

## **General Notice relating to the Data Protection Agreement between the Commissione Nazionale per le Società e la Borsa (Consob) in Italy and the Public Company Accounting Oversight Board (PCAOB) in the United States of America on the Transfer of Certain Personal Data**

On June 1<sup>st</sup>, 2023, Consob and the U.S. audit oversight authority, the Public Company Accounting Oversight Board (PCAOB), subscribed a Statement of Protocol to facilitate cooperation and the exchange of information, within the limits provided for by their respective laws, in the oversight, inspections and investigations of auditors that fall under the jurisdiction of both regulators (the “Protocol”). The Protocol provides that the transfer of personal data between Consob and the PCAOB in connection with the implementation of the Protocol is subject to the establishment of appropriate arrangements.

Hence, on the same date, after having received the authorization from the Italian Data Protection Authority ([Provvedimento del 17 maggio 2023 \[9904047\] - Garante Privacy \(gdpd.it\)](#)), Consob entered into a Data Protection Agreement (the “Agreement”) with the PCAOB, the purpose of which is to provide appropriate safeguards with respect to personal data transferred by Consob to the PCAOB in the course of cooperation pursuant to the Protocol under Article 33 of Legislative Decree no. 39/2010 and Article 4 paragraphs 3 and 5bis of Legislative Decree no. 58/1998, pursuant to Article 46.3(b) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons about the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (“GDPR”).

This information notice is drawn up pursuant to Article III.3 of the Agreement, which states that Consob will provide general notice to data subjects on certain points of the Agreement, as described below, by means of a publication of this information on its website along with the Agreement. This notice is purely informative and aims to facilitate the reading of the Protocol and the Agreement. Due to its general nature, it cannot replace the reading of the Protocol and the Agreement which are published on the Consob website ([www.consob.it](http://www.consob.it)). It cannot engage the responsibility of Consob or of PCAOB, in particular in the event of inaccuracy, omission, or incompleteness.

### **(a) Purpose and how personal data may be processed and transferred**

Personal data transferred by Consob to the PCAOB may be processed directly by the PCAOB only to fulfill its audit regulatory functions in accordance with the Sarbanes-Oxley Act, i.e., for the purposes of auditor oversight, inspections and investigations of registered audit firms and their associated persons subject to the regulatory jurisdiction of the PCAOB and Consob. The onward sharing of such data by the PCAOB will be consistent with the Sarbanes-Oxley Act and is governed by Article III.7 of the Agreement as indicated below. The PCAOB will not process personal data it receives from Consob for any purpose other than as set forth in the Agreement. The personal data transferred by Consob must be accurate and must be adequate, relevant and not excessive in relation to the purposes for which they are transferred and further processed. Consob will transfer documents containing personal data to the PCAOB only on request and only if, in its request, the PCAOB states the reasons why it needs to access those documents. The PCAOB mainly seeks the names and information concerning the professional activities of the natural persons responsible for or having participated in the audit engagements selected for review during an audit or an investigation or having a significant role in the management of the audit firm or its quality control. This information may be used by the PCAOB to assess the level of compliance by registered audit firms and their associates with the Sarbanes-Oxley Act, securities laws relating to preparation and issuance of audit reports, PCAOB and United States Securities and Exchange Commission (SEC) regulations, and applicable

professional standards relating to the performance of the audit engagement, issuance of audit reports and related issues regarding issuers (as defined by the Sarbanes-Oxley Act).

The processing of personal data must respect the following principles, more fully described in Article III of the Agreement:

- purpose limitation;
- data quality and proportionality;
- transparency;
- security and confidentiality;
- data subjects rights.

The Agreement further provides that special categories of personal data/sensitive data, as defined in clause I(e), shall not be transferred by Consob to the PCAOB.

### **(b) Type of entities to which this personal data may be transferred**

The modalities for onward sharing of personal data transferred by Consob to the PCAOB are detailed in Article III.7 of the Agreement. The PCAOB may only share personal data received from Consob with the entities listed exhaustively in Annex II of the Agreement. Such sharing can only take place on the condition that the receiving entity provides appropriate assurances that are consistent with the safeguards in the Agreement. In addition, in the event of sharing with an entity other than the SEC, the PCAOB must request the prior written consent of Consob. In the event of sharing with the SEC, the Agreement provides for a periodic information mechanism from the PCAOB to Consob relating to the nature of the personal data shared and the reasons for the sharing.

### **(c) Rights granted to data subjects and procedures for exercising these rights**

The Agreement provides, subject to certain limitations (see (d) below), rights for data subjects. These rights, which derive from the GDPR, are as follows:

- permission to access;
- right to erasure;
- right to information;
- right of opposition;
- right of rectification;
- right to restriction of processing.

The PCAOB agrees that it will not take a legal decision concerning a data subject based solely on automated processing of personal data, including profiling, without human involvement.

A data subject may exercise his/her data subject rights by making a request directly to Consob.

Contact details for Consob:

- by certified e-mail to: [consob@pec.consob.it](mailto:consob@pec.consob.it)
- by e-mail to: [protocollo@consob.it](mailto:protocollo@consob.it);
- by post to: Consob, Commissione nazionale per le società e la borsa, via G.B. Martini n. 3 - 00198 Roma.

The Data Protection Officer for Consob can be contacted by e-mail at [responsabileprotezionedati@consob.it](mailto:responsabileprotezionedati@consob.it)

If the data subject wishes to contact the PCAOB, they can send an e-mail to:

[personaldata@pcaobus.org](mailto:personaldata@pcaobus.org)

The PCAOB will address in a reasonable and timely manner any such request from Consob concerning any personal data transferred by Consob to the PCAOB. Either Party may take appropriate steps, such as charging reasonable fees to cover administrative costs or declining to act on a data subject's request that is manifestly unfounded or excessive.

**(d) Information on time limits or limitations on the exercise of rights**

Safeguards relating to data subject rights are subject to a Party's legal obligation not to disclose confidential information pursuant to professional secrecy or other legal obligations. These safeguards may be restricted to prevent prejudice or harm to supervisory or enforcement functions of the Parties acting in the exercise of the official authority vested in them, such as for the monitoring or assessment of compliance with the Party's applicable laws or prevention or investigation of suspected offenses; for important objectives of general public interest, as recognized in the United States and in Italy or in the European Union, including in the spirit of reciprocity of international cooperation; or for the supervision of regulated individuals and entities. The restriction should be necessary and provided by law and will continue only for as long as the reason for the restriction continues to exist.

Article III. 5 of the Agreement provides that Consob will provide information to the Data Subject on the action taken on a request under Articles 15 to 22 of the GDPR without undue delay and in any event within one month of receipt of the request. That period may be extended by two further months where necessary, considering the complexity and number of requests. Consob will inform the data subject of any such extension within one month of receipt of the request. If Consob and/or the PCAOB does not take action on the request of the data subject, Consob will inform the data subject without delay and at the latest within one month of receipt of the request of the reasons for not taking action and on the possibility of lodging a complaint with the Italian Data Protection Authority and seeking a judicial remedy or before the complaint mechanism established within the PCAOB.

**(e) Contact details of the person to whom a dispute or complaint may be submitted**

Any dispute or claim brought by a data subject concerning the processing of his or her personal data pursuant to the Agreement may be made to Consob, the PCAOB or both, as applicable and as set out in Article III.8 of the Agreement. Each Party will inform the other Party about any such dispute or claim and will use its best efforts to amicably settle the dispute or claim in a timely fashion.

Any concerns or complaints regarding the processing of personal data by the PCAOB may be reported directly to the PCAOB Centre for Enforcement Tips, Referrals, Complaints and Other Information, specifically through the Tips & Referral Centre, where information may be provided through an online form on the web site, or via electronic mail, letter or telephone, or, alternatively may be provided to Consob by sending such information to the contact details indicated in paragraph c) above. The PCAOB will inform Consob of reports it receives from data subjects on the processing of his/her personal data that was received by the PCAOB from Consob and will consult with Consob on a response to the matter.

The Agreement also provides for an appropriate dispute resolution mechanism conducted by an independent body within the PCAOB. The decision taken through this dispute resolution mechanism may be subject to a second independent review, which would be conducted by a separate independent body. The dispute resolution mechanism and the second review process are described in Annex III of the Agreement.

Under the Agreement, the data subject may exercise his or her rights for judicial review or administrative remedy (by filing a complaint to the Italian Data Protection Authority - Piazza di Monte Citorio n. 121 - Rome) according to Italian data protection law.

In situations where Consob is of the view that the PCAOB has not acted consistent with the safeguards set out in the Agreement, Consob may suspend the transfer of Personal Data under the Agreement until the issue is satisfactorily addressed and may inform the data subject thereof. Before suspending transfers, Consob will discuss the issue with the PCAOB and the PCAOB will respond without undue delay.

The Italian Data Protection Authority could order the suspension of flows of personal data carried out by Consob towards the PCAOB, pursuant to Article 58, par. 2, lit. j), of GDPR.