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Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten¹

Effective on January 1, 2014

Nederlandse
Beroepsorganisatie
van Accountants



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¹ Code of Ethics for Professional Accountants, a regulation with respect to independence..

Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten

The general meeting of the “Nederlandse Beroepsorganisatie of Accountants” (NBA, *Dutch professional body of professional accountants*),

Having regard to article 19, second paragraph, introduction, and part a of the Wet op het accountantsberoep (Wab) (Auditors Profession Act),

Considering that the public, and the users of assurance engagements in particular, regard the independent performance of an assurance engagement essential,

Considering that the professional accountant ultimately responsible for an assurance engagement safeguards the independent performance of the assurance engagement,

Considering that it is sometimes necessary in the public interest to give interpretation to the manner in which the professional accountant safeguards the independent performance,

Considering that other professional accountants do not threaten the independent performance of the assurance engagement themselves or through a close personal relation,

Has established the following regulation:

Chapter 1 - Definitions

Article 1

In this regulation and further provisions founded thereupon the following terms have the meaning attributed below, unless otherwise determined:

- *Audit department*: audit department as referred to in article 1 of the Verordening op de ledengroepen (regulation to the member groups);
- *Audit unit*: audit department or audit firm;
- *Audit firm*: audit firm as referred to in article 1, paragraph 1, part a of the ‘Wet toezicht accountantsorganisaties’²;
- *Audit firm*: audit firm as referred to in article 1 of the Verordening op de ledengroepen (regulation to the member groups);
- *Assurance object*: subject matter and the information regarding the subject matter;
- *Assurance engagement*: A professional service as referred to in article 1 of the Verordening gedrags- en beroepsregels Accountants (VGBA)³ where a professional accountant expresses a conclusion that aims to enhance the confidence of the users, other than the responsible party, in the outcome of the evaluation or measurement against the applicable criteria;
- *Assurance team*:
 - a Engagement team;
 - b All other individuals within the audit unit or within network firm of the audit firm who can directly influence the outcome of an assurance engagement. These include by all means the person who:
 - 1° makes recommendations regarding the compensation of the engagement partner, who supervises or directs the engagement partner regarding the assurance engagement;
 - 2° provides technical consultations for the assurance engagement; or
 - 3° performs the engagement quality control review of the assurance engagement to be completed; and
 - c The person who performs the periodical internal quality research of completed assurance engagements.
- *Threat*: Unacceptable risk an assurance engagement is not performed independently due to self-interest, self-review, advocacy, familiarity, or intimidation;

² Wta, Audit Firms Supervision Act.

³ VGBA, Code of Ethics for Professional Accountants. Regulation with respect to Rules of Professional Conduct.

- *Code of Ethics*: the applicable, most recent version of the Code of Ethics for Professional Accountant issued by the Ethics Standards Board for Accountants;
- *Those charged with governance*: de person, persons or organization(s) responsible for overseeing the strategic direction of the responsible entity and the obligations related to the accountability of the responsible entity. This responsibility includes overseeing the financial reporting process. In some entities in some jurisdictions, those charged with governance may include management personnel, for example executive members of a governance board in a private or public sector entity or an owner-manager;
- *Direct financial interest*:
 - a financial interest over which an individual or an entity has the control, or an interest controlled by others (also) on behalf of the individual or the entity;
 - b financial interest which is beneficially owned through a collective investment vehicle, estate, trust, or other intermediary and over which the individual or the entity has the control or the possibility to influence investment decisions;
- *Engagement partner*: professional accountant who is responsible for the performance of assurance engagements and who signs the assurance report;
- *Financial interest*: equity interest or other securities including ordinary and preferential debentures, participating preference shares, claims, warrants, privileges, and other derivative rights or obligations to obtain such interests of derivative instruments that are directly related to such interests;
- *Gift*: Something offered to someone else, usually on the occasion of a special event;
- *Indirect financial interest*: financial interest beneficially owned through a collective investment vehicle, estate, trust, or other intermediary and over which the individual or the entity has no control nor the possibility to influence investment decisions;
- *Internal auditor*: professional accountant as referred to in article 1 of the Verordening op de ledengroepen (regulation to the member groups);
- *Key assurance partner*: engagement partner, the person who performs the engagement quality control review of the assurance engagement to be completed, or a professional accountant within an assurance team who is co-responsible for reporting on important matters;
- *Specified group of users*: persons who are considered to be the restricted user group by the engaging party, the responsible party and the engagement partner, or the audit unit, prior to the assurance engagement;
- *Close financial relation*: A close personal relation:
 - a That is financially dependent of the professional accountant or with whom the professional accountant has a joint household;
 - b To which the financial position of the professional accountant directly or indirectly is related;
 - c For which the professional accountant has financial control or to which he provides financial advice;
- *Close personal relation*: family member with whom there is close social contact;
- *Network*:
 - a Cooperation to which an audit firm belongs that clearly aims for sharing profit or expenses, or which is dominated by:
 - 1° sharing common ownership, control or management;
 - 2° common quality control policies and procedures;
 - 3° a common business strategy;
 - 4° a common brand name; or
 - 5° sharing a significant of professional resources;
 - b Cooperation of audit departments;
- *Engagement team*: all partners and other persons performing the assurance engagement, and all persons who have been engaged by an audit unit or network firm and who perform activities for the assurance engagement. This does not include an engagement partner's external expert who is engaged by the audit unit or by network firm;
- *Public interest entity (PIE)*: entity as referred to in article 1, first paragraph, part 1 of the Wta;
- *Governmental auditor*: professional accountant as referred to in article 1 of the Verordening op de ledengroepen (regulation to the member groups);
- *Partner*: any individual with authority to bind the firm with respect to the performance of a professional services engagement on behalf of the audit unit;
- *Personal expression of hospitality*: paying for a third party's expenses of excursions, trips, lunches, dinners and the like, that are not business-related;
- *Contingent fee*: a fee calculated on a predetermined basis and depends on the outcome of the activities performed in accordance with the engagement;

- *Responsible entity*: Entity responsible for the assurance object;
- *Responsible party*: responsible person or responsible entity;
- *Responsible person*: person responsible for the assurance object;
- *Related party*: natural or legal person who factually determines the day-to-day policy (policymaker) within the responsible entity, or may significantly influence the professional and economic policy of that responsible entity, and the economy in which the responsible entity is factually policy-making or is can significantly influence the professional and financial policy;
- *Statutory audit*: audit as referred to in article 1, part p, of the Wta;
- *Wta*: Wet toezicht accountantsorganisaties, *Audit Firms Supervision Act*.

Chapter 2 – General Provisions

Paragraph 2.1 - Scope

Article 2

This regulation applies to assurance engagements to which, based on the rules on professional conduct of the NBA, the Nadere voorschriften controle- en overige standaarden (NV COS⁴) apply.

Paragraph 2.2 – Independent performance of an assurance engagement

Article 3

- 1 The engagement partner ensures the independent performance of the assurance engagement.
- 2 Independence is required in mind and in appearance.
- 3 Independence is required:
 - a. from the period to which responsibility for the assurance object relates; and
 - b. during the period in which the assurance work is performed.
- 4 A professional accountant does not maintain relations with the responsible party or a related party if this relation threatens the independent performance of an assurance engagement.
- 5 A professional accountant ensures that the independent performance of an assurance engagement is not threatened due to relations held between a close personal relation and the responsible party or a related party.
- 6 Independence with respect to an assurance engagement with a non-specified group of users applies to the assurance object, the responsible person, and the responsible party.
- 7 Independence with respect to an assurance engagement with a specified group of users applies to the assurance object and the responsible person, provided that:
 - a. the assurance report:
 - 1° is addressed to the specified group of users;
 - 2° clearly states the limitation in use and distribution;
 - 3° clearly states the application of this article paragraph;
 - b. all users outside the responsible entity and its related party agree to the application of this paragraph in advance. The state, the provinces and the municipalities are considered to be part of one responsible entity and its related party.
- 8 Independence with respect to an assurance engagement for a specified group of users applies to the assurance object, the responsible person and the responsible entity if the terms in the seventh paragraph, parts a and b are not met.

Article 4

Contrary to article 3, paragraph 6 till 8, an assurance engagement performed by a governmental auditor is considered to be performed independently when:
the governmental auditor may perform this assurance engagement by or under law;
this assurance engagement is performed independently, both in mind and in appearance, of the assurance objects and the responsible person; and
the governmental auditor meets the requirements by or under law, if any, regarding an independent performance of the assurance engagement.

⁴ Detailed rules on audits and reviews of financial statements and other assurance and related services engagements.

Paragraph 2.3 – Framework of measurement

Article 5

When complying with this regulation, a professional accountant exercises professional judgment based on:

- a that which an objective, reasonable and informed third party considers acceptable and sufficient; and
- b the circumstances of which he knows or should know.

Article 6

- 1 The engagement partner identifies and assesses circumstances that may be a threat to the independent performance of the assurance engagement.
- 2 The engagement partner is prohibited to perform the assurance engagement in specific circumstances where a threat arises that cannot be eliminated, indicated with a prohibition in chapters 3 till 13.
- 3 The engagement partner declines or terminates the assurance engagement if he has identified and assessed circumstances that chapter 3 till 13 determine to be a threat that:
 - a. requires a specific safeguard and this is not applied; or
 - b. requires the engagement partner to select a safeguard that secures the independent performance and this safeguard is not, or will not be, applied.
- 4 The engagement partner declines or terminates the assurance engagement if he has identified and assessed a threat which is not mentioned in chapters 3 till 13, and no safeguard is not, or will not be, applied to secure the independent performance.

Article 7

The engagement partner terminates the engagement if he identifies conflicts with a provision in this regulation, unless:

- a a safeguard is applied that secures the independent performance of the assurance engagement till that moment;
- b a safeguard is applied that secures the independent performance for the remaining performance of the engagement. When doing this, the requirements in chapter 3 till 13 should be observed; and
- c the engaging party and those charged with governance have agreed to the following in writing:
 - 1° the safeguard, as referred to in part a; and
 - 2° the continuance of the assurance engagement.

Article 8

The provisions in this regulation that are exclusively related to an assurance engagement at a public interest entity do not apply, in case of an assurance engagement for a specified group of users, provided that:

- a The assurance report:
 - 1° is addressed to the specified group of users;
 - 2° clearly states the limitation in use and distribution;
 - 3° clearly states the application of this article; and
- b All users outside the responsible entity and its related party agree to the application of this article in advance.

1.1 Paragraph 2.4 – International relations

Article 9

Articles 6 till 8 and 10 till 46 do not apply to relations between a part of the network located abroad or a person connected thereto and:

- a a third party located abroad;

- b a person connected to a third party located abroad,

if the engagement partner determines that identification and assessment of a threat due to those relations is performed and a safeguard is applied in accordance with rules that are at least as demanding as the Code of Ethics.

Paragraph 2.5 – Relations with a related party

Article 10

- 1 The engagement partner also considers a related party when identifying and assessing circumstances as referred to in article 6, first paragraph.
- 2 Chapters 4 till 7 and 9 till 13 correspondingly apply to relations with a related party as referred to in the first paragraph, understanding that:
 - a <>responsible entity>> means: responsible entity or related party;
 - b <> responsible party>> means: responsible party or related party.

Paragraph 2.6 – Relation with the organizational structure

Article 11

The engagement partner only performs the assurance engagement if the organizational structure of the audit unit enables him to apply adequate safeguard in order to secure the independent performance of the assurance engagement.

Paragraph 2.7 - Documentation

Article 12

- a The engagement partner is responsible for including in the assurance file how he has secured the independent performance of the assurance engagement. For this purpose, the assurance file should at least contain:
- b a document regarding the nature and size of every identified and assessed threat;
- c a document regarding of every safeguard applied regarding that threat;
- d the supported conclusion as to how the safeguard applied secures the independent performance;
- e in the circumstance, as referred to in article 3, paragraph 7, the agreement of the specified group of users outside the responsible entity and its related party.
- f in the circumstance, as referred to in article 7, the written arrangement of the engaging party and those charged with governance; and
- g in the circumstance, as referred to in article 8, the agreement of the specified group of users outside the responsible entity and its related party.

Paragraph 2.8 – Listed entities that is not a PIE

Article 13

Excluding articles 16 and 17, the articles in this regulation regarding an assurance engagement related to a public interest entity correspondingly apply to an assurance engagement related to a listed entity that is not a public interest entity.

Paragraph 2.9 – Mergers and acquisitions

Article 14

- 1 This article does not apply to a statutory audit.
- 2 If the independent performance of an assurance engagement cannot reasonably directly be secured due to a merger or acquisition and those charged with governance request the assurance engagement to be continued, this contravention of article 6 is allowed, provided that:
 - a the independent performance will be secured as soon as possible, but no later than six months after the merger or acquisition date;
 - b those charged with governance confirm their request to continue the assurance engagement in writing; and
 - c the threat is not caused by a person who is a member of the engagement team or a person who performs the engagement quality control review of the assurance engagement.
- 3 Supplementary to article 12, the following is included in the assurance file:
 - a the consideration why the independent performance cannot reasonably be secured directly; and
 - b the written request from those charged with governance.

Paragraph 2.10 – Hardship Clause

Article 15

- 1 The engagement partner who continues an assurance engagement based on a grand public interest is expected to secure the independent performance of an assurance engagement, in a situation where he no longer complies with articles 3, 6, or 7, if:
 - a those charged with governance confirm the continuance of the assurance engagement in writing;
 - b he immediately comes to a written agreement with the Autoriteit Financiële Markten (AFM, *Netherlands Authority for the Financial Markets*) in case of a statutory audit and with the NBA in case of another assurance engagement concerning the safeguard that is to be applied; and
 - c the safeguard agreed upon is applied.
- 2 Supplementary to article 12, the confirmation and agreement obtained based upon the first paragraph are included in the assurance file.

Chapter 3 – Provision of non-assurance services at a PIE Where a Statutory Audit is Performed

Article 16

- 1 It is prohibited to perform a statutory audit at a public interest entity if the audit organization or network firm provides services other than audit services as referred to in article 24b of the Wta to that organization or an associated entity.
- 2 In order to apply the first paragraph, an associated entity entails the following:
 - a the legal person or company who/that, alone or together with other group companies, is at the head of the group of which the organization where the statutory audit is performed is part;
 - b a subsidiary of the organization where the statutory audit is performed; or
 - c a legal person or company over whom/which the organization where the statutory audit is performed may have control or unified management.
- 3 For the application of the first paragraph, an audit service entails a service:
 - a that is provided for the purpose of external users or the supervisory board;
 - b of which the activities to be performed are aimed at verifying information of which the responsible party gives account;
 - c where the nature of the activities correspond with the activities included in the ISAs 100-3850; and
 - d to which the Standards NV COS below or Standards NV COS that are alike in nature and size apply:
 - 1° Standards 100 – 999, Audits or Reviews of Historical Financial Information;
 - 2° Standards 2000 – 2699, Audits or Reviews of Historical Financial Information;
 - 3° Standards 3000 – 3850, Assurance Engagements other than Audits or Reviews of Historical Financial Information; or
 - 4° Standard 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information.

Chapter 4 – Provision of non-assurance services at a PIE⁵ where no Statutory Audit is Performed or at an Entity that is Not a PIE

Paragraph 4.1 - General

Article 17

This chapter does not apply if the audit unit with the responsible entity performs a statutory audit and this entity is a public interest entity.

Article 18

It is prohibited to perform an assurance engagement at a responsible entity if the engagement partner, the audit unit or network firm:

⁵ According to the definition of a PIE, in the Wta. only listed entities that are founded in the Netherlands qualify as a PIE.

- a assumes a management responsibility for the benefit of the responsible entity, insofar that management responsibility affects the assurance object;
- b participates in the responsible party's decision-making process regarding the assurance object.

Paragraph 4.2 - Provision of non-assurance services at an entity that is not a PIE

Article 19

A threat that requires a safeguard occurs when the audit unit of network firm provides or has provided a non-assurance service which has a material effect on the assurance object to the responsible party that is not a public interest entity.

Article 20

- 1 It is prohibited to perform an assurance engagement at a responsible entity that is not a public interest entity if the audit unit or network firm provides, or has provided, a non-assurance service to the entity that has a material effect on the assurance object and:
 - a is subjective or not-routine;
 - b has a treatment in the assurance object as a result and the assurance team doubt whether this treatment is appropriate; or
 - c leads to a advocacy threat.
- 2 The first paragraph does not apply when the terms, as referred to in article 3, paragraph 7, parts a and b as well as article 4 are met.

Paragraph 4.3 – Provision of non-assurance services at a PIE where no Statutory Audit is Performed

Article 21

It is prohibited to perform an assurance engagement at a responsible entity that is not a public interest entity, if the audit firm or network firm that provides, or has provided, a non-assurance service to that entity which has a material effect on the assurance object.

Article 22

It is prohibited to perform an assurance engagement at a responsible entity that is not a public interest entity, if the audit firm or network firm that provides, or has provided, an accounting service to that entity which has an effect on the assurance object.

Chapter 5 - Fees

Paragraph 5.1 – Contingent Fees

Article 23

It is prohibited to perform an assurance engagement if:

- a a contingent fee for the assurance engagement was agreed upon; or
- b the audit firm or network firm provides, or has provided, a non-assurance service to the responsible party for which a contingent fee was agreed upon insofar:
 - 1° the outcome of the non-assurance service is material to the assurance object; or
 - 2° the contingent fee is, or is expected to be, material to the audit firm or network firm is.

Paragraph 5.2 - Relative Size of Fees

Article 24

A threat that requires a safeguard occurs when the total of fees charged to a responsible party is material to:

- a the audit firm;
- b the network;
- c the engagement partner; or
- d a part of the audit firm or the network for which these fees are an important performance indicator.

Article 25

- 1 A threat that requires a specific safeguard occurs when the annual total fee that the audit firm has charged, or expects to charge, to a responsible party in two or more consecutive years consists of more than fifteen percent of the total revenue of the audit firm regarding these years.
- 2 As a specific safeguard, there will be an engagement quality review, to be performed by a professional accountant outside the audit firm, for each assurance report provided from the second year and onwards and for as long as the threat remains.
- 3 The first and second paragraph correspondingly apply when the fees charged to the responsible party by the network located in the Netherlands, contains more than fifteen percent of the total revenue of the part of the network located in the Netherlands.

Paragraph 5.3 – Overdue Fees

Article 26

A threat that requires a safeguard occurs if the audit firm has a considerable overdue fee receivable from the responsible party for assurance engagements and other services.

Chapter 6 – Gifts and Hospitality

Paragraph 6.1 – Gifts and Personal Expressions of Hospitality

Article 27

- 1 A threat that requires specific safeguards occurs when the audit unit, a director or internal officer charged with governance of the audit unit, or a member of the assurance team:
 - a receives a gift with the value of more than € 100 from the responsible entity or a person involved in the responsible entity;
 - b supplies the responsible entity or a person involved in the responsible entity with a gift at the value of more than € 100.
- 2 By means of safeguards:
 - a the engagement partner supports why the gift is appropriate;
 - b the engagement partner communicates:
 - 1° the gift;
 - 2° why the gift is appropriate;
 - 3° additional safeguards, if any;to the specifically appointed person within the audit unit who is not part of the assurance team or, if this is not possible, a policymaker from the audit unit; and
 - c the engagement partner informs those charged with governance on the gift and he notifies them in the manner they agreed.

3 This article correspondingly applies to a received or supplied personal expression of hospitality.

Chapter 7 – Long-term Involvement in Services to a Responsible Party

Paragraph 7.1 - General

Article 28

- 1 A threat that requires specific safeguards occurs when an unacceptable risk of familiarity or self-interest arises due to long-term involvement of a key assurance partner or another senior member of the assurance team in providing services to the same responsible party.
- 2 After a period of seven consecutive years of involvement of a key assurance partner or another senior member in an assurance engagement for the same responsible party, without there being a threat as referred to in paragraph 1, the engagement partner annually supports the lack of such a threat by:
 - a justifiably recording that the duration of the involvement in the circumstances is no threat to the independence;
 - b obtaining written approval for this documentation from an official appointed by the audit unit who is not involved in providing services to the responsible party;
 - c including this documentation and the written approval in the assurance file.

Paragraph 7.2 – Additional Provision for a PIE

Article 29

- 1 In addition to article 28, a threat that requires a specific safeguard occurs when a key assurance partner has been involved in an assurance engagement for the same public interest entity for seven consecutive years.
- 2 By means of a safeguard, the key assurance partner is no member of the assurance team of this responsible entity for two years.
- 3 The first and second paragraph correspondingly apply when a responsible entity is a public interest entity after the commencement of an assurance engagement.
- 4 Deviating from the first paragraph, a key assurance partner may complete the assurance engagement regarding the year in which the responsible party qualifies as a public interest entity for the first time, even if he is involved in the assurance engagement for more than seven consecutive years.
- 5 This article does not apply to the external auditor's mandatory rotation, as referred to in article 24 of the Wta.

Chapter 8 – Financial Interests

Article 30

- 1 This chapter applies in as far as a direct financial interest or a material indirect financial interest is held.
- 2 A financial product of a responsible entity is not considered a financial interest with respect to this regulation when:
 - a no risk-bearing capital is provided to the responsible entity by means of the financial product; and
 - b the responsible entity offers the financial product to a wide range of clients for normal business activities.
- 3 A financial product as referred to in the second paragraph is identified and assessed based on Chapter 9.

Article 31

- 1 It is prohibited to perform an assurance engagement when a member of the assurance team or a close financial relation of a member of the assurance team holds a financial interest in:
 - a the responsible entity;
 - b an entity that has a policy-making influence within the responsible entity, in as far as the responsible entity is material to that entity with policy-making influence; or
 - c an entity where the responsible party holds a financial interest, unless:
 - 1° this interest is immaterial to each of the parties involved; and
 - 2° the responsible party cannot affect the entity where it holds the financial interest.
- 2 It is prohibited to perform an assurance engagement when a financial interest in an entity as referred to in the first paragraph is held by:
 - a the audit firm;
 - b network firm; or
 - c a partner, a director or internal officer charged with governance of the audit firm or of network firm;
 - d a close financial relation of a person as referred to in part c.
- 3 A threat that requires a safeguard occurs when a financial interest in the responsible party is held by the audit firm or network firm for the purpose of a retirement scheme.
- 4 Deviating from the first paragraph, a threat that requires a specific safeguard occurs in an assurance engagement performed by an internal or a governmental auditor, when a member of the assurance team or a close financial relation of a member of the assurance team holds a financial interest in the organization to which he is related. By means of a safeguard, the financial interest will at least be communicated to the audit committee or those charged with governance within that organization.
- 5 Deviating from the second paragraph, parts c and d, a threat that requires a safeguard occurs when a person as referred to in the second paragraph, parts c or d, holds a financial interest in a responsible party that qualifies as an investment fund.

Article 32

Deviating from article 31, second paragraph, a financial interest in the responsible entity that is held by a close financial relation of a person as referred to in that article, second paragraph, part C, is not a threat if this financial interest is obtained because of a working relation and will be disposed of when this is reasonably feasible.

Article 33

A financial interest as referred to in article 31 that is obtained during the performance of an assurance engagement as a result of circumstances that are reasonably outside the control of those involved, will be disposed of as soon as possible.

Chapter 9 – Business Relations

Paragraph 9.1 – Collective Business Interests

Article 34

- 1 It is prohibited to perform an assurance engagement when a member of the assurance team, the audit unit, or network firm holds, for at least one of the parties, a material collective business interest with:
 - a the responsible party;
 - b its management; or
 - c a person charged with governance.
- 2 A threat that requires a safeguard occurs when a close personal relation of a member of the assurance team holds, for at least one of the parties involved, a material collective business interest in:
 - a the responsible party;
 - b its management; or
 - c a person charged with governance.
- 3 Deviating from the first and second paragraph, a threat that requires a specific safeguard occurs when an assurance engagement is performed by an internal or governmental auditor, when there is a business interest between a member of the assurance team on one hand and the organization to which he is related on the other. By means of a safeguard the business interest will at least be communicated to the audit committee or to those charged with governance within that organization.

Paragraph 9.2 – Purchasing Goods or Services

Article 35

- 1 It is prohibited to perform an assurance engagement when goods or services that do not meet the requirements referred to in the second paragraph, are purchased from the responsible entity by:
 - a the audit unit;
 - b network firm;
 - c a member of the assurance team; or
 - d a close personal relation of a member of the assurance team.
- 2 The requirements, as referred to in the first paragraph, include that:
 - a supplying the goods or services fits in the framework of the normal business activities of the responsible entity;
 - b the goods or services are supplied in line with market conditions or, in case of an internal or governmental auditor, in line with conditions that generally apply within the employer; and
 - c the responsible entity does not make purchasing the goods or services the condition for providing the assurance engagement.

Paragraph 9.3 – Loans, Guarantees or other Forms of Debentures

Article 36

- 1 It is prohibited to perform an assurance engagement when a loan that does not meet the requirements of the responsible party, as referred to in the second paragraph, is accepted by:
 - a the audit unit;
 - b network firm;

- c a member of the assurance team; or
 - d a close personal relation of a member of the assurance team.
- 2 The requirements, as referred to in the first paragraph, include that:
- a the loan fits in the framework of the normal business activities of the responsible entity;
 - b the loan is accepted in line with market conditions or, in case of an internal or governmental auditor, in line with conditions that generally apply within the employer; and
 - c the responsible entity does not make accepting the loan the condition for providing the assurance engagement.
- 3 It is prohibited to perform an assurance engagement when an audit unit, network firm, a member of the assurance team or a close personal relation of a member of the assurance team grants a loan to the responsible party and this loan is material to at least one of the parties involved.
- 4 A threat that requires a safeguard occurs when the audit unit of network firm accepts a loan from the responsible party that meets the terms, as referred to in the second paragraph, and this loan is material to at least one of the parties involved.
- 5 This article correspondingly applies to a received or granted guarantee or another forms of debenture.

Paragraph 9.4 – Association with the Responsible Entity

Article 37

- 1 It is prohibited to perform an assurance engagement when the audit unit enters into a relation with the responsible entity where the audit unit is associated with the responsible entity for the purpose of advertising or marketing.
- 2 This prohibition does not apply to a relation, as referred to in paragraph one, that is negligible to both parties.
- 3 This prohibition correspondingly applies to a relation between a member of the assurance team or network firm with the responsible entity, as referred to in the first paragraph.

Chapter 10 – Working Relations with a Responsible Entity

Paragraph 10.1 – Former Colleague Working for the Responsible Entity

Paragraph 10.1.1 - General

Article 38

- 1 It is prohibited to perform an assurance engagement when a former member of the assurance team has left the audit unit and works for the responsible entity:
 - a as a director;
 - b as a person charged with governance; or
 - c in a position where he can considerably influence the assurance object, while there are still close relations between the former member and the audit unit or network firm.
- 2 The first paragraph correspondingly applies to:
 - a a former partner of the audit firm;
 - b a former partner of network firm; or
 - c a former employee of the audit department.
- 3 There are close relations with the audit firm or network firm when the person, as referred to in the second paragraph of, part a and b:
 - a is involved in the business or professional activities of the audit firm or the other part of the network, or gives the impression that he is; or
 - b can make a claim to payments or employee benefits of the audit firm or the other part of the network in as far as they:
 - 1° are not included in predetermined conditions; and
 - 2° are material to the audit firm or the other part of the network.
- 4 There are close relations with the audit unit when a former member of the assurance team or a former employee of the audit department is involved in the business or professional activities of the audit department, or gives the impression that he is.

Article 39

- 1 A threat that requires a safeguard occurs when a former partner of the audit firm started working for a responsible entity prior to the performance of an assurance engagement by the audit firm for this entity, in the event that:
 - a there are still close relations between the former partner and the audit firm; and
 - b the former partner still works for the entity:
 - 1° as a director;
 - 2° as a person charged with governance; or
 - 3° in a position where he can considerably influence the assurance object.
- 2 The first paragraph correspondingly applies to a former partner or network firm.

Article 40

A threat that requires a safeguard occurs when a member of the assurance team has indicated to start working for the responsible entity.

Paragraph 10.1.2 – Additional Provision at a PIE

Article 41

Supplementary to articles 38, 39, and 40, it is prohibited to perform an assurance engagement when:

- a a key assurance partner of an assurance engagement for a responsible entity being a public interest entity starts working for the entity as a director or person charged with governance or in another position where he can significantly influence the assurance object before at least 24 months have passed since he terminated his function as key assurance partner;
- b the CEO or similar official of the audit firm or network firm starts working for a responsible entity being a public interest entity:
 - 1° as a director;
 - 2° as a person charged with governance; or
 - 3° in a position where he can considerably influence the assurance object, before at least 24 months have passed since he terminated his function as a CEO or a similar position.

Paragraph 10.2 –Commencement Employment of Responsible Entity's Staff at the Audit Unit

Article 42

It is prohibited to perform an assurance engagement when a member of the assurance team was working for the responsible entity in the previous two years:

- a as a director;
- b as a person charged with governance; or
- c in a position where he can considerably influence the assurance object.

Paragraph 10.3 – Additional Functions

Article 43

- 1 It is prohibited to perform an assurance engagement if the engagement partner has an additional function at the responsible entity:
 - a as a director;
 - b as a person charged with governance;
 - c as an administrator; or
 - d where he can significantly influence the assurance object.
- 2 The second paragraph correspondingly applies to:
 - a another person related to het audit unit; or
 - b a person related to network firm.

Chapter 11 – Close Personal Relations

Article 44

- 1 It is prohibited to perform an assurance engagement when a close personal relation of a member of the assurance team works for the responsible entity:
 - a. as a director or as a person charged with governance; or
 - b. in another position where that relation can significantly influence the assurance object.
- 2 A threat that requires a safeguard occurs when a close personal relation of a member of the assurance team works for the responsible entity in a position where he can significantly influence a financial position, financial performance or cash flow reflected in the assurance object.
- 3 This article correspondingly applies when a close personal relation of a member of the assurance team was working for the responsible entity in a position as referred to in the first or second paragraph, during the period that is covered by the assurance object.

Chapter 12 – Legal Proceedings Against the Responsible Party

Article 45

- 1 A threat that requires a safeguard occurs in the case of impending or instituted legal proceedings between an audit unit or network firm and the responsible party.
- 2 It is prohibited to perform an assurance engagement when there are imminent or instituted legal proceedings between the responsible entity and:
 - a. the engagement partner or another member of the assurance team; or
 - b. the audit unit or network firm, in as far as these proceedings are related to the opinion or conclusion regarding a previously completed assurance engagement.

Chapter 13 – Performance-based Review and Fee

Article 46

- 1 It is prohibited to perform an assurance engagement when a review or compensation of a member of the assurance team is not negligible to his commercial performances related to the responsible party.
- 2 It is prohibited to perform an assurance engagement when a review or compensation of the engagement partner depends on the outcome of his opinion with respect to that assurance engagement.

Chapter 14 – Repeal of Arrangements

Article 47

- 1 The detailed rules independence internal auditor – assurance engagements, established by the board of the “Nederlandse Orde van Accountants-Administratieconsulenten” (Dutch Order of Accounting Consultants, NOvAA) and the detailed rules independence internal auditor – assurance engagements, established by the board of the Nederlands Instituut van Registeraccountants (Dutch Institute of Chartered Accountants, NIVRA) will be repealed. *Nadere voorschriften onafhankelijkheid intern accountant - assurance-opdrachten, vastgesteld door het bestuur van de Nederlandse Orde van Accountants-Administratieconsulenten en de Nadere voorschriften onafhankelijkheid intern accountant - assurance-opdrachten,*
- 2 The detailed rules independence external auditor – assurance engagements, established by the board of the “Nederlandse Orde van Accountants-Administratieconsulenten” and the detailed rules independence external auditor – assurance engagements, established by the board of the Nederlands Instituut van Registeraccountants will be repealed. *Nadere voorschriften onafhankelijkheid openbaar accountant, vastgesteld door het bestuur van de Nederlandse Orde van Accountants-Administratieconsulenten en de Nadere voorschriften onafhankelijkheid openbaar accountant*
- 3 The detailed rules independence governmental auditor – assurance engagements, established by the board of the “Nederlandse Orde van Accountants-Administratieconsulenten” and the detailed rules independence governmental auditor – assurance engagements, established by the board of the Nederlands Instituut van Registeraccountants will be repealed. *Nadere voorschriften onafhankelijkheid overheidsaccountant - assurance-opdrachten, vastgesteld door het bestuur van*

*de Nederlandse Orde van Accountants-Administratieconsulenten en de Nadere voorschriften
onafhankelijkheid overheidsaccountant - assurance-opdrachten.*

Chapter 15 – Transitional and Final Provisions

Article 48

- 1 Till 1 January 2016, the NVO (Detailed rules) remain applicable to a threat arising from an agreement made before 17 December 2013 with respect to:
 - a. providing a non-assurance service as referred to in chapter 4;
 - b. a contingent fee for a non-assurance fee as referred to in article 23, part b;
 - c. a business relation as referred to in chapter 9.
- 2 Till 1 January 2015, the NVO (Detailed rules) remain applicable to a threat arising from:
 - a. a financial interest obtained before 17 December 2013 as referred to in chapter 8;
 - b. an agreement with respect to the contingent review or fee as referred to in article 46, made before 17 December 2013;
 - c. fees as referred to in article 25, first paragraph.
- 3 Article 28, second paragraph, of this regulation, does not apply to:
 - a. assurance engagements entered into before 17 December 2013; or
 - b. assurance engagements that will be completed before 1 January 2015.
- 4 Article 29 of this regulation does not apply to:
 - a. assurance engagements entered into before 17 December 2013; or
 - b. assurance engagements that will be completed before 1 January 2016.
- 5 The NVO (Detailed rules) remain applicable to the situation, as referred to in paragraphs 3 or 4.
- 6 In case of an assurance engagement as referred to in the third paragraph, part a, that is periodically extended, the engagement partner terminates the agreement after completion of the assurance engagement regarding the first accounting period if the requirements of article 28 of this regulation are not met.
- 7 In case of an assurance engagement as referred to in the fourth paragraph, part a, that is periodically extended, the engagement partner terminates the agreement after completion of the assurance engagement regarding the second accounting period if the requirements of article 29 of this regulation are not met.
- 8 The NVO (Detailed rules) remain applicable to a threat arising from:
 - a. a working relation as referred to in chapter 10 entered into before 17 December 2013;
 - b. legal proceedings as referred to in article 45 that were instituted before 17 December 2013.
- 9 Article 86a of the Wta correspondingly applies to the Provision of non-assurance services as referred to in article 16.
- 10 In this Article the detailed rules independence imply the following:
 - a. the detailed rules independence external auditor (AAs⁶);
 - b. the detailed rules independence external auditor (RAs⁷);
 - c. the detailed rules independence internal auditor – assurance engagements (AAs);
 - d. the detailed rules independence internal auditor – assurance engagements (RAs);
 - e. the detailed rules independence governmental auditor – assurance engagements (AA-qualification); or
 - f. the detailed rules independence governmental auditor – assurance engagements (CAs), as they are regarded till the effective date of this regulation.

Article 49

The board of the Nederlandse Beroepsorganisatie van Accountants (Dutch Professional Body of Professional Accountants, NBA) can, on the advice of the members, establish detailed rules, regarding sections 2 to 46.

Article 50

This regulation will be referred to as Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten, ViO abbreviated.

⁶ Administratieconsulent, AA-qualification. All professional accountants licensed in the Netherlands.

⁷ Registeraccountants, Chartered Accountants. All professional accountants licensed in the Netherlands.

Article 51

This regulation is effective on the first day after publication in the *Staatscourant* and is retroactive to January 1, 2014.

Regulatory technical information					
Re:	Section	Resolution	Approval	Publication	Effective date
New regulation		16-12-2013	20-12-2013 (FM/2013/2268 M)	Stcr. 2014, 163	1-1-2014

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