



Transparency report 2022

Supplement

Additional information required by
Article 13 of EU Regulation 537/2014

January 2023

audit.kpmg.us/auditquality/transparency.html

Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands.

We define “audit quality” as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards, within a strong system of quality management.

All our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics, and integrity.



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1.1 Legal structure of KPMG International Limited

KPMG LLP and all other KPMG firms are party to membership agreements and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organization are members in, or have other legal connections to, KPMG International Limited (KPMG International), an English private company limited by guarantee. KPMG International acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm, vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

Further detail on the legal and governance arrangements for the KPMG global organization can be found under “Governance and leadership” of the [KPMG International Transparency Report 2022](#).

The name of each audit firm that is a member of the organization and the European Union/European Economic Area (EU/EEA) countries in which each firm is qualified as a statutory auditor or has its registered office, central administration, or principal place of business are available [here](#).

Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements.¹

Aggregated revenues generated by KPMG firms from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was 2.2 billion euros during the year ended September 30, 2022.

The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended September 30, 2022.

¹ The financial information set forth represents combined information of the separate KPMG firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.



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1.2 Responsibilities and obligations of member firms

Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations, including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes being professionally and financially stable; having an ownership, governance, and management structure that enables continuity and stability and long-term success; and being able to comply with policies issued by KPMG International, adopt global strategies, share resources (incoming and outgoing), serve multinational clients, manage risk, and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG values (as outlined in our [2022 Transparency Report](#)).

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the KPMG International Global Board and consistently applied to the firms. A firm's status as a KPMG member firm and its participation in the KPMG global organization may be terminated if, among other things, it has not complied with the policies, procedures, and regulations set by KPMG International or any of its other obligations owed to KPMG International.

1.3 Professional indemnity insurance

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.

1.4 Governance structure

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team.

1.4.1 Global Council

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms.

Among other things, the Global Council elects the Global Chairman and also approves the appointment of Global Board members. It includes representation from 56 KPMG firms that are "members" of KPMG International Limited as a matter of English law.

1.4.2 Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board include approving global strategy, protecting and enhancing the KPMG brand and reputation, overseeing the Global Management Team, and approving policies with which KPMG firms are required to comply. It also approves the admittance or termination of KPMG firms to and from the global organization.

The Global Board is led by the Global Chairman, Bill Thomas, and also includes the chairs of each of the regions (the Americas; Asia Pacific [ASPAC]; and Europe, the Middle East, and Africa [EMA]) and a number of senior partners from member firms.

The list of current Global Board members is set out on the [Leadership](#) page of [kpmg.com](#).

The Global Board is supported in its oversight and governance responsibilities by several committees, including:

- Executive Committee
- Governance Committee
- Global Quality, Risk Management and Reputation Committee
- Global Audit Quality Committee.

The overarching responsibility of the Global Audit Quality Committee is to strive for globally consistent audit quality across all firms and to oversee those KPMG International activities that relate to improving and maintaining the consistency and quality of audits, assurance engagements, and the system of quality management provided by KPMG firms.



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1.4.3 Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team (GMT). These responsibilities include developing the global strategy by working together with the Executive Committee and jointly recommending the global strategy to the Global Board for its approval.

The GMT also supports KPMG firms in their execution of the global strategy and KPMG International decisions and policies, including holding those firms accountable against their commitments.

The Global Management Team is led by Global Chairman Bill Thomas.

The list of current Global Management Team members is available in the [Leadership](#) section on [kpmg.com](#)

1.4.4 Global steering groups

There is a global steering group for each key function and infrastructure area, chaired by the relevant member of the GMT, and together, they assist the GMT in discharging its responsibilities. They act under delegated authority from the Global Board and oversight by the GMT. Under the oversight of the GMT, they promote the execution of the global strategy and compliance with KPMG International decisions and policies by member firms.

In particular, the Global Audit Steering Group and Global Quality & Risk Management Steering Group work closely with regional and member firm leadership to:

- Establish and enable communication of appropriate audit and quality/risk management policies
- Establish and support effective and efficient risk processes to promote audit quality
- Promote and support the implementation of strategy in member firms' audit functions, including standards of audit quality
- Assess and monitor audit engagement quality, including issues arising from quality performance and regulatory reviews, and focus on leading practices to improve audit quality.

The roles of the Global Audit Steering Group and the Global Quality & Risk Management Steering Group are detailed in the section, "Governance and leadership," of the [KPMG International Transparency Report 2022](#).

Each firm is part of one of three regions (the Americas, ASPAC, and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating officer, representation from any subregions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within its region and assists in the implementation of KPMG International's policies and processes within the region.

Further details about KPMG International, including governance arrangements for the year ended September 30, 2022, can be found in the section, "Governance and leadership," of the [KPMG International Transparency Report 2022](#).

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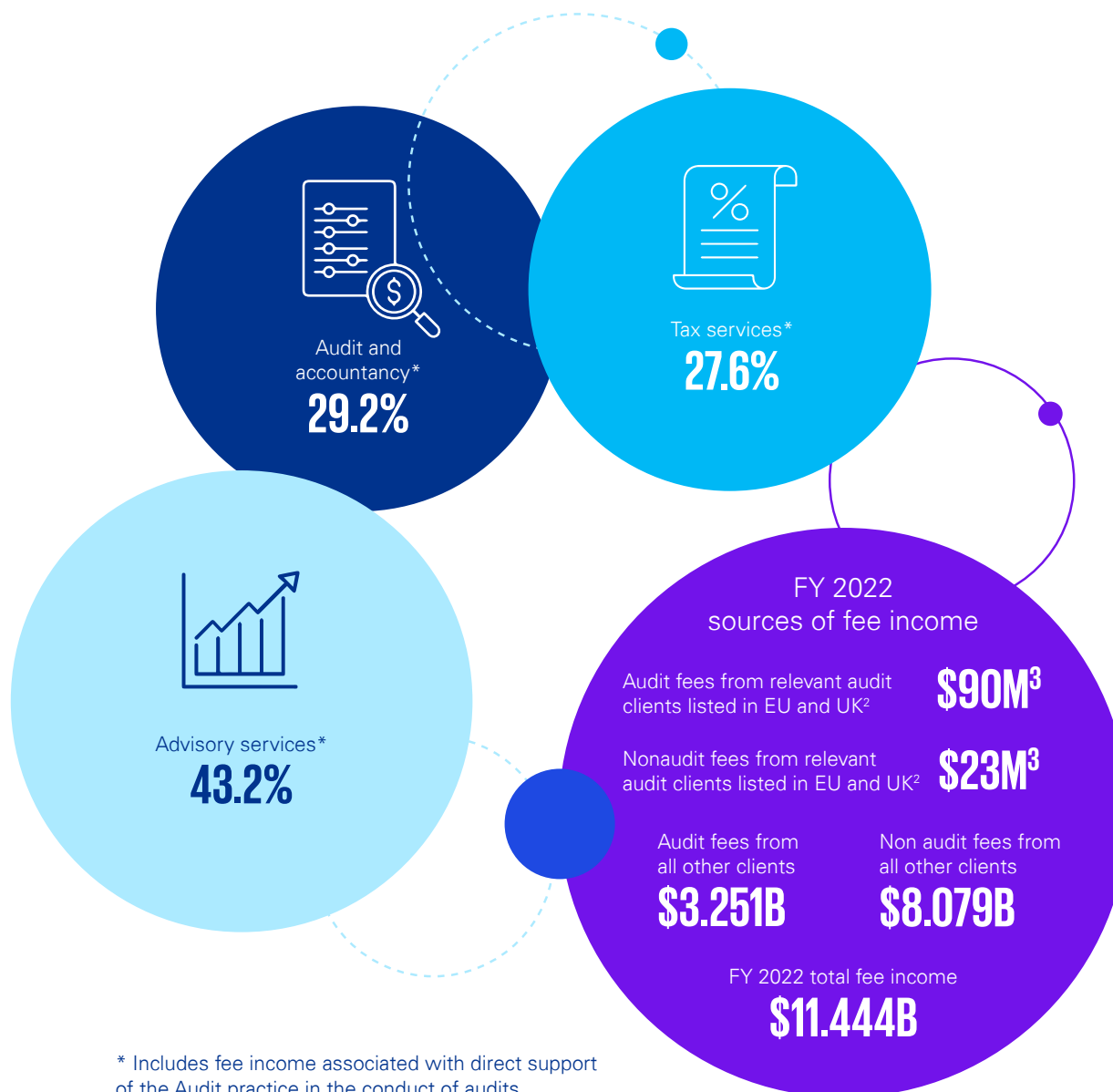


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For the fiscal year ended September 30, 2022, KPMG LLP had a total fee income of \$11.444 billion, as follows:



²See section 4 for list of relevant Audit clients.

³May include fees for reviews of interim financial statements and other audit-related services.

Audited entities listed in UK and EU member countries



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Audited entities listed in UK and EU member countries

The following list includes the firm's relevant audit clients whose transferable securities are admitted to trading on a regulated market within the EU and the United Kingdom during the firm's fiscal year ended September 30, 2022:

Entities

- Citibank N.A.
- Citigroup Global Markets Holdings Inc.
- Citigroup Inc.
- Mercedes-Benz Finance Canada Inc.
- Mercedes-Benz Finance North America LLC
- Diebold Nixdorf, Inc.
- National Rural Utilities Cooperative Finance Corporation
- Wells Fargo & Company

About KPMG LLP

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing audit, tax, and advisory services. The KPMG global organization operates in 145 countries and territories and has more than 236,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

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KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Throughout this document, "we," "KPMG," "us" and "our" refers to the global organization, to KPMG International Limited ("KPMG International") or to one or more of the member firms of KPMG International, each of which is a separate legal entity.

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