

Additional information about PwC International Review provided to PwC Australia by PwCIL

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Additional Information About PwC International Review

- When it came to light that the breaches of confidentiality by certain PwC Australia personnel included sending emails containing confidential information to individuals in other PwC firms, PricewaterhouseCoopers International Limited (“PwCIL”) retained Linklaters LLP to form an independent assessment of what happened. The work performed as part of this exercise, by Linklaters, PwCIL and the member firms involved is referred to as the “International Review.” The purpose of the International Review was to determine whether the breaches of confidentiality by PwC Australia personnel led to confidential information being received by PwC member firms outside Australia, whether recipients knew or should have known it was confidential and what those recipients did with the information, if anything, and in particular whether it was used for commercial benefit. This enabled an assessment of whether any PwC professionals outside PwC Australia engaged in wrongdoing or otherwise failed to live up to the expectations that we have for all people who work at PwC.
- The communications that gave rise to the International Review related primarily to OECD developments, as is evident from the emails that were released publicly by the Australian Senate last year.
- The International Review focused on PwC member firms whose personnel were identified as having received confidential or potentially confidential information from personnel at PwC Australia. The investigation by Linklaters and counsel in multiple jurisdictions included forensic searches for documents as well as interviews. Linklaters analysed the evidence across territories, made additional inquiries where necessary and provided legal advice to PwCIL.
- While the International Review confirmed that a number of PwC professionals outside Australia received confidential information, it found that most of the recipients did not know, nor should they have known, that the information was confidential. In other words, they did not have reason to believe that the information should not have been shared with them. These findings are consistent with the findings of PwC Australia’s investigation as disclosed in its publicly available Statement of Facts, including that the vast majority of recipients would not have reason to question the legitimacy of their receipt of the information. Many of the recipients of emails relating to the BEPS initiative were international tax practitioners who routinely received updates on OECD developments at the time. As Paragraph 1.2 of the Statement of Facts published by PwC Australia explains, the BEPS project was not limited to Australia but included worldwide consultations, many of which were public in nature. It is not surprising, therefore, that the receipt of OECD updates by tax professionals outside Australia, in and of itself, did not raise alarm among recipients or cause them to conclude a breach of confidentiality had occurred, absent any indications to the contrary.
- Although the International Review determined that six individuals should have raised questions as to whether certain information they received was confidential, none of them further shared the information outside PwC or used the information to obtain a commercial benefit. While these



individuals may have fallen short of PwC's high expectations that its people raise their hands in such a situation, this is not the same as having breached professional standards.

- The International Review also found that none of the individuals or firms outside Australia used confidential information received from PwC Australia for commercial gain. This is similarly consistent with PwC Australia's own finding that no confidential information was used for structuring purposes. See Statement of Facts para. 1.23.
- All of our member firms, including PwC Australia, have fully cooperated with any regulatory inquiries that they have received relating to this matter. As it relates to the International Review, PwCIL and its member firms are entitled to engage in confidential and privileged communications with their lawyers in a manner which is protected under applicable laws in those jurisdictions without any suggestion that doing so is a failure to cooperate.