
STATUTORY INSTRUMENTS

2017 No. 1164

The Statutory Auditors Regulations 2017

PART 3

Amendments to secondary legislation

Amendments to the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008

4. Schedule 2 contains amendments to the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008.

Amendments to the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

5. Schedule 3 contains amendments to the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Amendments to the Companies (Revision of Defective Accounts and Reports) Regulations 2008

6. The Companies (Revision of Defective Accounts and Reports) Regulations 2008(1) are amended as follows.

7. In regulation 2 (interpretation)—

(a) in the definition of “date of revision” in paragraph (1)—

(i) for “directors’ report” to “revised directors’ remuneration” substitute “report or”;

(ii) before “5” insert “4A, ”;

(b) after the definition of “revised directors’ remuneration policy” insert—

““revised policy” means a revised revised directors’ remuneration policy prepared by the directors under section 454 of the 2006 Act, either through revision by replacement or revision by supplementary note; in the latter case the revised policy comprises the original directors’ remuneration policy together with the supplementary note;

“revised report” means a revised strategic report, revised directors’ report or revised directors’ remuneration report prepared by the directors under section 454 of the 2006 Act, either through revision by replacement or revision by supplementary note; in the latter case the revised report comprises the original strategic report, directors’ report or directors’ remuneration report together with the supplementary note;”;

(c) for the definitions of “revised report or policy” substitute—

““revised report or policy” means a revised report or a revised policy;”.

8. In regulation 5 (approval and signature of revised directors' report), for "them" substitute "it";
9. In regulation 7 (auditor's report on revised accounts and revised report)—
- (a) for the introductory words in paragraph (1) substitute—
- “(1) Subject to paragraph (2), where a company has revised its accounts and its strategic report, directors' report or directors' remuneration report under section 454 of the 2006 Act, a company's current auditor or auditors shall make a report or (as the case may be) further report under section 495 of the 2006 Act (auditor's report on company's annual accounts)(2), to the company's members on those revised accounts and revised reports, and—
- (za) subject to the modifications in paragraph (1A), the requirements of sections 495 to 497 of the 2006 Act apply, as appropriate, to the report on the revised accounts or the revised report as they applied to the, or would have applied to a, report on the original annual accounts, strategic report, directors' report or directors' remuneration report.”;
- (b) after paragraph (1) insert—
- “(1A) The modifications are that—
- (a) for the references to the report on the company's annual accounts in sections 495(1), 496(1)(3) and 497(1) there were substituted a reference to the report under this regulation,
- (b) the—
- (i) requirements of the 2006 Act (and, where applicable, Article 4 of the IAS Regulation(4)) in accordance with which the revised accounts must have been prepared, referred to in section 495(3)(c),
- (ii) the applicable legal requirements in accordance with which the revised strategic report and revised directors' report must have been prepared, referred to in section 496(1)(a)(ii), and
- (iii) the requirements of the 2006 Act in accordance with which the revised directors' remuneration report must have been properly prepared, referred to in section 497(1)(b),
- are construed in accordance with regulation 3.”;
- (c) in paragraph (3)—
- (i) omit the first paragraph;
- (ii) after "The" insert "auditor's";
- (iii) omit from "or (in the" to the end;
- (d) omit paragraph (4).
10. In regulation 9 (auditor's report on revised report alone)—
- (a) for subsection (1) substitute—
- “(1) Subject to paragraph (2), where a company has revised its strategic report, directors' report or directors' remuneration report under section 454 of the 2006 Act but has not revised its annual accounts, a company's current auditor shall make a report or (as the case may be) further report to the company's members on any revised report prepared

(2) Section 495 was amended by S.I. 2013/3008, 2016/649 and 2017/516.

(3) Section 496 was substituted by S.I. 2015/980 and amended by S.I. 2016/649.

(4) OJ No L 243, 11.09.02, p. 1, amended by Regulation (EC) No 297/2008 (OJ No L 97, 09.04.08, p. 62).

under section 454 of that Act if the relevant annual accounts have not been revised at the same time, and—

- (a) subject to the modifications in paragraph (1A), the requirements of section 496 and 497 of the 2006 Act apply, as appropriate, to the report on the revised report as they applied to the, or would have applied to a, report on the original strategic report, directors' report or directors' remuneration report,
- (b) section 498 of that Act (duties of auditor)⁽⁵⁾ applies with any necessary modifications, and
- (c) section 495(1) does not apply with respect to the revised reports.

(1A) The modifications are that—

- (a) for the references to the report on the company's annual accounts in sections 496(1) and 497(1) there were substituted a reference to the report under this regulation,
- (b) the—
 - (i) applicable legal requirements in accordance with which the revised strategic report and revised directors' report must have been prepared, referred to in section 496(1)(a)(ii), and
 - (ii) requirements of the 2006 Act in accordance with which the revised directors' remuneration report must have been properly prepared, referred to in section 497(1)(b),

are construed in accordance with regulation 3.”;

(b) omit paragraphs (3) and (4).

11. In regulation 11 (effect of revision of report), before “5” insert “4A, ”.

12. In regulation 18 (companies exempt from audit)—

- (a) in the heading, after “477” insert “, 479A⁽⁶⁾”;
- (b) after the first occurrence of “exemption from audit”, insert “, 479A (subsidiary companies: conditions for exemption from audit)”.

13. In regulation 19 (modifications of the 2006 Act)—

- (a) in paragraph (1), after both the second and third occurrences of “(as the case may be)”, insert “strategic report, ”;
- (b) omit paragraph (2).

14. After regulation 20 (revocations etc) insert—

“Review

21.—(1) The Secretary of State must from time to time—

- (a) carry out a review of the regulatory provision in these Regulations to which amendments have been made by Part 3 of the Statutory Auditor Regulations 2017, and
 - (b) publish a report setting out the conclusions of the review.
- (2) The first report must be published before 1st January 2023.
- (3) Subsequent reports must be published at intervals not exceeding 5 years.

(5) Section 498 was amended by [S.I. 2008/393](#), [2013/1970](#) and [2016/649](#).

(6) Section 479A was inserted by [S.I. 2012/2301](#) and partially substituted by [S.I. 2015/980](#).

(4) Section 30(3) of the Small Business, Enterprise and Employment Act 2015(7) requires that a review carried out under this regulation must, so far as is reasonable, have regard to how Article 28 of [Directive 2006/43/EC](#) of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts, amending Council Directives [78/660/EEC](#) and [83/349/EEC](#) and repealing Council [Directive 84/253/EEC](#)(8) is implemented in other member States.

(5) Section 30(4) of the Small Business, Enterprise and Employment Act 2015 requires that a report published under this regulation must, in particular—

- (a) set out the objectives intended to be achieved by the regulatory provision referred to in paragraph (1)(a),
- (b) assess the extent to which those objectives are achieved,
- (c) assess whether those objectives remain appropriate, and
- (d) if those objectives remain appropriate, assess the extent to which they could be achieved in another way which involves less onerous regulatory provision.

(6) In this regulation, “regulatory provision” has the same meaning as in sections 28 to 32 of the Small Business, Enterprise and Employment Act 2015 (see section 32 of that Act).”.

Amendments to the Statutory Auditors and Third Country Auditors Regulations 2016

15. The Statutory Auditors and Third Country Auditors Regulations 2016(9) are amended as follows.

16. In regulation 2 (interpretation), in the definition of “audit reporting requirements”—

- (a) in paragraph (b), after “495,” insert “496,”;
- (b) in paragraph (d), after “498A” insert “and 503 to 506”;
- (c) in paragraph (f), after “495” insert “, 496”.

Amendments to the Statutory Auditors (Amendment of Companies Act 2006 and Delegation of Functions etc) Order 2012

17. The Statutory Auditors (Amendment of Companies Act 2006 and Delegation of Functions etc) Order 2012(10) is amended as follows.

18. In article 7 (transfer of functions)—

- (a) in paragraph (6)(a), for “and the Statutory Auditors and Third Country Auditors Regulations 2017” substitute “, the Statutory Auditors and Third Country Auditors Regulations 2017 and the Statutory Auditors Regulations 2017”;
- (b) in paragraph (6)(b), for “and the Statutory Auditors and Third Country Auditors Regulations 2017” substitute “, the Statutory Auditors and Third Country Auditors Regulations 2017 and the Statutory Auditors Regulations 2017”.

(7) [2015 c. 26](#). Section 30(3) was amended by section 19 of the Enterprise Act [2016 \(c. 12\)](#).

(8) OJ No L 157, 09.06.06, p.87, last amended by [Directive 2014/56/EU](#) (OJ No L 158, 27.05.14, p. 196).

(9) [S.I. 2016/649](#), amended by [S.I. 2017/516](#).

(10) [S.I. 2012/1741](#), amended by [S.I. 2014/2009](#), [2016/649](#) and [2017/516](#).