in activities requiring participation of statutory auditors;
   i) submit documents referred to in Article (44) (3) (c) to (f) to the Assembly for approval;
   j) decide on appeals pursuant to Article 50 (9);
   k) submit the principles of continuing education of statutory auditors and assistants to statutory auditors, including the criteria and method of evaluation of continuing education, to the Authority for approval;
l) appoint inspectors of the Chamber;
m) determine the extent of data processed in records maintained by the Chamber.

(5) The Presidium shall be convened by the President of the Chamber as necessary.

Article 46

The Supervisory Board

(1) The Supervisory Board is the control body of the Chamber.

(2) The Supervisory Board shall:
   a) control the activities of the bodies of the Chamber;
   b) control the financial management of the Chamber;
   c) examine and prepare proposals for the President of the Chamber for processing complaints;
   d) control the fulfilment of recommendations for the removal of deficiencies by the specified deadline in accordance with Article 35 (7);
   e) send proposals for disciplinary proceedings as referred to in Article 35 (7);
   f) send proposals for disciplinary proceedings if a statutory auditor, an audit firm, or an assistant to a statutory auditor fails to pay membership fees or make other monetary payments, or if a statutory auditor, an audit firm, or an assistant to a statutory auditor breaches the internal regulations of the Chamber;
   g) deal with complaints that compromise the good repute of an assistant to a statutory auditor, set the deadline for and the manner of restoring good repute, and control compliance with the deadline and the manner of restoring good repute; if it ascertains that the deadline for and the specified manner of restoring good repute have not been complied with, it shall send a proposal for disciplinary proceedings before the Chamber.
   h) convene an extraordinary meeting.

Article 47

Commission for Continuing Education

The Commission for Continuing Education shall:
   a) formulate the principles of continuing education of a statutory auditor and an assistant to a statutory auditor, including the criteria and method of evaluation of continuing education and the plan of continuing education of statutory auditors and assistants to statutory auditors;
   b) organise continuing education of statutory auditors and assistants to statutory auditors, and professional training for inspectors referred to in Article 35 (3);
   c) control the fulfilment of the continuing education requirements referred to in Article 31;
   d) send proposals for disciplinary proceedings as referred to in Article 31 (4);
   e) send proposals to the Disciplinary Commission pursuant to Article 31 (5);
f) decide on a request from an assistant to a statutory auditor for a reduction in the number of hours of continuing education or interruption of continuing education as referred to in Article 31 (2).

Article 48

Commission for Statutory Audit Quality Assurance

(1) The Commission for Statutory Audit Quality Assurance shall formulate:
   a) the principles of a statutory audit quality assurance review pursuant to Article 35 (1) (b);
   b) the rules of the selection of inspectors;
   c) a plan for a statutory audit quality assurance review for a calendar year.

(2) The Commission for Statutory Audit Quality Assurance shall ensure a statutory audit quality assurance review pursuant to Article 35 by inspectors.

Article 49

Disciplinary Measures

(1) For a breach of the obligations laid down in this Act, International Auditing Standards, the Code of Ethics for Auditors, or the internal regulations of the Chamber (hereafter referred to as a "breach of discipline"), the Disciplinary Commission shall impose the following disciplinary measures on a statutory auditor, an audit firm, or an assistant to a statutory auditor (hereafter referred to as the "person liable to disciplinary action"):  
   a) a written warning for failure to comply with the obligations laid down in:
      1. Article 29, Article 30 (6) and (7), Article 31 (1) and (2) and Article 35 (7), to a statutory auditor and an audit firm;
      2. Article 13 (8), Article 31 and Article 42 (3) and (4), to an assistant to a statutory auditor, which shall be recorded in the list of assistants to statutory auditors;
      3. Article 43 (3), to a member of a body of the Chamber;
   b) a fine of up to EUR 3,000 on a statutory auditor and a fine of up to EUR 15,000 on an audit firm for failure to comply with the obligations laid down in:
      1. Articles 19, 21, Article 22 (1) to (8), Articles 24, 25, Article 26 (2), (3) and (7), Article 27, Article 28 (1) and (2), Article 32, Article 38 (6) and Article 42 (4);
      2. Article 29, Article 30 (6) and (7), Article 31 (1) and (2), Article 35 (7), and Article 42 (2) if the imposition of a sanction referred to in (a) has not led to a remedy and the unlawful state of affairs persists;
   c) deletion of an assistant to a statutory auditor from the list of assistants to statutory auditors for a breach of the obligations laid down in:
      1. Article 14 (1) (d) to (h) and Article 32;
      2. Article 13 (8), Article 31 and Article 42 (3) and (4) if the imposition of a sanction referred to in (a) has not led to a remedy and the unlawful state of affairs persists.
(2) A fine referred to in paragraph 1 (b) shall be payable within 30 days of the effective date of the decision on the imposition of the fine.

(3) Fines referred to in paragraph 1 (b) shall constitute income of the Chamber.

Article 50

**Disciplinary Commission and Disciplinary Proceedings**

(1) When imposing a disciplinary measure, the Disciplinary Commission shall consider the gravity and the duration of the unlawful conduct, the extent of its consequences, and a possible repeated breach of obligations or breach of several obligations.

(2) Details of disciplinary proceedings shall be stipulated in the Disciplinary Procedure Rules, which the Chamber shall send to the Authority for approval.

(3) The Disciplinary Commission shall decide on the imposition of a disciplinary measure during disciplinary proceedings which shall be initiated following a proposal from:
   a) the chair of the Supervisory Board as referred to in Article 46 (2) (c) to (g);
   b) the chair of the Commission for Continuing Education as referred to in Article 47 (d).

(4) A proposal to initiate disciplinary proceedings may be submitted within six months of the date on which the breach of discipline was identified, and at the latest within three years of the date on which the breach of discipline occurred.

(5) The Disciplinary Commission shall issue a decision within three months of the date of delivery of the proposal and, in exceptionally complicated cases, at the latest within 12 months of the date of delivery of the proposal.

(6) The party to disciplinary proceedings shall be entitled to make comments on all facts subject to the disciplinary proceedings. He shall have the right to defend himself and bring forward evidence to be submitted at the disciplinary proceedings.

(7) A written decision on a breach of discipline shall contain a ruling, an explanation, and instructions for appeal. The ruling by which a person liable to disciplinary action is found guilty of a breach of discipline shall also include a ruling regarding the obligation to pay to the Chamber the fixed costs of the disciplinary proceedings in the amount of 20% of the minimum subsistence figure laid down in specific legislation53) within 15 days of the effective date of the decision. The written decision shall be delivered and addressed to the attention of the person liable to disciplinary action. The person liable to disciplinary action shall bear the costs that he incurred as the party to the disciplinary proceedings.

(8) The person liable to disciplinary action, the chair of the Supervisory Board or the chair of the Commission for Continuing Education may lodge an appeal against the decision of the Disciplinary Commission to impose a disciplinary measure on the person liable to disciplinary action within 15 days of the delivery of the decision. The appeal shall be lodged with the Disciplinary Commission and shall have suspensive effect.

(9) An appeal shall be decided by the Presidium. The Presidium shall review the decision in full and shall uphold, alter or overrule the contested decision, or reverse it and return the matter to the Disciplinary Commission for new proceedings and a decision. The Presidium shall issue a ruling within three months of the date of delivery of a proposal, and, in

53) Article 2 (a) of Act No. 601/2003 Coll. on minimum subsistence and on amendments to certain laws as amended.
exceptionally complicated cases, at the latest within 12 months of the date of delivery of a proposal. The Disciplinary Commission shall be bound by the legal opinion of the Presidium.

(10) A decision of the Presidium on an appeal cannot be further appealed.

(11) The legality of a valid decision issued by the Disciplinary Commission pursuant to this Act may be reviewed by a court in accordance with specific legislation.54)

(12) If a statutory auditor and an audit firm are found to have breached an obligation for which a disciplinary measure has already be imposed pursuant to Article 49 (1) (b), the Disciplinary Commission shall submit to the Committee for Statutory Audit Quality Assurance a proposal for further proceedings.

(13) A disciplinary measure referred to in Article 49 (1) (a) (1) and (b) cannot be imposed if the Authority has already imposed a sanction on the statutory auditor and the audit firm for the same breach of obligations.

(14) When requested by an assistant to a statutory auditor, the Chamber shall expunge a disciplinary measure recorded in the list of assistants to statutory auditors after one year has elapsed since its imposition if the disciplinary measure was imposed pursuant to Article 49 (1) (a) (2) and only if the assistant to a statutory auditor documents that he was of good repute and did not commit another breach of discipline during that period.

Article 51

Financial Management of the Chamber

(1) The Chamber shall manage its assets. The sources of income of the Chamber shall consist of registration fees, membership fees, fees for entry tests, monetary payments specified in the internal regulations of the Chamber, remuneration for services provided by the Chamber, donations, fines, and other income.

(2) The Chamber shall finance expenses incurred when undertaking its activities and the development of statutory audit from its income.

(3) The Chamber shall maintain accounting books in accordance with specific legislation.31) The Chamber's financial statements and annual report shall be audited by at least two statutory auditors who are not members of the Presidium, the Supervisory Board, or the Disciplinary Commission. These statutory auditors shall be approved by the Authority following a proposal from the Chamber. The Chamber shall file its financial statements, annual reports, and audit reports in the non-public section of the Register of Financial Statements.55) The Chamber shall bear the statutory audit expenses.

PART SIX

THE AUTHORITY

Article 52

The Authority is a public sector legal entity entrusted with oversight and the performance of other tasks in accordance with this Act. The Authority shall not be entered in the Commercial Register and has its seat in Bratislava.

54) Articles 244 to 250k of the Civil Procedure Code as amended.
Article 53

Scope of Activities of the Authority

(1) The Authority shall:
   a) organise examinations of professional competence;
   b) organise aptitude tests;
   c) organise re-examinations;
   d) issue certificates;
   e) issue licences, suspend licences, and revoke licences;
   f) register statutory auditors and audit firms in the relevant list and maintain the relevant list;
   g) register third-country auditors and third-country audit firms in the relevant list;
   h) provide audit working papers and information to other Member States or third countries pursuant to Article 22 (6);
   i) be the competent authority\(^{56}\) to issue decisions on the recognition of documents certifying qualifications or decisions on the recognition of professional qualifications pursuant to this Act.

(2) The Authority shall perform oversight of the following:
   a) compliance with International Auditing Standards;
   b) compliance with the Code of Ethics for Auditors;
   c) compliance with the provisions of this Act;
   d) the system of statutory audit quality assurance reviews;
   e) continuing education;
   f) disciplinary proceedings conducted by the Chamber.

(3) The Authority shall also carry out the following activities:
   a) participate in the formulation, updating and adoption of International Accounting Standards via the competent authorities of the European Union;
   b) ensure interpretations of International Accounting Standards and their availability to users in the Slovak Republic in the official language;
   c) participate in the formulation, updating, and adoption of International Auditing Standards and the Code of Ethics for Auditors via the competent authorities of the European Union and ensure their availability to users in the Slovak Republic in the official language;
   d) cooperate with the Ministry in drafting generally binding legislation on accounting and statutory audit;
   e) carry out statutory audit quality assurance reviews of statutory auditors or audit firms;

\(^{56}\) Article 3 (l) of Act No.422/2015 Coll. on the recognition of documents certifying qualifications and the recognition of professional qualifications and on amendments to certain laws.
f) inform the competent authority of a home Member State of the registration of its audit firm and of the termination of the licence of its statutory auditor or audit firm;

g) submit to the competent authorities responsible for supervising public-interest entities, to central banks, to the European System of Central Banks, and to the European Central Bank, in their capacity as monetary authorities, and to the European System Risk Board, confidential information intended for the performance of their tasks;

h) immediately communicate to the Committee of European Auditing Oversight Bodies the imposition of sanctions pursuant to Article 64 (1) (e) and annually provide it with aggregated information regarding decisions of the Authority and sanctions imposed;

i) coordinate activities, cooperation, and the exchange of information with the competent oversight authorities of other Member States and third countries to the extent and under the conditions laid down in this Act and in accordance with the legal regulations and international treaties by which the Slovak Republic is bound;

j) cooperate and exchange information with other authorities if specific legislation so provides;

k) other activities pursuant to this Act or specific legislation.

(4) The Authority shall perform oversight objectively and independently of state authorities, territorial self-administration authorities, other public authorities, and other legal entities or natural persons. State authorities, territorial self-administration authorities, other public authorities, and other persons must not influence the performance of oversight by the Authority.

Article 54

(1) The Authority shall submit to the Government of the Slovak Republic (hereafter referred to as the "Government") a report on the activities of the Authority annually by 30 June for the preceding calendar year.

(2) The Authority shall be required to file its financial statements, annual report referred to in Article 67 (6), and audit report in the public section of the Register of Financial Statements within six months of the end of the relevant calendar year at the latest.

Organisation and Management of the Authority

Article 55

Bodies of the Authority

(1) The bodies of the Authority are:

a) the Board;

b) the Managing Director;

c) the Supervisory Committee;

d) the Committee for Statutory Audit Quality Assurance;

57) For example, Act No. 747/2004 Coll. as amended.
58) For example, Articles 4 to 8, Articles 10 to 14, Articles 17, 18 and 41 of Regulation (EU) No. 537/2014.
e) the Committee for Investigation and Sanctions.

(2) A natural person who has a second-level university degree and at least five years' practical experience in accounting or statutory audit, including a minimum of two years' practical experience in a management, scientific, or pedagogical position, is fully capable of performing legal acts, and meets the requirement of good repute pursuant to Article 3 (9) to (11) may be appointed as a member of the Board, except for the Managing Director, and a member of the Authority bodies. Before taking up his duties, a candidate for a member of a body of the Authority shall be required to document that he meets the requirements of good repute laid down in Article 3 (9) to (11). Members of the bodies of the Authority shall be required to report any changes in the fulfilment of the requirements of good repute laid down in Article 3 (9) to (11).

(3) Two members of the Board, excluding the Managing Director, shall be nominated by the Ministry and two members by the National Bank of Slovakia.

(4) Members of the Authority bodies shall be required to be objective and shall refrain from any actions by which they would give priority to their personal interests or the interests of the institution that has nominated them to these positions over the public interest. The performance of duties for the bodies of the Authority shall be deemed the performance of duties in public office,\(^\text{59)}\) for which leave from work shall be granted for as long as needed.

(5) Members of the Authority bodies, except for the Managing Director, shall be entitled to reimbursement for travel expenses, reimbursement for expenses incurred, and to compensation for their time in connection with the performance of their duties for the Authority bodies. Details of reimbursement for expenses incurred and compensation for time spent shall be stipulated in the statutes of the Authority.

(6) Members of the management bodies of the Authority must be non-practitioners and may invite to their meetings other natural persons who do not hold voting rights.

(7) For the performance of its tasks, the Authority may establish commissions without decision-making powers, for example, a commission for International Accounting Standards and a commission for International Auditing Standards and ethics. Details of their activities shall be stipulated by the Authority in its internal regulation.

Article 56

The Board

(1) The Board is the highest management body of the Authority.

(2) The Board shall, in particular:

a) approve a strategy for the Authority's activities for a period of five years;

b) approve the annual plan of the Authority's activities;

c) discuss the budget of the Authority and its utilisation and submit it to the Supervisory Committee;

d) adopt measures on the basis of findings made by the Supervisory Committee pursuant to Article 60 (5) and (6);

e) appoint and dismiss members of the Authority's commissions and committees, except for the Supervisory Committee;

\(^{59)}\) The Labour Code as amended.
f) nominate the Managing Director pursuant to Article 59 (2);
g) approve the principles of activities of the Authority's commissions and committees and reports on their activities, except for the Supervisory Committee;
h) approve a report on the activities of the Authority pursuant to Article 54 (1) and submit it to the Government;
i) approve a statutory auditor to audit financial statements of the Authority and review the consistency of the Authority's annual report with the Authority's financial statements;
j) approve the Authority's annual report and the Authority's financial statements and submit them to the Government after the consistency of the Authority's annual report with the Authority's financial statements is reviewed by a statutory auditor;
k) approve the statutes of the Authority, the Organisational Procedure Rules of the Authority, and other internal regulations of the Authority;
l) approve the Official Procedure Rules of the Board and of the individual committees and commissions;
m) appoint and dismiss the chair and members of the Examination Commission of the Authority;
n) decide on appeals against decisions adopted by the Authority;
o) may allow that a statutory auditor or an audit firm be exempted from the requirement referred to in specific legislation,60) based on a recommendation from the Committee for Statutory Audit Quality Assurance;
p) approve working arrangements, coordination arrangements, and the provision of information and documents between the Authority and the competent oversight authorities of Member States and third countries;
q) coordinate and manage the Authority's relations at the national and international level;
r) approve the principles of continuing education of statutory auditors and assistants to statutory auditors, including the criteria and method of evaluation of continuing education submitted by the Chamber.

Article 57

Composition of the Board

(1) The Board shall have five members. The members of the Board shall be:
   a) the chair of the Board;
   b) the deputy chair of the Board;
   c) the Managing Director;
   d) other members of the Board.

(2) Members of the Board shall be appointed and dismissed by the Finance Minister of the Slovak Republic (hereafter referred to as the "Minister") following a proposal from entities

60) Article 4 (2) of Regulation (EU) No. 537/2014.
referred to in Article 55 (3). If membership of the Board ends prior to the expiration of the term in office for any of the reasons referred to in paragraph 5 (b), (c) or (d), a new member of the Board shall be appointed for the remainder of the term in office of the Board member whom he has replaced in office.

(3) Membership of the Board shall be honorary and unremunerated, except for the Managing Director. Membership of the Board is non-substitutable. A member of the Board may be a member of an Authority committee at the same time.

(4) The term in office of a Board member shall be five years, except for the Managing Director. A member of the Board may be reappointed for a maximum of two consecutive terms in office.

(5) The duties of a Board member shall cease:
   a) as of the date of expiration of his term in office;
   b) upon resignation from office at the written request of the Board member to the chair of the Board as of the date specified in the written request; the chair of the Board shall resign from office on the basis of a written request to the deputy chair of the Board as of the date specified in the written request;
   c) upon dismissal from office for any of the reasons referred to in paragraph 6;
   d) if he dies or is pronounced legally dead.

(6) The Minister shall dismiss a Board member if the member:
   a) has been validly sentenced by a court for an intentional criminal act;
   b) has been validly incapacitated or his capacity to perform legal acts has been restricted;
   c) has ceased to be of good repute as referred to in Article 3 (9) to (11);
   d) has not exercised his duties in office for at least 12 consecutive calendar months;
   e) fails to fulfil his obligations as a member of the Board.

Article 58

Board Meetings

(1) The Board shall meet at least once every three months. Board meetings shall be convened and chaired by the chair of the Board or the deputy chair of the Board in the chair's absence. The chair of the Board shall also be required to convene a Board meeting on the basis of a written proposal from any Board member within seven working days of a written proposal being delivered; if the chair of the Board fails to fulfil this obligation, a Board meeting shall be convened by the deputy chair of the Board without delay, within one month at the latest.

(2) The Board shall be quorate if a simple majority of all Board members are present at a meeting, and one of them is the chair of the Board or the deputy chair of the Board. The adoption of a decision of the Board shall require the consent of a simple majority of the Board members present; in the event of a tie, the chair, or in the chair's absence, the deputy chair shall have the casting vote. Each member shall be entitled to have a negative opinion on the Board's decision recorded in the minutes of the meeting at his request.
(3) The activities of the Board shall be managed by the chair of the Board. The chair of the Board shall sign resolutions of the Board. The deputy chair of the Board shall substitute for the chair of the Board during his absence.

(4) Board meetings shall be non-public. Other natural persons invited by the Board may attend a Board meeting.

(5) Minutes of each Board meeting shall be prepared. The minutes of Board meetings shall be published on the Authority's website within 15 working days of the date of the end of a Board meeting, without prejudice to the provisions of specific legislation.  

(6) Details of Board meetings shall be stipulated in the Official Procedure Rules approved by the Board.

Article 59

Managing Director

(1) The Managing Director is the statutory and executive body of the Authority and shall manage its activities. The Managing Director shall decide on all issues concerning the Authority that are not reserved for the exclusive powers of the Board or Authority committees in accordance with this Act.

(2) The Managing Director shall be appointed and dismissed by the Minister following a proposal from the Board. As of the date designated as the date on which the Managing Director takes up his duties, the Managing Director's employment with the Authority shall commence, unless the Managing Director was employed by the Authority at the time of his appointment. The Managing Director's employment with the Authority shall cease as of the date of his dismissal, unless the Managing Director was employed by the Authority at the time of his appointment.

(3) A second-level university degree and five years' practical experience in a management position shall be required for the position of Managing Director. A natural person who meets the requirement of good repute referred to in Article 3 (9) to (11) may be appointed as Managing Director.

(4) The term in office of the Managing Director shall be four years and the Managing Director may be reappointed for a maximum of two consecutive terms in office.

(5) The position of Managing Director shall be incompatible with membership of or any other position in a management body, a supervisory body, or a control body of any legal entity carrying out business activities, with any business activity or with any other economic or gainful activity that may be contrary to the performance of duties of the Managing Director.

(6) If the Managing Director holds a position or carries out an activity that is incompatible with the position of Managing Director at the time of his appointment, he shall be required to perform a documentable legal act aimed at the termination of any such position or activity without delay, within one month at the latest, and shall be required to immediately terminate any such position or activity and inform the Minister in writing, at the latest within one month of his appointment, as to whether he meets the requirements of incompatibility of the position of Managing Director with other positions or activities pursuant to paragraph 4.

(7) A representative appointed by the Managing Director shall substitute for the Managing Director in his absence.

(8) The Managing Director shall:
a) represent the Authority towards third parties;

b) represent the Slovak Republic in international organisations involved in accounting, reporting, and statutory audit; the Managing Director may also entrust with representation another person employed by the Authority;

c) ensure the formulation of a strategy for the Authority, the annual plan of the Authority's activities, a report on the activities of the Authority referred to in Article 54 (1), the budget of the Authority, and an assessment of its fulfilment;

d) submit a report on the activities of the Authority referred to in Article 54 (1) and the Authority's financial statements and annual report to the Board for approval;

e) manage the Authority Administration;

f) appoint the person in charge referred to in Article 38 (2);

g) convene, after the expiration of his term in office, the first meeting of the newly-appointed Board, where the Board shall elect its chair and deputy chair from among its members by secret ballot.

Article 60

Supervisory Committee

(1) The Supervisory Committee is the control body of the Authority.

(2) The Supervisory Committee shall have three members. The members of the Supervisory Committee shall be:

a) the chair;

b) other members.

(3) The Supervisory Committee shall:

a) control the Authority's financial management;

b) approve the Authority's budget and the assessment of its utilisation;

c) control compliance with the requirements of good repute pursuant to Article 55 (2);

d) propose the convention of the Board if it identifies deficiencies that may affect the Authority's financial management;

e) approve the Official Procedure Rules of the Supervisory Committee.

(4) The provisions of Article 57 (2) to (4) shall apply to the Supervisory Committee where appropriate.

(5) Members of the Supervisory Committee shall be entitled to ascertain the state and method of the Authority's financial management, in particular to inspect documents and records concerning the Authority's financial management and request necessary explanations from members of the Board and employees of the Authority.

(6) If the Supervisory Committee finds during its activities any breach of generally binding legislation with respect to the activities of the Authority, it shall inform the Board thereof without delay, at the latest within one month of the date of the finding.

(7) Meetings of the Supervisory Committee shall take place at least once every six months.
(8) Details of Supervisory Committee meetings shall be stipulated in its Official Procedure Rules approved by the Supervisory Committee.

(9) The duties of a member of the Supervisory Committee shall cease:
   a) as of the date of expiration of his term in office;
   b) upon resignation from office at his written request, as of the date of its delivery to the Minister, unless a later date of resignation is stated in the request;
   c) upon dismissal from office for any of the reasons referred to in paragraph 10;
   d) if he dies or is pronounced legally dead.

(10) The chair of the Supervisory Committee shall submit to the Minister a proposal for the dismissal of a member of the Supervisory Committee if:
   a) the member has been validly sentenced by a court for an intentional criminal act;
   b) the member has been validly incapacitated or his capacity to perform legal acts has been restricted;
   c) the member has ceased to be of good repute as referred to in Article 3 (9) to (11);
   d) the member has not exercised his duties in office for at least 12 consecutive calendar months;
   e) the chair of the Supervisory Committee is requested in writing to do so by the person who nominated the member to this position;
   f) the member fails to fulfil his obligations as a member of the Supervisory Committee.

Other Committees of the Authority

Article 61

(1) The members of committees shall be:
   a) the chair of the committee;
   b) the secretary of the committee;
   c) other members of the committee.

(2) Committees must have an odd number of members. The number of members of the individual committees shall be stipulated in the statutes of the Authority. Members of the individual committees, except for the Supervisory Committee, shall be appointed and dismissed by the Board following a proposal from the Ministry and the National Bank of Slovakia.

(3) Committees shall meet at least once every three months. Committee meetings shall be convened and chaired by the chair of the committee or the secretary of the committee in the chair's absence. The provisions of Article 58 (5) shall equally apply to committee meetings, except for the Committee for Investigation and Sanctions, whose minutes of meetings shall not be disclosed. The Managing Director may attend committee meetings.

(4) Committees shall hold discussions based on the Official Procedure Rules approved by the Board.
(5) The committee chair shall submit to the Board annually by 31 March a report on the activities of the committee for the preceding calendar year.

(6) The provisions of Article 57 (3) to (5) shall apply to members of the Authority committees where appropriate.

Article 62
Committee for Statutory Audit Quality Assurance

The Committee for Statutory Audit Quality Assurance shall:

a) oversee:
   1. compliance with International Auditing Standards;
   2. compliance with the Code of Ethics for Auditors;
   3. compliance with the provisions of this Act;
   4. the statutory audit quality assurance review carried out by the Chamber;
   5. continuing education;

b) prepare a schedule of oversight and determine entities subject to oversight;

c) prepare a schedule of statutory audit quality assurance reviews referred to in Article 35 (1) (a) and determine entities in which a statutory audit quality assurance review will be carried out;

d) appoint and manage persons performing oversight and inspectors carrying out statutory audit quality assurance reviews;

e) assess notifications from an accounting entity and notifications from a statutory auditor and an audit firm regarding the dismissal or resignation of a statutory auditor or an audit firm during the conduct of a statutory audit;

f) based on delivered notifications, decide on the performance of a statutory audit quality assurance review pursuant to Article 35, oversight pursuant to Article 36, or an investigation of facts related to statutory auditors, audit firms, and the performance of statutory audits;

g) discuss the protocol and recommend the adoption of remedial and preventative measures for the entity subject to oversight on the basis of the oversight performed;

h) assess an application from a statutory auditor or an audit firm for exemption from the requirement referred to in specific legislation;

i) investigate complaints pursuant to Article 38 (3);

j) inform the Committee for Investigation and Sanctions of serious findings without delay and present proposals to initiate proceedings pursuant to Article 64;

k) assess proposals sent by the Disciplinary Commission of the Chamber pursuant to Article 50 (12) and, following their assessment, send them to the Committee for Investigation and Sanctions, along with its opinion, for investigation;

l) assess complaints that compromise the good repute of a statutory auditor or an audit firm;
m) decide on a request from a statutory auditor to reduce the number of hours of education or interrupt education as referred to in Article 31 (2);

n) approve the principles of a statutory audit quality assurance review of the Authority and the principles of a statutory audit quality assurance review submitted by the Chamber;

o) based on the finding that a statutory auditor has failed to fulfil the obligation of continuing education pursuant to Article 31, send to the Committee for Investigation and Sanctions a proposal for proceedings on the imposition of a sanction pursuant to Article 64;

p) in accordance with Article 35 (7), submit to the Committee for Investigation and Sanctions a proposal for proceedings on the imposition of a sanction pursuant to Article 64.

Article 63

Committee for Investigation and Sanctions

(1) The Committee for Investigation and Sanctions:

a) shall investigate proposals sent by the Committee for Statutory Audit Quality Assurance pursuant to Article 62 (j), (k), (o) and (p);

b) may review disciplinary proceedings conducted by the Chamber;

c) shall initiate proceedings pursuant to Article 64 based on the investigation of a proposal referred to in Article 62 (j), (k), (o) and (p);

d) shall decide on the imposition of a sanction pursuant to Article 64;

e) shall decide on the lifting of the obligation to maintain confidentiality pursuant to Article 32 (3).

(2) The chair of the Committee for Investigation and Sanctions must be a natural person who has a second-level university degree in law.

Article 64

Sanctions

(1) If the Authority finds deficiencies during a statutory audit quality assurance review pursuant to Article 35 (1), during the performance of oversight pursuant to Article 53 (2) (a) to (e), or if it receives a proposal from the Chamber pursuant to Article 50 (12), it shall impose the following sanctions:

a) a written warning to a statutory auditor or an audit firm for failure to comply with the obligations laid down in Article 9 (4) and (5) (d) to (f), Article 23 (1), (2), (4), (5), (6) and (8), Article 29, Article 30 (1) to (6), and Article 31;

b) a written warning, which shall be published on the Authority's website and which states the natural person responsible for the breach and the nature of the breach;

1. to a statutory auditor or an audit firm for repeated failure to comply with the obligations laid down in Article 9 (4) and (5) (d) to (f), Article 23 (1), (2), (4), (5), (6) and (8), Article 29, Article 30 (1) to (6), and Article 31;
2. for a breach of Article 27 and for failure to comply with the obligations laid down in specific legislation;\(^{61}\)

c) a fine of up to EUR 30,000 on a statutory auditor and a fine of up to EUR 1,000,000 on an audit firm for failure to comply with the obligations laid down in Articles 19 to 21, Article 22 (1) to (8), Article 23 (3), Articles 24 and 25, Article 26 (2), (3), (4), (5) and (7), Article 28 (1) and (2), Articles 32 and 33, Article 35 (7), Article 36 (14) or specific legislation,\(^{62}\), or if

1. despite a written warning referred to in (a) and (b), they continued to fail to comply with the obligations laid down in Article 9 (4) and (5) (a) to (f), Article 23 (1), (2), (4), (5), (6) and (8), Article 29, Article 30 (1) to (6), and Article 31;

2. despite a written warning referred to in (b), they repeatedly breached the obligations laid down in Article 27 and specific legislation;\(^{61}\)

3. the Authority receives a proposal from the Disciplinary Commission of the Chamber pursuant to Article 50 (12);

d) a fine of up to EUR 10,000 on a natural person for failure to comply with the obligations laid down in Article 12 (6), Article 21 and specific legislation\(^{1}\) and a fine of up to EUR 30,000 on a legal entity for failure to comply with the obligations laid down in Article 12 (6), Article 34 (1) to (4) and specific legislation;\(^{1}\)

e) a temporary prohibition, of up to three years' duration, banning:

1. a natural person who is a member of an audit firm or a member of an administrative body or a management body of a public-interest entity and who demonstrably intervened in the carrying-out of a statutory audit or influenced the outcome of the statutory audit, from exercising administrative and management functions in audit firms or public-interest entities;

2. the statutory auditor, the audit firm or the key audit partner from carrying out statutory audits or signing audit reports if they have repeatedly breached Article 27 and specific legislation;\(^{61}\)

f) suspension of the licence of a statutory auditor and an audit firm if the imposition of sanctions referred to in (a) to (c) and (e) has not led to a remedy and the unlawful state of affairs persists;

\[61\text{)}\] Articles 10 and 11 of Regulation (EU) No. 537/2014.

\[62\text{)}\] Articles 4 to 15, Articles 17, 18 and 41 of Regulation (EU) No. 537/2014.

g) deletion of a statutory auditor and an audit firm from the relevant list for failure to comply with their obligations if the imposition of sanctions referred to in (f) has not led to a remedy and the unlawful state of affairs persists.

(2) If, during the performance of oversight, the Authority finds serious deficiencies in the activities of the Chamber with respect to compliance with the provisions of Article 13 (1) to (4), (7) to (10), Article 14 (1), Article 35 (3) to (6), (8) and (9), Article 43 (8), Article 45 (2), Article 50 (1) to (5), (7), (9), (12) and (14) and Article 72 (20), it shall impose on the Chamber a fine of up to EUR 33,200.

(3) A sanction referred to in paragraph 1 (a), (b) and (c) (1) and (2) cannot be imposed if the Chamber has already imposed a valid disciplinary measure on the statutory auditor and the audit firm for the same breach of obligations.
(4) A fine referred to in paragraph 1 (c) and (d) and paragraph 2 shall be payable within 30 days of the effective date of the decision on the imposition of the fine. If the statutory auditor or the audit firm fails to pay a fine imposed pursuant to paragraph 1 (c) by the payment deadline, the Authority shall suspend their licence until the fine has been paid.

(5) Fines referred to in paragraph 1 (c) and (d) and paragraph 2 shall constitute income of the Authority.

(6) When imposing a sanction, the Committee for Investigation and Sanctions shall consider the gravity and the duration of the unlawful conduct, the extent of its consequences, the degree of responsibility of the person responsible for the breach, his financial position and profits gained or losses avoided by the responsible person through his conduct, the level of his cooperation with the Authority, and a possible repeated breach of obligations or breach of several obligations.

(7) The Committee for Investigation and Sanctions shall decide on the imposition of a sanction in proceedings subject to general legislation on administrative proceedings, unless paragraphs 1 to 6 and 8 to 12 provide otherwise.

(8) Proceedings on the imposition of a sanction pursuant to paragraphs 1 and 2 may be initiated no later than within one year of the Authority becoming aware of the breach of the obligation and no later than five years from the date on which the breach of the obligation occurred.

(9) The Committee for Investigation and Sanctions shall issue a decision within three months of the date of commencement of the proceedings, and in exceptionally complicated cases, within 12 months at the latest.

(10) A written decision on the imposition of a sanction shall contain a ruling, an explanation, and instructions for an appeal. The ruling shall also include a ruling regarding the obligation to pay to the Authority the fixed costs of the proceedings in the amount of twice the minimum subsistence figure laid down in specific legislation53) within 30 days of the effective date of the decision. The written decision shall be delivered and addressed to the attention of the recipient. If the statutory auditor or the audit firm fails to pay the costs of the proceedings by the payment deadline, the Authority shall suspend their licence until the costs of the proceedings have been paid.

(11) A party to the proceedings may lodge an appeal against the decision of the Committee for Investigation and Sanctions within 15 days of the date of delivery of the decision. An appeal shall be lodged with the Committee for Investigation and Sanctions and shall have suspensive effect.

(12) An appeal shall be decided by the Board. The Board shall review the decision in full and shall uphold, alter or overrule the contested decision, or reverse it and return the matter to the Committee for Investigation and Sanctions for new proceedings and a decision. The Committee for Investigation and Sanctions shall be bound by the legal opinion of the Board.

Article 65

Expungement of a Sanction and Disciplinary Measure

When requested by a statutory auditor, a European auditor, or an audit firm, the Authority shall expunge an imposed disciplinary measure or sanction recorded in the relevant list if they document that during the specified period they were of good repute and did not

commit another breach of discipline, or no deficiencies in the performance of statutory audit were found after the expiration of:

a) one year, regarding a disciplinary measure imposed pursuant to Article 49 (1) (a) (1) and (3) and sanctions imposed pursuant to Article 64 (1) (a) and (b);

b) five years, regarding a disciplinary measure imposed pursuant to Article 49 (1) (b) and sanctions imposed pursuant to Article 64 (1) (c), (e) and (f).

Financial Management of the Authority

Article 66

(1) The Authority shall manage its assets. When managing its assets, the Authority shall be required to ensure an economical and effective utilisation of these assets.

(2) The Authority may not carry out any business activities.

(3) The Authority may not accept or provide credits and loans, conclude agreements on silent partnership, issue securities, or accept or receive promissory notes.

(4) The Authority's funds may only be used for the specified purposes and to the extent necessary to ensure the activities of the Authority.

Article 67

(1) The Authority shall prepare a budget of revenues and expenditures for the relevant budgetary year. Expenditures related to the activities of the Board, the Authority Administration, committees, and commissions shall be separately budgeted in the Authority's budget.

(2) The Authority's budget for the following year shall be approved by the Supervisory Committee, as a rule by 31 October of the current year. If the Authority's budget for the following calendar year is not approved by 31 December of the current year, during the period from 1 January of the following year until the approval of the Authority's budget, the Authority shall use a provisional budget which shall be the Authority's budget approved by the Supervisory Committee for the preceding calendar year.

(3) The Authority shall publish the approved budget on its website without delay, at the latest within one month of its approval.

(4) The distribution of the Authority's financial results shall be decided by the Board. If an accounting period ends with a profit, it shall serve as the source of financing of the Authority in the subsequent accounting period.

(5) The Authority shall maintain accounting books in accordance with specific legislation. The Authority's financial statements and annual report shall be audited by two statutory auditors chosen by the drawing of lots by the Chamber. The Authority shall publish its annual report on its website without delay after it has been approved by the Board and discussed by the Government, at the latest within one month of it being discussed by the Government.

(6) In addition to mandatory content, an annual report shall include an assessment of the fulfilment of the set objectives and of the effective and efficient utilisation of resources.

64) Article 20 of Act No. 431/2002 Coll. as amended.
Article 68

(1) The sources of income of the Authority shall consist of:

a) a contribution from the state budget in accordance with the Act on the State Budget for the relevant year;
b) annual contributions;
c) annual registration fee;
d) fines;
e) compensation for the costs of proceedings;
f) default interest;
g) fees for examinations and re-examinations;
h) fees for acts performed by the Authority.

(2) The Authority shall be linked to the state budget by means of a contribution referred to in paragraph 1 (a) via the budget section of the Ministry. In the relevant budgetary year, a contribution referred to in paragraph 1 (a) shall be utilised independently of the utilisation of income referred to in paragraph 1 (b) to (h).

(3) An annual contribution referred to in paragraph 1 (b) shall be paid by public-interest entities, companies, and audit firms as follows:

a) the Stock Exchange in the amount of EUR 500;
b) a bank, the Export-Import Bank of the Slovak Republic, an insurance company, and a reinsurance company in the amount of EUR 6,000;
c) a branch of a foreign bank, an asset management company, a branch of a foreign insurance company and a branch of a foreign reinsurance company, a pension management company, and a supplementary pension insurance company in the amount of EUR 3,000;
d) Slovak Rail and a company referred to in Article 2 (15) (f) in the amount of EUR 6,000;
e) an audit firm registered in the list referred to in Article 5 (1) and (2) in the amount of EUR 300.

(4) An annual contribution shall be made as a one-off payment to the Authority's account, which the Authority shall publish on its website. An annual contribution shall be paid to the Authority within three months of the date of the beginning of the accounting period. An annual contribution shall be considered paid as of the date on which it is credited to the Authority's account.

(5) A public-interest entity or an audit firm whose accounting period is shorter than 12 calendar months shall pay a proportional part of the annual contribution arithmetically rounded to the nearest euro.

(6) An entitlement to the payment of an annual contribution shall expire under the statute of limitations when five years have elapsed since the due date of the annual contribution.

(7) A statutory auditor and an audit firm that expect to carry out a statutory audit of a public-interest entity or a company referred to in Article 2 (15) (f) in the relevant year shall be required to register with the Authority in advance, by 30 September of the preceding calendar year.
year, and pay an annual registration fee. The amount of the annual registration fee for a calendar year is stipulated as follows:

a) EUR 1,000 if a statutory audit of one to three public-interest entities or companies referred to in Article 2 (15) (f) is expected to be carried out;
b) EUR 5,000 if a statutory audit of four or five public-interest entities or companies referred to in Article 2 (15) (f) is expected to be carried out;
c) EUR 10,000 if a statutory audit of six to ten public-interest entities or companies referred to in Article 2 (15) (f) is expected to be carried out;
d) EUR 20,000 if a statutory audit of 11 to 15 public-interest entities or companies referred to in Article 2 (15) (f) is expected to be carried out;
e) EUR 35,000 if a statutory audit of more than 15 public-interest entities or companies referred to in Article 2 (15) (f) is expected to be carried out.

(8) Details of the registration of statutory auditors and audit firms pursuant to paragraph 7 and the method of reconciliation of the balance of an annual registration fee shall be stipulated by the Authority in an internal regulation.

Article 69

If payments laid down in this Act are not duly and timely made, the debtor shall be required to pay to the Authority default interest of 0.01% of the amount due for each day in arrears.

PART SEVEN

Common, Transitional, and Final Provisions

Article 70

(1) Statutory auditors and audit firms shall process the personal data of natural persons to the extent necessary for the purpose of pursuing the profession and providing assurance and related audit services in accordance with specific legislation.40)

(2) The Authority and the Chamber shall process the personal data of natural persons to the extent necessary for the purpose of keeping records pursuant to this Act in accordance with specific legislation.40)

Article 71

(1) Employees of the Authority shall be subject to the provisions of specific legislation.59)

(2) The Ministry shall inform the European Commission of the status and scope of activities of the Chamber and of the Authority pursuant to this Act and specific legislation.1)

(3) Before the European Commission adopts a decision on the equivalence of the systems of statutory audit quality assurance and oversight of third countries, the Authority shall assess equivalence in accordance with Article 7 (1) (b). The Authority's assessment may rely on the assessments of equivalence carried out by other Member States.

(4) The Authority shall communicate to the European Commission its assessment of the equivalence of the systems of statutory audit quality assurance and oversight of third countries, including the rules according to which the equivalence has been recognised.
(5) International auditing standards may be applied as long as the European Commission has not adopted an international auditing standard covering the same subject.

Article 72

(1) Auditors registered in the list of auditors and audit firms registered in the list of audit firms maintained by the Authority pursuant to legislation effective until 16 June 2016 shall be considered statutory auditors and audit firms pursuant to legislation effective from 17 June 2016.

(2) Licences issued pursuant to legislation effective until 16 June 2016 shall be considered licences issued pursuant to legislation effective from 17 June 2016.

(3) Assistant auditors registered in the list of assistant auditors maintained by the Slovak Chamber of Auditors pursuant to legislation effective until 16 June 2016 shall be considered assistants to statutory auditors pursuant to legislation effective from 17 June 2016.

(4) The extent of professional experience of an assistant auditor pursuant to legislation effective until 16 June 2016 shall be included in the extent of practical training of an assistant to a statutory auditor pursuant to Article 3 (2).

(5) A trainer pursuant to legislation effective until 16 June 2016 shall be considered a trainer pursuant to legislation effective from 17 June 2016.

(6) The number of hours of education of auditors and assistant auditors provided by the Slovak Chamber of Auditors pursuant to legislation effective until 16 June 2016 shall be included in the extent of continuing education of statutory auditors and assistants to statutory auditors pursuant to legislation effective from 17 June 2016.

(7) An accounting entity that is a public-interest entity pursuant to legislation effective until 16 June 2016 shall be considered a public-interest entity pursuant to legislation effective from 17 June 2016 if it is referred to in Article 2 (16).

(8) An accounting entity referred to in Article 2 (16) (n) shall become a public-interest entity from the accounting period beginning after 17 June 2016 if it has satisfied the conditions laid down in Article 2 (16) (n) for at least two consecutive preceding accounting periods.

(9) The Slovak Chamber of Auditors pursuant to legislation effective until 16 June 2016 shall be considered the Chamber pursuant to legislation effective from 17 June 2016.

(10) The Auditing Oversight Authority pursuant to legislation effective until 16 June 2016 shall be considered the Authority pursuant to legislation effective from 17 June 2016.

(11) Oversights that commenced prior to 17 June 2016 shall be completed pursuant to legislation effective until 16 June 2016.

(12) Audit quality assurance reviews that commenced prior to 17 June 2016 shall be completed pursuant to legislation effective until 16 June 2016.

(13) Proceedings on sanctions initiated by the Authority and disciplinary proceedings initiated by the Slovak Chamber of Auditors prior to 17 June 2016 shall be completed by the Authority and by the Chamber pursuant to legislation effective until 16 June 2016.

(14) Successfully passed partial examinations pursuant to legislation effective until 16 June 2016 shall be considered partial examinations taken pursuant to legislation effective from 17 June 2016.
(15) An audit that commenced prior to 17 June 2016 shall be completed pursuant to legislation effective until 16 June 2016. An audit of a public-interest entity that commenced prior to 17 June 2016 shall be completed pursuant to legislation effective until 16 June 2016.

(16) The period referred to in Article 33 (4) stipulated for an auditor and a key audit partner appointed prior to 17 June 2016 shall commence on the date of their appointment.

(17) The provisions of Article 43 (2) shall also apply to members of the bodies of the Chamber of Auditors elected pursuant to legislation effective until 16 June 2016.

(18) The provisions of Article 57 (4) shall also apply to members of the bodies of the Authority appointed pursuant to legislation effective until 16 June 2016, except for statutory auditors appointed as members of the Board, the Committee for Quality Assurance or the Committee for Investigation and Sanctions, whose membership will cease on 17 June 2016; this shall not apply to statutory auditors who are non-practitioners.

(19) The provisions of Article 59 (4) shall also apply to the Managing Director appointed pursuant to legislation effective until 16 June 2016.

(20) The Chamber shall prepare a list of trainers who satisfy the conditions laid down in Article 3 (4) by 30 June 2016.

(21) Where the term "audit" is used in previous legislation in connection with an audit of financial statements or in connection with a review of the consistency of financial statements with an annual report, it shall be understood as "statutory audit".

(22) Where the term "auditor" is used in previous legislation in reference to a natural person in connection with an audit of financial statements or in connection with a review of the consistency of financial statements with an annual report, it shall be understood as "statutory auditor", except for the terms "auditor's report" and "auditor's opinion".

(23) Where the term "review of the consistency of financial statements with an annual report" is used in previous legislation, it shall be understood as "review of an annual report".

(24) This Act shall apply to a company referred to in Article 2 (15) (f) from the accounting period beginning after 17 June 2016 if it has satisfied the conditions laid down in Article 2 (15) (f) for at least two consecutive preceding accounting periods.

Article 73

The performance of activities of a statutory auditor, the procedure for submitting applications for registration in the list of statutory auditors, and decisions on registration in the list of statutory auditors pursuant to legislation effective from 17 June 2016 shall be subject to the provisions of general legislation on the provision of services, unless Parts One to Three of this Act provide otherwise.

Article 74

This Act incorporates the legal acts of the European Union referred to in the Appendix.

65) Articles 3 to 8 and Articles 10 to 16 of Act No. 136/2010 Coll.
Article 75


Section II


1. The first sentence of Article 2 (10) shall have the following wording: "Accounting entities referred to in paragraph 5 shall be classified into a size group on the basis of the fulfilment of the conditions referred to in paragraphs 6 to 8 as of the first date of the accounting period, and the fulfilment of the conditions for two consecutive preceding accounting periods shall be assessed."

2. Article 18 (6) shall have the following wording:

"(6) The notes to the financial statements of accounting entities referred to in Article 2 (8) and (14) shall also contain the definition and the amount of expenses incurred with respect to a statutory auditor or an audit firm²²c) (hereafter referred to as the "auditor") for the accounting period, broken down into expenses related to:

a) audit of the financial statements;
b) assurance audit services other than an audit of financial statements;
c) tax advisory;
d) other non-audit services."

Footnote 22c shall have the following wording:

²²c) Article 2 of Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended."

3. In Article 19 (2), reference 24aaa shall be inserted above the words "audit committee".

Footnotes 24aaa and 24a shall have the following wording:

²⁴aaa) Article 34 of Act No. 423/2015 Coll.
²⁴a) Article 19 of Act No. 423/2015 Coll.".

4. Article 19a shall be deleted.

Footnote 26a shall be deleted.

5. In Article 22 (11), the words "the exemption referred to in paragraph 10 shall not apply" shall be inserted after the words "Area and".

6. Article 38 (1) (f) shall be deleted.

The previous points (g) to (o) shall be designated as (f) to (n).

7. In Article 38 (2) (a), the letter "(o)" shall be replaced by the letter "(n)".
8. In Article 38 (2) (b), the letter "(g)" shall be replaced by the letter "(f)".

9. In Article 38 (2) (c), the letters "(i) to (n)" shall be replaced by the letters "(h) to (m)".

10. In Article 38 (2) (d), the letter "(h)" shall be replaced by the letter "(g)".

11. Articles 39n and 39o with the following wording, including the headings, shall be inserted after Article 39m:

"Article 39n

Transitional Provision on Amendments Effective from 1 January 2016

(1) An accounting entity whose accounting period is a financial year shall proceed according to Article 2 (10) in the wording effective from 1 January 2016 for the first time with respect to the financial year that begins during 2016.

(2) A parent accounting entity whose accounting period is a calendar year shall proceed according to Article 22 (11) in the wording effective from 1 January 2016 with respect to the preparation of consolidated financial statements for the accounting period ending on 31 December 2016.

(3) A parent accounting entity whose accounting period is a financial year shall proceed according to Article 22 (11) in the wording effective from 1 January 2016 with respect to the preparation of consolidated financial statements for the accounting period ending during 2017.

Article 39o

Transitional Provision on Amendments Effective from 17 June 2016

Proceedings referred to in Article 38 (1) (f) that commenced prior to 17 June 2016 shall be subject to legislation effective until 16 June 2016."

Section III

This Act shall enter into force on 1 January 2016, except for Section I and Section II, points 3 and 4, 6 to 10 and Article 39o of point 11, which shall enter into force on 17 June 2016.
LIST OF INCORPORATED LEGAL ACTS OF THE EUROPEAN UNION


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