

Registration of Third Country Audit Entities

Guidance Note

Guidance on Good Repute

1. Registration as a third country audit entity with the Supervisory Board under Article 45 of the Statutory Audit Directive (using **Form B**(Sweden)) requires that the registering firm is of good repute. As a part of that
 - (i) the members of the administrative or management board of the firm shown on Form B-4 (Sweden), and
 - (ii) those individuals shown on Form B-5 (Sweden) as designated by the firm as being primarily responsible for carrying out or signing on behalf of the firm an audit on a relevant client (as listed on Form B-6 (Sweden)) must also be of good repute.
2. **Item 12 on Form B** requires the applicant to assess whether or not the firm is of good repute and to make a declaration accordingly. This guidance note is intended to help an applicant to assess whether or not it can make such a declaration. If, an applicant having considered this note is unsure as to whether it meets the requirement or not, then it should not tick “Yes” or “No” at Item 12 but should submit all relevant information with its application to enable the Supervisory Board to consider the case.
3. Set out below are:

Part I: Questions that the firm should ask of itself

Part II: Questions that the firm should of the relevant individuals.

PART I Third Country Audit Entity.				
Set out below are the questions that a firm should ask of itself in order to assess whether it is of good repute. A 'yes' will need further explanation.		Yes		No
Financial integrity and reliability				
1	In the last ten years has the firm made any compromise or arrangement with its creditors, or otherwise failed to satisfy creditors in full?	<input type="checkbox"/>		<input type="checkbox"/>
2	In the last ten years has the firm been the subject of any insolvency proceedings?	<input type="checkbox"/>		<input type="checkbox"/>
Civil liabilities				
3	In the last five years has the firm been the subject of any civil action relating to its professional or business activities which resulted in a judgement or finding against it by a court, or a settlement (other than a settlement consisting only of the dismissal by consent of a claim against it and the payment of its costs) being agreed?	<input type="checkbox"/>		<input type="checkbox"/>
Good reputation and character				
4	In the last ten years has the firm been:			
	• convicted by a court of any criminal offence?	<input type="checkbox"/>		<input type="checkbox"/>
	• refused or restricted in the right to carry on any trade, business or profession for which a specific licence, registration or other authority is required?	<input type="checkbox"/>		<input type="checkbox"/>
	• refused entry to any professional body or trade association, or decided not to continue with an application?	<input type="checkbox"/>		<input type="checkbox"/>
	• reprimanded, warned about future conduct, disciplined or publicly criticised by any professional or regulatory body?	<input type="checkbox"/>		<input type="checkbox"/>
	• made the subject of a court order at the instigation of any professional or regulatory body?	<input type="checkbox"/>		<input type="checkbox"/>
	• investigated on allegations of misconduct or malpractice in connection with its professional or business activities which resulted in a formal complaint being proved but no disciplinary order being made?	<input type="checkbox"/>		<input type="checkbox"/>
5	Are you currently undergoing any investigation or disciplinary procedures as described in 4 above?	<input type="checkbox"/>		<input type="checkbox"/>

PART II Relevant Individuals				
Set out below are the questions that a firm should ask of each member of the administrative or management board, and each individual designated by the firm as being primarily responsible for carrying out or signing on behalf of the firm an audit on a relevant client The answers will be 'yes' or 'no' but a 'yes' will need further explanation.		Yes		No
Financial integrity and reliability				
1	In the last ten years have you made any compromise arrangement with your creditors or otherwise failed to satisfy creditors in full?	<input type="checkbox"/>		<input type="checkbox"/>
2	Have you ever been declared bankrupt or been the subject of a bankruptcy court order or has a bankruptcy petition ever been served on you?	<input type="checkbox"/>		<input type="checkbox"/>
3	Have you ever signed a trust deed for a creditor, made an assignment for the benefit of creditors, or made any arrangements for the payment of a composition to creditors?	<input type="checkbox"/>		<input type="checkbox"/>
Civil liabilities				
4	In the last five years have you been the subject of any civil action relating to your professional or business activities which has resulted in a judgement or finding against you by a court, or a settlement (other than a settlement consisting only of the dismissal by consent of a claim against it and the payment of its costs) being agreed?	<input type="checkbox"/>		<input type="checkbox"/>
Good reputation and character				
Note	There is no need to have regard to road traffic offences that did not lead to a prison sentence.			
5	Have you at any time pleaded guilty to or been found guilty of any offence?	<input type="checkbox"/>		<input type="checkbox"/>
	If so, give details of the court which convicted you, the offence, the penalty imposed and date of conviction.	<input type="checkbox"/>		<input type="checkbox"/>
6	Have you ever been disqualified by a court from being a director, or from acting in the management or conduct of the affairs of any company?	<input type="checkbox"/>		<input type="checkbox"/>
7	In the last ten years have you been:			

	<ul style="list-style-type: none"> refused the right or been restricted in the right to carry on any trade, business or profession for which a specific licence, registration or other authority is required? 	<input type="checkbox"/>		<input type="checkbox"/>
	<ul style="list-style-type: none"> investigated about allegations of misconduct or malpractice in connection with your professional activities which resulted in a formal complaint being proved but no disciplinary order being made? 	<input type="checkbox"/>		<input type="checkbox"/>
	<ul style="list-style-type: none"> the subject of disciplinary procedures by a professional body or employer resulting in a finding against you? 	<input type="checkbox"/>		<input type="checkbox"/>
	<ul style="list-style-type: none"> reprimanded, excluded, disciplined or publicly criticised by any professional body to which you belong or have belonged? 	<input type="checkbox"/>		<input type="checkbox"/>
	<ul style="list-style-type: none"> refused entry to or excluded from membership of any profession or vocation? 	<input type="checkbox"/>		<input type="checkbox"/>
	<ul style="list-style-type: none"> dismissed from any office (other than as auditor) or employment or requested to resign from any office, employment or partnership? 	<input type="checkbox"/>		<input type="checkbox"/>
	<ul style="list-style-type: none"> reprimanded, warned about future conduct, disciplined, or publicly criticised by any regulatory body, or any officially appointed enquiry concerned with the regulation of a financial, professional or other business activity? 	<input type="checkbox"/>		<input type="checkbox"/>
	<ul style="list-style-type: none"> the subject of a court order at the instigation of any regulatory body, or any officially appointed enquiry concerned with the regulation of a financial, professional or other business activity? 	<input type="checkbox"/>		<input type="checkbox"/>
8	Are you currently undergoing any investigation or disciplinary procedures as described in 7 above?	<input type="checkbox"/>		<input type="checkbox"/>

Supervisory Board of Public Accountants

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