

IFIAR 2026 Member Profile – AOB

1. Jurisdiction	1.1 Insert the name of the jurisdiction in English: Germany
2. Member¹	<p>2.1 Insert the name of the Member, both in the local language and in English:</p> <p>Abschlussprueferaufsichtsstelle (APAS) Auditor Oversight Body (AOB)</p> <p>(Full legal titles:</p> <p>Abschlussprueferaufsichtsstelle beim Bundesamt fuer Wirtschaft und Ausfuhrkontrolle Auditor Oversight Body at the Federal Office for Economic Affairs and Export Control)</p> <p>2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website:</p> <p>Uhlandstr. 88 – 90 10717 Berlin Germany Tel.: +49 (0) 6196 – 908 3000 Email: Infoapas@apasbafa.bund.de Website: www.apasbafa.bund.de</p> <p>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</p> <p>The AOB was established as a result of the EU Audit Reform. Its basis are both the Regulation (EU) No. 537/2014 of 16 April 2014 as well as the EU Directive 2014/56/EU of 16. April 2014, amending the original Audit Directive (2006/43/EC of 17 May 2006), transposed into German national law by the <i>Abschlussprueferaufsichtsreformgesetz</i> (APAREG; Auditor Oversight Reform Act) published in the federal gazette on 5 April 2016 and which amended the <i>Wirtschaftsprueferordnung</i> (WPO; Public Accountants Act).</p>

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p>The AOB is the competent authority as per Article 32 of the EU Directive 2006/43/EC and Art. 20 (1) (c) of the EU Regulation No. 537/2014. The missions and responsibilities of the AOB are set out in § 66a of the amended WPO. They include:</p> <ul style="list-style-type: none"> ▪ inspections of PIE audit firms and PIE audits ▪ enforcement (investigations and sanctions) in relation to PIE audits ▪ supervision of the Chamber of Public Accountants (<i>Wirtschaftsprueferkammer, abbr. WPK</i>) and ultimate responsibility and decision-making power especially in relation to the following activities of the WPK: <ul style="list-style-type: none"> ○ licensing of public accountants and sworn accountants (<i>“Wirtschaftspruefer”</i> and <i>“vereidigte Buchpruefer”</i>) ○ licensing of audit firms ○ revocation of licenses ○ registration of public accountants and audit firms ○ disciplinary oversight ○ external quality assurance ▪ mandatory statement on any amendments to professional rules (ethics, quality control) issued by the WPK for approval by the Federal Ministry for Economic Affairs and Energy (formerly: Ministry for Economic Affairs and Climate Action). ▪ market monitoring in accordance with Article 27 of the Regulation (EU) No. 537/2014 <p>The AOB is the competent authority for the organisation and performance of inspections of auditors/audit firms who audit public interest entities.</p> <p>The AOB cooperates in case of cross-border oversight proceedings concerning statutory auditors with the relevant authorities abroad.</p> <p>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Licensing <input checked="" type="checkbox"/> Registration <input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting <input checked="" type="checkbox"/> Permanent Education / Continuous Training of Auditors <input checked="" type="checkbox"/> Inspection <input checked="" type="checkbox"/> Enforcement <input checked="" type="checkbox"/> Other: _ External quality assurance by means of Monitored Peer Review
<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</p>

	<p>The AOB is led by its Chief Executive Director, Mr. Naif-Raffael Kanwan, supported by two Executive Directors (Mr. Martin Kocks, Directorate Inspections and Quality Assurance, and Mr. Marcus Berger, Directorate Enforcement and Market Monitoring). These three positions constitute the leadership (or for the purpose of this profile, the governing body) of the AOB.</p> <p>The Directorate Inspections and Quality Assurance has five Divisions and the Directorate Enforcement and Market Monitoring has four Divisions.</p> <p>In terms of decision making, the following structure is in place:</p> <p>Decisions in oversight matters are taken by so-called “Panels” or “Ruling Chambers”. Each Panel consists of 5 knowledgeable members of staff of the AOB (which must be independent from the profession) and is chaired by one member of the leadership structure (i.e. either the Chief Executive Director or an Executive Director); the remaining four members of the panel cannot belong to the leadership structure. At least two members of a panel must have a legal background and must be qualified to hold the office of judge. Decisions will be taken by simple majority.</p> <p>In addition, the AOB is supported by a Consulting Committee that shall offer advice and counsel the AOB in relation to the accomplishment of its tasks. The AOB may consult the Consulting Committee in individual oversight cases (discretionary), but the Consulting Committee is not involved in decision-making processes. The Consulting Committee may, however, make general recommendations for enhancements in the oversight practice. The committee will consist of 3-5 knowledgeable members appointed by the Federal Ministry for Economic Affairs and Energy for a four-year term. They must be independent from the profession in accordance with the EU-Regulation (Article 2 § 3 (3) of the APAREG refers to Article 21 sub-paragraph 3 and Article 26 (5) sub-paragraph 2 sentence 4 of the Regulation (EU) No. 537/2014).</p> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</p> <p>The position of Chief Executive Director as well as any other leadership position (including the Executive Directors and Heads of Divisions) is publicly tendered which is a legal requirement. Members of the governing body must be knowledgeable in areas relevant for statutory audits, i.e. accounting, auditing, tax or law etc.</p>
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	<p>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes to either of the above, please describe:</p> <p><u>All</u> members of the governing body, i.e. the Chief Executive Director, the Executive Director and Heads of Divisions as well as the members of decision-making panels must be independent from the audit profession; Article 2 § 1 (3) and (4) of the APAReG refers to the relevant independence provision in Article 21 sub-paragraph 3 of the Regulation (EU) No. 537/2014.</p> <p>The applicable cooling-off period is three years in accordance with Article 21 sub-paragraph 3 of the Regulation (EU) No. 537/2014.</p>
<p>4. Independence safeguards</p>	<p>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</p> <p>Chapter IV of the Rules of procedure underlines general principles of conduct as well as the duty to keep information confidential. For the governing body, there are stricter requirements. The governing body (as mentioned previously) must be independent from the audit profession, i.e. be non-practitioners as defined in the Rules of Procedure. Persons are deemed non-practitioners if they</p> <ul style="list-style-type: none"> - did not perform audits, - did not hold voting rights in audit firms, - were not a member of a governing body in an audit firm, - did not have partner status, - had no working connection or - were not otherwise connected to an audit firm <p>for a three-year cooling-off period (§ 2 para. 2 RoP).</p> <p>Please note that the three-year cooling-off period is not required for employees; nevertheless, they also must have severed any ties to audit firms.</p>

	<p>The RoP can be found on AOB’s website. The documents are available only in German.</p> <p>Are employees of the Member covered by the same or separate set of independence requirements?</p> <p><input type="checkbox"/> Same set of requirements <input checked="" type="checkbox"/> Different set of requirements</p> <p>If there are separate independence requirements for employees, please describe:</p> <p>See above.</p> <p>4.2 Are there any additional safeguards in place that provide for the Member’s overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe:</p>
<p>5. Funding Arrangements</p>	<p>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</p> <p>The AOB is funded mainly by fees (~70%, e.g. charged for inspections) and in addition from the Federal Budget (~30%). The AOB’s budget is part of the budget of the Federal Office for Economic Affairs and Export Control and therefore ultimately part of the Federal Budget approved by the German parliament.</p> <p>5.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>The profession has no role in determining the fee level or the budget. The fees are set out in the Schedule of Fees (“Gebuehrenordnung”) adopted by the Federal Ministry for Economic Affairs and Energy.</p>
<p>6. Audit Market</p>	<p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member’s oversight or mandate.²</p> <ul style="list-style-type: none"> ▪ Number of audit firms subject to inspections: 52 (Audits in 2025)

² Reporting date: 29 January 2026

	<ul style="list-style-type: none"> ▪ Number of PIEs: 927 (PIE: listed entities, non-listed banks and insurance companies) (as of 31.12.2024) <p>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member’s jurisdiction.</p> <ol style="list-style-type: none"> 1. PwC: 3.120 Mio Euro 2. E&Y: 852 Mio Euro 3. KPMG: 2.553 Mio Euro 4. Deloitte: 1.588 Mio Euro 5. BDO: 371 Mio. Euro 6. Forvis Mazars: 311 Mio. Euro
7. Inspection System	<p>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <hr/> <p>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 12 Enforcement, please reference that section for details on such measures).</p> <p>The AOB is directly responsible for inspections of PIE auditors/audit firms and PIE audits. It is also the technical supervisor of the WPK who is responsible for quality assurance reviews of non-PIEs auditors/audit firms and non-PIE audits (including non-PIE audits conducted by PIE auditors/audit firms). Within this scope, the AOB is indirectly, i.e. through oversight, and ultimately responsible for quality assurance reviews in the non-PIE area.</p> <p>Based on the outcome of the inspection, the competent Ruling Chamber decides if measures/sanctions need to be imposed on the auditor/audit firm. Possible measures are reprimands, fines, reprimands combined with fines, temporary prohibitions regarding professional services and a ban from the profession, both against the auditor and/or the audit firm.</p> <p>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:</p> <p>See question 8, 9 and 12 below.</p>

	<p>7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p> <p>The frequency of inspections is determined in accordance with Article 26 (2) sub-paragraph 2 (a) and (b) of the Regulation (EU) No. 537/2014. According to the AOB's Rules of Procedure (<i>"Verfahrensordnung"</i>), the cycle will be determined by the number of audit engagements. Audit firms which perform a certain number of audits (currently more than 50 PIE audits) and which generate a revenue of more than 50 Mio. € from these engagements will be subject to annual inspections. Those audit firms with fewer audit engagements are subject to inspections at least every six years. However, inspections can take place on an ad-hoc basis if deemed necessary.</p> <p>7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.</p> <p><input checked="" type="checkbox"/> Employees of the Member <input type="checkbox"/> Professional body</p> <p><input type="checkbox"/> Third Parties <input type="checkbox"/> Other</p> <p>Please explain below:</p> <p>All inspectors that perform PIE audits are employed by the AOB.</p>
<p>8. Licensing</p>	<p>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p>The organization directly responsible for licensing of auditors is the Chamber of Public Accountants in Germany (WPK). Every auditor/audit firm in Germany is a mandatory member of the WPK. As it is a professional body, members of the profession are involved in the governance and the decision-making processes.</p>

	<p>In terms of how this oversight is put into practice: The AOB oversees this process (and all other oversight processes regarding the WPK, for that matter) in its capacity as technical supervisor through active participation in the meetings of the related decision-making bodies within the WPK. In addition, the AOB has the right to request any information or look at any file it desires. If the AOB does not agree with the decision taken by the WPK in any particular case, it can refer the case back to the WPK, stating its reasons for doing so, and ask for a reconsideration. If the WPK upholds its original decision, the AOB can repeal the decision, instruct the WPK accordingly or take the necessary decision itself (=execution by substitution). Only in cases where the WPK believes the decision to be <i>contra legem</i>, it can involve the Ministry for Economic Affairs and Energy which is the legal supervisor of both AOB and WPK.</p>
9. Registration	<p>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p>The organization directly responsible for registration of auditors is the Chamber of Public Accountants in Germany (WPK). Every auditor/audit firm in Germany is a mandatory member of the WPK. As it is a professional body, members of the profession are involved in the governance and the decision-making processes.</p> <p>In terms of how this oversight is put into practice: The AOB oversees this process (and all other oversight processes regarding the WPK, for that matter) in its capacity as technical supervisor through active participation in the meetings of the related decision-making bodies within the WPK. In addition, the AOB has the right to request any information or look at any file it desires. If the AOB does not agree with the decision taken by the WPK in any particular case, it can refer the case back to the WPK, stating its reasons for doing so, and ask for a reconsideration. If the WPK upholds its original decision, the AOB can repeal the decision, instruct the WPK accordingly or take the necessary decision itself (=execution by substitution). Only in cases where the WPK believes the decision to be <i>contra legem</i>, it can involve the Ministry for Economic Affairs and Energy which is the legal supervisor of both AOB and WPK.</p>

<p>10. Audits and/or Ethics Standard Setting</p>	<p>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The AOB itself has no active role in the setting of Audit and/or Ethics standards, except for being involved in the adoption of standards regarding professional ethical duties which are set out in the WPK’s by-laws (to the extent that such duties are not already legally codified). These by-laws do, however, contain some ethical standards dealing with aspects of quality control. Any such by-laws issued by the WPK must be presented to the AOB for comment before adoption by the Ministry for Economic Affairs and Energy.</p>
<p>11. Permanent Education / Continuous Training of Auditors</p>	<p>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>Permanent education is a professional duty of any auditor in Germany. This duty is controlled by the WPK. Details are set out in the WPK’s by-laws. This area is overseen by the AOB by means of technical supervision.</p>

12. Enforcement	<p>12.1 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The AOB is directly responsible for enforcement as far as PIE auditors are concerned. It is also the technical supervisor of the WPK who is responsible for enforcement matters related to other auditors.</p>
13. Other Responsibilities in Audit Oversight or Audit Regulation	<p>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</p> <p>The AOB is generally responsible for technical oversight over the WPK regarding its tasks mentioned in § 4 I 1 of the Public Accountant Act.</p>
14. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight or Audit Regulation	<p>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</p> <p style="text-align: center;">N/A</p>
15. Member Update for public information (if any)	<p>15.1 Are there any major news, activities, events or updates (on audit matters, the Member's organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year's Member Profile?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p> <p>The work programs and annual reports of the AOB are accessible via the following links: https://www.apasbafa.bund.de/APAS/DE/Publikationen/Arbeitsprogramme/arbeitsprogramme_node.html https://www.apasbafa.bund.de/APAS/DE/Publikationen/Jahresberichte/jahresberichte_node.html</p>