

For Immediate Release
October 3, 2019

Canadian securities regulators propose changes to auditor oversight rules

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to National Instrument 52-108 *Auditor Oversight* (The Notice) [Link] intended to provide the Canadian Public Accountability Board (CPAB) with improved ability to perform audit inspections. Under the proposed changes, some reporting issuers and audit firms may be required to take steps to provide CPAB with enhanced access to audit working papers, particularly in foreign jurisdictions.

“High quality audits are essential to the confidence in our capital markets,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “The new rules we are proposing will assist CPAB in inspecting audit work, which will lead to improvements in audit quality.”

Under the proposed new securities requirements, reporting issuers will be required to direct audit firms who are not subject to CPAB oversight, but complete a significant portion of audit work for a reporting issuer’s audit, to enter into an agreement with CPAB to access their files and inspect their work if such firms are not prepared to provide access to CPAB voluntarily upon request.

Known as component auditors, these audit firms complete some of the work that forms part of the evidence used to support an audit opinion. To assess whether sufficient audit evidence has been obtained to support an audit opinion, CPAB has determined it must be able to review all substantial audit work.

The Notice and its Companion Policy, which provides guidance on the interpretation and application of the proposed amendments, can be found on the CSA members' websites. The comment period will close on January 2, 2020.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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For Investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).

For media inquiries, please refer to the list of provincial and territorial representatives below or contact us at media@acvm-csa.ca.

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