

## Overview of the key benefits

### MACRO-ECONOMIC POLICY



- The only proven mechanism enabling new entrants into the audit market for large multinational companies.
- Stimulates competition between a greater number of audit firms from different cultural backgrounds, resulting in more innovation and better response to market needs.
- Enables the smaller firms to get on a ladder of investments, be it in terms of geographic coverage, sector expertise or size.
- Mitigates the risk of the Big 4 becoming the Big 3 which would result in certain regulatory capture.

### INDEPENDENCE AND OBJECTIVITY



- Reinforces auditor independence, in particular over proper acceptance of non-audit services.
- Reduces the risk of over-familiarity through rotating the allocation of fieldwork between the joint auditors after a set number of years.
- Reinforces the auditors' ability to stand their ground in the event of a disagreement with the company.
- Encourages healthy dialogue between the two audit firms appointed which brings a critical eye on the respective work of each auditor.

### QUALITY



- Reinforces audit quality via the "four eyes" principle by creating timely and in-built independent quality control.
- Stimulates innovation and awareness ("critical eye") through rotating fieldwork after a set number of years.
- Enables a smooth and sequenced rotation of audit firms which minimises disruption to the client by harmoniously transferring knowledge and understanding of the company's operations and culture.
- Offers the audited group a broader spectrum of skills and geographic coverage to work / choose from.
- Enables comparison of service levels between the firms which drives service quality up.
- Is fully compliant with International Auditing Standards, in particular ISA 600.

### TECHNICAL KNOWLEDGE



- Enables companies to benefit from the technical expertise of more than one audit firm and to have a richer discussion on complex technical issues.
- Increases the technical knowledge base by encouraging a more diverse audit market.
- Offers additional scope for benchmarking best practice across the market.