

**DISCIPLINE NOTICE:**

*“In the matter of: Charges against KPMG Audit Limited and Damion J. Henderson, CPA, CA, under Rules **201, 205 and 502** of the Chartered Professional Accountants of Bermuda – Rules of Professional Conduct (February 2018).*

**Background**

*On 9 April 2019, KPMG’s regulator in the United States, the Public Company Accounting Oversight Board (“PCAOB”), KPMG and Mr Damion J. Henderson agreed to the issuance of a settled “Order Making Findings and Imposing Sanctions” (the “Order”) as a result of matters that occurred during 2014 and 2015 in connection with a PCAOB inspection of KPMG in April 2015. As indicated in the Order, the PCAOB sanctioned KPMG and Mr Henderson and required KPMG to undertake and certify the completion of certain improvements to the firm’s system of quality control by way of remediation.*

*As a result of the circumstances that gave rise to the Order, the Chartered Professional Accountants of Bermuda felt it appropriate to bring charges against KPMG and Mr. Henderson that both parties may have breached the Rules of Professional Conduct.*

**Decision**

*That, having seen and considered the evidence, the Discipline Committee of the Chartered Professional Accountants of Bermuda found that KPMG Audit Limited and Damion J. Henderson, CPA, CA breached Rules 201 and 205. An alleged breach of Rule 502 against KPMG Audit Limited was not upheld.*

**Order**

*The Discipline Committee of the Chartered Professional Accountants of Bermuda has hereby recommended that, whilst KPMG Audit Limited and Damion J. Henderson, CPA, CA were found to have breached the Chartered Professional Accounts of Bermuda - Rules of Professional Conduct, their respective conduct did not warrant a hearing of the Discipline Committee on this occasion. However, KPMG Audit Limited and Damion J. Henderson, CPA, CA have been put on notice that this recommendation will be subject to review for a period of one year which commenced on February 11, 2020. Any further offences during the period may lead to a referral to the Discipline Committee.*

**Dated: June 17, 2020**

*By order of the Discipline Committee of the Chartered Professional Accountants of Bermuda*