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STATUTORY INSTRUMENTS

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**2008 No. 565**

**The Insurance Accounts Directive (Miscellaneous  
Insurance Undertakings) Regulations 2008**

**PART 1**

INTRODUCTION

**Citation, commencement and application**

1.—(1) These Regulations may be cited as the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008.

(2) These Regulations come into force on 6th April 2008 and apply in relation to—

- (a) insurance undertakings' financial years beginning on or after that date, and
- (b) auditors appointed in respect of those financial years.

**Interpretation**

2.—(1) In these Regulations—

“the Companies Accounts Regulations” means the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 <sup>M1</sup>;

“the appropriate audit authority” means—

- (a) the Secretary of State, or
- (b) if the Secretary of State has delegated functions under section 1252 of the Companies Act 2006 <sup>M2</sup> to a body whose functions include receiving the equivalent notice under section 522 or 523 of that Act, that body;

[<sup>F1</sup>“the Authority” means—

- (a) in relation to an undertaking which is a PRA-authorised person (within the meaning of the Financial Services and Markets Act 2000), the Prudential Regulation Authority;
- (b) in any other case, the Financial Conduct Authority;]

“director” includes, in the case of an undertaking which is not a company, any corresponding officer of that body;

“enactment” includes—

- (a) an enactment contained in subordinate legislation, other than these Regulations,
- (b) an enactment contained in, or in an instrument made under, an Act of the Scottish Parliament,
- (c) an enactment contained in, or in an instrument made under, Northern Ireland legislation, and

- (d) an enactment contained in, or in an instrument made under, a Measure or Act of the National Assembly for Wales;

“friendly society” has the same meaning as in the Financial Services and Markets Act 2000 <sup>M3</sup>;  
<sup>F2</sup> ...

“insurance undertaking” shall be construed in accordance with paragraphs (2) and (3).

<sup>F3</sup>“registered society” means—

- (a) a registered society within the meaning given by section 1(1) of the Co-operative and Community Benefit Societies Act 2014; or
- (b) <sup>F4</sup>a registered society within the meaning given by section 1A(1) of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969.]

(2) Subject to paragraph (3), a body incorporated in or formed under the law of any part of the United Kingdom is an insurance undertaking for the purposes of these Regulations if it—

- (a) is incorporated by or registered under any public general Act of Parliament,
- (b) requires permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance without contravening the prohibition imposed by section 19 of that Act, and
- (c) is not required by any enactment to prepare accounts under Part 15 of the Companies Act 2006 (accounts and reports).

(3) Paragraph (2)(b) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000,
- (b) the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 <sup>M4</sup>,
- (c) Schedule 2 to that Act.

(4) A body is not an insurance undertaking for the purposes of these Regulations if it—

- (a) <sup>F5</sup>would be excluded] from the scope of <sup>F6</sup>Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) by Article <sup>F7</sup>4,] 7, 9(1), 9(2) or 10(1) of that Directive, <sup>F8</sup>were the United Kingdom a member State] or] ,

<sup>F9</sup>(b) .....

- (c) is a friendly society.

(5) Any reference in these Regulations to the accounts required by or prepared under regulation 3 are references to the annual accounts, <sup>F10</sup>the strategic report, ] the directors' report and the auditor's report required by or prepared under paragraph (1) of that regulation.

(6) Any reference in these Regulations to “financial year” in relation to an insurance undertaking means—

- (a) any period in respect of which a profit and loss account, or in the case of <sup>F11</sup>a registered society], an annual return, of that undertaking is required to be made up by or in accordance with its constitution or by any enactment (whether that period is a year or not), or
- (b) failing any such requirement, each period of 12 months beginning with 1st April.

(7) Except as otherwise provided in these Regulations, words and expressions used in the Companies Act 2006 have the same meaning in these Regulations as they have in that Act.

### Textual Amendments

- F1** Words in reg. 2 substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), art. 1(1), **Sch. 2 para. 137(a)**
- F2** Words in reg. 2(1) omitted (1.8.2014) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 20(2)(a)**
- F3** Words in reg. 2(1) inserted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 20(2)(b)**
- F4** Words in reg. 2(1) substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 2(a)** (with reg. 2(6)(7))
- F5** Words in reg. 2(4)(a) substituted (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **47(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F6** Words in reg. 2(4)(a) substituted (1.1.2016) by [The Solvency 2 Regulations 2015 \(S.I. 2015/575\)](#), reg. 1(2), **Sch. 2 para. 27(2)(a)**
- F7** Word in reg. 2(4) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 2(b)** (with reg. 2(6)(7))
- F8** Words in reg. 2(4)(a) inserted (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **47(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F9** Reg. 2(4)(b) omitted (1.1.2016) by virtue of [The Solvency 2 Regulations 2015 \(S.I. 2015/575\)](#), reg. 1(2), **Sch. 2 para. 27(2)(b)**
- F10** Words in reg. 2(5) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 2(c)** (with reg. 2(6)(7))
- F11** Words in reg. 2(6)(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 20(3)**

### Marginal Citations

- M1** [S.I. 2008/410](#).
- M2** [2006 c.46](#).
- M3** [2000 c.8](#).
- M4** [S.I. 2001/544](#) as amended by [S.I. 2001/3544](#), [S.I. 2002/682](#), [S.I. 2002/1310](#), [S.I. 2002/1776](#), [S.I. 2002/1777](#), [S.I. 2003/1475](#), [S.I. 2003/1476](#), [S.I. 2003/2822](#), [S.I. 2004/1610](#), [S.I. 2004/2737](#), [S.I. 2004/3379](#), [S.I. 2005/593](#), [S.I. 2005/1518](#), [S.I. 2005/2114](#) and [S.I. 2006/1969](#).

## PART 2

### ACCOUNTS

#### Preparation of accounts by insurance undertakings

3.—(1) The directors of an insurance undertaking must in respect of each financial year of the undertaking—

- (a) prepare the like annual accounts [<sup>F12</sup>, strategic report] and directors' report, and
- (b) cause to be prepared such an auditor's report,

as would be required under the provisions mentioned in paragraph (3) if the undertaking were a company which is an insurance company or the parent company of an insurance group.

(2) The accounts required by this regulation must—

- (a) be prepared within the period of 6 months beginning immediately after the end of the undertaking's financial year,
- (b) state that they are prepared under this regulation, and
- (c) comply with such of the requirements of the provisions mentioned in paragraph (3) as relate to the contents of accounts or reports subject, where the insurance undertaking is unincorporated, to any necessary modifications to take account of that fact.

(3) The provisions referred to in paragraphs (1) and (2) are the following provisions of the Companies Act 2006 and the Companies Accounts Regulations—

[<sup>F13</sup>(da) Chapters 4, 4A (apart from sections 414CA and 414CB) and 5 of Part 15 (accounts and reports) and Chapter 1 of Part 16 (requirement for audited accounts) of the Companies Act 2006,]

- (e) where Companies Act individual accounts are prepared, Schedule 3 to the Companies Accounts Regulations (insurance companies: Companies Act individual accounts) other than paragraphs 11, 62, 68, 70, 71, 72, 82(2), 83 and 84 and, in paragraph 2(2), the words from “save that none of the following” to the end,
- (f) Schedule 4 to those Regulations (information on related undertakings required whether preparing Companies Act or IAS accounts) other than paragraphs 9 and 12,
- (g) Schedule 5 to those Regulations (information about benefits of directors) other than paragraphs 2, 4 and 5,
- (h) where Companies Act group accounts are prepared, Part 1 of Schedule 6 to the Companies Accounts Regulations (Companies Act group accounts: general rules) (as modified by Part 3 of that Schedule (modifications for insurance groups)) other than paragraphs 13(3) and (4), 14 and 15,
- (i) paragraphs [<sup>F14</sup>1A,] 6 and 7 of Schedule 7 to those Regulations (directors' report).

(4) For the purposes of those provisions as applied to accounts prepared under this regulation, these Regulations are to be regarded as part of the requirements of the Companies Act 2006 and the Companies Accounts Regulations.

(5) Regulations 5 and 6 of the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 <sup>M5</sup> apply in relation to the accounts required by this regulation as they apply in relation to the annual accounts of a company or group which is not a small or medium-sized company or group.

#### Textual Amendments

- F12** Words in reg. 3(1)(a) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 3(a)** (with reg. 2(6)(7))
- F13** Reg. 3(3)(da) substituted for reg. 3(3)(a)-(d) (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 3(b)(i)** (with reg. 2(6)(7))
- F14** Word in reg. 3(3)(i) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 3(b)(ii)** (with reg. 2(6)(7))

### Marginal Citations

M5 S.I. 2008/489.

### Publication of accounts

4.—(1) An insurance undertaking must—

- (a) make available the latest accounts and reports prepared under regulation 3 for inspection by any person, without charge and during business hours, at the undertaking's head office in the United Kingdom, and
- (b) supply to any person upon request a copy of those accounts (or such part of those accounts as may be requested) at a price not exceeding the administrative cost of making the copy.

(2) In the case of [<sup>F15</sup>registered societies] which are insurance undertakings, the obligation in paragraph (1) (b) is subject to the provisions of [<sup>F16</sup>section 90(1) of the Co-operative and Community Benefit Societies Act 2014] or section 48(6) of [<sup>F17</sup>the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969], as the case may be.

### Textual Amendments

- F15** Words in reg. 4(2) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), [Sch. para. 20\(4\)\(a\)](#)
- F16** Words in reg. 4(2) substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), [Sch. 2 para. 4\(a\)](#) (with reg. 2(6)(7))
- F17** Words in reg. 4(2) substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), [Sch. 2 para. 4\(b\)](#) (with reg. 2(6)(7))

### Penalties for non-compliance (accounts)

5.—(1) If the directors of an insurance undertaking fail to comply with paragraph (1) of regulation 3 within the period referred to in paragraph (2) of that regulation, an offence is committed by every person who, immediately before the end of that period, was a director of the undertaking.

(2) If accounts and reports which are made available for inspection under regulation 4(1) do not comply with the requirements of regulation 3, an offence is committed by every person who, at the time when the accounts and reports were or the account was first made available for inspection, was a director of the insurance undertaking.

- (3) If an insurance undertaking fails to comply with regulation 4(1) an offence is committed by—
- (a) the insurance undertaking, and
  - (b) every director of the insurance undertaking who is in default.

(4) Where the affairs of an insurance undertaking are managed by its members, any reference in this regulation to a director of the insurance undertaking shall be read as referring to a member of the undertaking.

(5) In proceedings for an offence under this [<sup>F18</sup>regulation] it is a defence for the person charged to show that he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

(6) A person guilty of an offence under this regulation is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

<sup>F19</sup>(7) .....

#### Textual Amendments

**F18** Word in [reg. 5\(5\)](#) substituted (with effect in accordance with [reg. 2\(4\)](#) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), [reg. 1\(2\)\(3\)](#), [Sch. 2 para. 5\(a\)](#) (with [reg. 2\(6\)\(7\)](#))

**F19** [Reg. 5\(7\)](#) omitted (with effect in accordance with [reg. 2\(4\)](#) of the amending S.I.) by virtue of [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), [reg. 1\(2\)\(3\)](#), [Sch. 2 para. 5\(b\)](#) (with [reg. 2\(6\)\(7\)](#))

## PART 3

### AUDITORS

#### Appointment of auditors

6.—<sup>F20</sup>(1) The sections of the Companies Act 2006 listed in paragraph (1A) apply in relation to the appointment of auditors of an insurance undertaking as if the undertaking was a private company which is also a public interest entity, subject—

- (a) where the undertaking concerned is unincorporated, to any necessary modifications to take account of that fact, and
- (b) to the modifications made by paragraph (2).]

<sup>F20</sup>(1A) The sections of the Companies Act 2006 are—

- (a) 485 (appointment of auditors of private company: general),
- (b) 485A (appointment of auditors of private company: additional requirements for public interest entities with audit committees),
- (c) 485B (appointment of auditors of private company: additional requirements for public interest entities without audit committees),
- (d) 485C (restriction on appointment of auditor of private company which is a public interest entity),
- (e) 486 (appointment of auditors of private company: default power of Secretary of State),
- (f) 486A (defective appointments: default power of Secretary of State),
- (g) 487 (term of office of auditors of private company),
- (h) 488 (prevention by members of deemed re-appointment of auditor), and
- (i) 494ZA (the maximum engagement period).]

(2) The modifications are—

- (a) in section 485(2)(a), the reference to “the time allowed for sending out copies of the company's annual accounts and reports” is to be construed as a reference to the time allowed under regulation 3(2)(a) of these Regulations for preparing the accounts required by regulation 3;
- (b) in section 485(2)(b), the reference to “the day on which copies of the company's annual accounts and reports for the previous financial year are sent out under section 423” is to

be construed as a reference to the day on which the accounts required by regulation 3 are prepared;

[<sup>F21</sup>(ba) in section 485A(4), the words after “Audit Regulation” are omitted;]

[<sup>F21</sup>(bb) in section 485B(4), the words after “must be drawn” are omitted;]

(c) in section 487(3), the reference to “the provisions of this Part as to removal and resignation of auditors” is to be construed as a reference to provisions in these Regulations, and to any public general Act governing an insurance undertaking, as to removal and resignation of auditors;

(d) in section 488(3)(c), the reference to “the accounting reference period” is to be construed as a reference to the financial year.

<sup>F22</sup>(3) .....

<sup>F22</sup>(4) .....

**Textual Amendments**

- F20** Reg. 6(1)(1A) substituted for reg. 6(1) (with effect in accordance with reg. 2(4) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 6(a)** (with reg. 2(6)(7))
- F21** Reg. 6(2)(ba)(bb) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 6(b)** (with reg. 2(6)(7))
- F22** Reg. 6(3)(4) omitted (with effect in accordance with reg. 2(4) of the amending S.I.) by virtue of The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 6(c)** (with reg. 2(6)(7))

**Functions of auditor**

7.—(1) The following provisions of the Companies Act 2006 apply to the auditor of an insurance undertaking as they apply to an auditor of a [<sup>F23</sup>private] company—

(a) section 495 (auditor's report on company's annual accounts);

[<sup>F24</sup>(aa) section 496 (auditor’s report on strategic report and directors’ report);]

(b) section 498 (duties of auditor);

<sup>F25</sup>(c) .....

(2) The auditor of an insurance undertaking must supply the directors of that undertaking with such information as is necessary to enable the disclosure required by regulation 3(5) to be made.

<sup>F26</sup>(3) .....

**Textual Amendments**

- F23** Word in reg. 7(1) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 7(a)(i)** (with reg. 2(6)(7))
- F24** Reg. 7(1)(aa) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 7(a)(ii)** (with reg. 2(6)(7))
- F25** Reg. 7(1)(c) omitted (with effect in accordance with reg. 2(4) of the amending S.I.) by virtue of The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 7(a)(iii)** (with reg. 2(6)(7))



*Changes to legislation: There are currently no known outstanding effects for the The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008. (See end of Document for details)*

**F26** Reg. 7(3) omitted (with effect in accordance with reg. 2(4) of the amending S.I.) by virtue of The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 7(b)** (with reg. 2(6)(7))

**Signature of auditor's report**

**8.**—(1) Sections 503 to 506 of the Companies Act 2006 (signature of auditor's report) apply in relation to the auditor's report required by regulation 3(1)(b), subject to—

- (a) any necessary modifications to take account of the fact that the insurance undertaking is unincorporated, and
- (b) the modifications made by paragraph (2).

(2) The modifications are—

- (a) in section 505(1)(b) and section 506(2)(b), the references to the Secretary of State are to be construed as references to the Authority [<sup>F27</sup>and the Financial Conduct Authority (if it is not the Authority)], and
- (b) in section 506(1)(b), the reference to the copy of the report delivered to the registrar under Chapter 10 of Part 15 (filing of accounts and reports) is to be construed as a reference to any copy of the report made available for inspection by, or supplied to, the Authority [<sup>F27</sup>and the Financial Conduct Authority (if it is not the Authority)].

<sup>F28</sup>(3) .....

**Textual Amendments**

- F27** Words in reg. 8(2) inserted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), art. 1(1), **Sch. 2 para. 137(b)**
- F28** Reg. 8(3) omitted (with effect in accordance with reg. 2(4) of the amending S.I.) by virtue of The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 8** (with reg. 2(6)(7))

**[<sup>F29</sup>Offences in connection with auditor’s report and guidance**

**8A.** Sections 507 to 509 of the Companies Act 2006 apply in relation to an auditor’s report on an insurance undertaking’s annual accounts as they apply to an auditor’s report on a private company’s annual accounts, subject to the modification that references in those sections to provisions of the Companies Act 2006 are to be construed as references to those provisions as applied by these Regulations.]

**Textual Amendments**

- F29** Reg. 8A inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 9** (with reg. 2(6)(7))

**Removal of auditors on improper grounds**

**9.**—(1) Where the auditor of an insurance undertaking is removed from office an application may be made to the High Court under this regulation.

(2) The persons who may make such an application are—

- (a) any member of the insurance undertaking who was also a member at the time of the removal, <sup>F30</sup>...



- (b) the Authority<sup>F31</sup>; <sup>F32</sup>and]
- <sup>F32</sup>(c) the Financial Conduct Authority (in cases where it is not the Authority).]
- (3) If the court is satisfied that the removal was—
- (a) on grounds of divergence of opinion on accounting treatments or audit procedures, or
  - (b) on any other improper grounds,
- it may make such order as it thinks fit for giving relief in respect of the removal.
- (4) The court may, in particular—
- (a) declare that any resolution of the insurance undertaking removing an auditor, or appointing a new auditor in his place, is void;
  - (b) require the directors of the insurance undertaking to re-appoint the dismissed auditor until the next general meeting of the insurance undertaking;
  - (c) give directions as to the conduct of the insurance undertaking's affairs in the future.
- (5) In the application of this regulation to an insurance undertaking whose principal place of business is in Scotland or Northern Ireland, references to the High Court are to be read as references to the Court of Session or, as the case may be, the High Court in Northern Ireland.

#### Textual Amendments

- F30** Word in reg. 9(2)(a) omitted (1.4.2013) by virtue of [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), art. 1(1), **Sch. 2 para. 137(c)(i)**
- F31** Semicolon in reg. 9(2)(b) substituted for full stop (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), art. 1(1), **Sch. 2 para. 137(c)(ii)**
- F32** Reg. 9(2)(c) and word inserted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), art. 1(1), **Sch. 2 para. 137(c)(iii)**

#### <sup>F33</sup>Application to court to remove auditor from office

**9A.**—(1) The Financial Reporting Council Limited may apply to the High Court for an order removing an auditor of an insurance undertaking from office if the Council considers that there are proper grounds for removing the auditor from office.

(2) The members of an insurance undertaking may apply to the High Court for an order removing an auditor of the undertaking from office if the applicant or applicants consider that there are proper grounds for removing the auditor from office.

(3) If the court is satisfied, on hearing an application under paragraph (1), that there are proper grounds for removing the auditor from office, it may make an order removing the auditor from office.

(4) If the court is satisfied, on hearing an application under paragraph (2), that—

(a) the applicants represent in total—

- (i) not less than 5% of the voting rights of all the members for the time being entitled to vote at a general meeting of the insurance undertaking, or
- (ii) not less than 5% in nominal value of any share capital of the insurance undertaking as shown by the latest balance sheet, and

(b) there are proper grounds for removing the auditor from office,

the court may make an order removing the auditor from office.

(5) For the purposes of this regulation, divergence of opinions on accounting treatments or audit procedures are not to be taken to be proper grounds for removing an auditor from office.

(6) In the application of this regulation to an insurance undertaking whose principal place of business is in Scotland or Northern Ireland, references to the High Court are to be read as references to the Court of Session or, as the case may be, the High Court in Northern Ireland.]

#### Textual Amendments

**F33** [Reg. 9A](#) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017](#) (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 10** (with reg. 2(6)(7))

#### Duty of auditor to notify appropriate audit authority

**10.**—(1) Where an auditor of an insurance undertaking ceases for any reason to hold office, he must notify the appropriate audit authority.

(2) The notice must—

- (a) inform the appropriate audit authority that he has ceased to hold office, and
- (b) if the auditor resigns, be accompanied by a copy of any notice of resignation and a statement of the reasons for his resignation.

(3) The auditor must comply with this regulation—

- (a) if he resigns, at the same time as he deposits his notice of resignation at the head office of the insurance undertaking or otherwise informs it of his resignation;
- (b) in any other case, not later than the end of the period of 14 days beginning with the date on which he ceases to hold office.

#### Duty of insurance undertaking to notify appropriate audit authority

**11.**—(1) Where an auditor of an insurance undertaking ceases to hold office before the end of his term of office, the undertaking must notify the appropriate audit authority.

(2) The notice must—

- (a) inform the appropriate audit authority that the auditor has ceased to hold office, and
- (b) be accompanied by—
  - (i) a statement by the undertaking of the reasons for his ceasing to hold office, or
  - (ii) if the auditor has resigned and he has given the insurance undertaking a statement of the reasons for his resignation, a copy of that statement.

(3) The insurance undertaking must give notice under this paragraph—

- (a) if the auditor resigns, not later than the end of the period of 14 days beginning with the date on which the auditor first informs the insurance undertaking of his resignation (whether by notice deposited at its head office or otherwise);
- (b) in any other case, not later than the end of the period of 14 days beginning with the date on which the auditor ceases to hold office.

#### Penalties for non-compliance (notification of appropriate audit authority)

**12.**—(1) If an auditor fails to comply with regulation 10, an offence is committed by—

- (a) the auditor, and
- (b) if the auditor is a firm, every officer of the firm who is in default.

- (2) If an insurance undertaking fails to comply with regulation 11, an offence is committed by—
- (a) the insurance undertaking, and
  - (b) every director of the insurance undertaking who is in default.

[<sup>F34</sup>(2A) In relation to an offence by a body under paragraph (1)—

- (a) any person who purports to act as director, manager or secretary of the body is treated as an officer of the body, and
- (b) if the body is a company, any shadow director is treated as an officer of the company.]

<sup>F35</sup>(3) .....

(4) In proceedings for an offence under this section it is a defence for the person charged to show that he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

(5) A person guilty of an offence under this regulation is liable—

- (a) on conviction on indictment, to a fine, and
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

<sup>F36</sup>(6) .....

#### Textual Amendments

- F34** Reg. 12(2A) inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 11(a)** (with reg. 2(6)(7))
- F35** Reg. 12(3) omitted (with effect in accordance with reg. 2(4) of the amending S.I.) by virtue of [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 11(b)** (with reg. 2(6)(7))
- F36** Reg. 12(6) omitted (with effect in accordance with reg. 2(4) of the amending S.I.) by virtue of [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 11(b)** (with reg. 2(6)(7))

## PART 4

### FINAL PROVISIONS

#### Summary proceedings: venue and time limit

[<sup>F37</sup>**13.** The following provisions of the Companies Act 2006 apply in relation to an offence under these Regulations (or under a provision of the Act as applied by these Regulations) as they apply to offences under that Act—

- (a) section 1121 (liability of officer in default);
- (b) section 1122 (liability of company as officer in default);
- (c) section 1123 (application to bodies other than companies);
- (d) section 1125 (meaning of “daily default fine”);
- (e) section 1127 (summary proceedings: venue);
- (f) section 1128 (summary proceedings: time limit for proceedings);
- (g) section 1130 (proceedings against unincorporated bodies).]

### Textual Amendments

- F37** Reg. 13 substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 12** (with reg. 2(6)(7))

### [<sup>F38</sup>Registered societies]

14.—(1) Schedule 1 to these Regulations makes provision for the modification of [<sup>F39</sup>the Co-operative and Community Benefit Societies Act 2014] in its application to [<sup>F40</sup>registered societies] that are insurance undertakings for the purposes of these Regulations.

(2) Schedule 2 makes provision for the modification of [<sup>F41</sup>the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969] in its application to [<sup>F40</sup>registered societies] that are insurance undertakings for the purposes of these Regulations.

(3) The [<sup>F42</sup>Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969] and the Industrial and Provident Societies Act (Group Accounts) Regulations (Northern Ireland) 1969 do not apply to [<sup>F40</sup>registered societies] that are insurance undertakings for the purposes of these Regulations.

(4) Notwithstanding anything in the rules of the society, the committee of [<sup>F43</sup>a registered society] that is an insurance undertaking for the purposes of these Regulations may by resolution passed before 1st April 2009 make such amendments of the rules of the society as may be consequential on the provisions of these Regulations.

(5) [<sup>F44</sup>The Financial Conduct Authority] is not required to register any amendment of the rules of such a society unless such consequential amendments of the rules of the society as are mentioned in paragraph (4) either have been made before the application for registration of that amendment or are to be effected by that amendment.

### Textual Amendments

- F38** Reg. 14 heading substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 20(5)(a)**
- F39** Words in reg. 14(1) substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 13(a)** (with reg. 2(6)(7))
- F40** Words in reg. 14(1)-(3) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 20(4)(d)**
- F41** Words in reg. 14(2) substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 13(b)** (with reg. 2(6)(7))
- F42** Words in reg. 14 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 20(5)(b)**
- F43** Words in reg. 14(4) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 20(3)**
- F44** Words in reg. 14(5) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), art. 1(1), **Sch. 2 para. 137(d)**

### Consequential amendments

15.—(1) In section 1210 of the Companies Act 2006 <sup>M6</sup> (meaning of “statutory auditor” etc)—

(a) for subsection (1)(f) substitute—

“(f) a person appointed as auditor of an insurance undertaking for the purposes of the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008,”; and

(b) omit—

(i) subsection (1)(d), and

(ii) in subsection (3), omit the definition of “industrial and provident society”.

(2) In section 4A(3) of the Friendly and Industrial and Provident Societies Act 1968 (power to disapply obligation to appoint auditor: excluded cases) <sup>M7</sup>, omit paragraph (d) (but not the word “or” following it).

(3) In section 38A of the Industrial and Provident Societies (Northern Ireland) Act 1969 (power to disapply obligation to appoint auditor: excluded cases) <sup>M8</sup>, omit paragraph (c) (but not the word “or” following it).

#### Marginal Citations

**M6** 2006 c.46.

**M7** Section 4A was inserted by article 8(1) of [S.I. 1996/1738](#).

**M8** 1969 c.24 (N.I.). Section 38A was inserted by paragraph 6 of Schedule 2 to [S.I. 1997/2984 \(N.I. 22\)](#).

### Revocation

16.—(1) The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 1993 <sup>M9</sup> and the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994 <sup>M10</sup> are revoked.

(2) The regulations specified in paragraph (1) continue to apply to any financial year of an insurance undertaking beginning before 6th April 2008.

#### Marginal Citations

**M9** [S.I. 1993/3245](#), as amended by article 450 of [S.I. 2001/3649](#), by regulation 8 of [S.I. 2004/3379](#), by regulation 18 of [S.I. 2004/3219](#) and by regulations 2 to 4 of [S.I. 2005/1985](#).

**M10** [S.R. 1994/429](#), as amended by [S.R. 2006/353](#).

### [<sup>F45</sup>Review

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

(a) carry out a review of the regulatory provision contained in these Regulations to which amendments have been made by Schedule 2 to the Statutory Auditors 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.

<sup>F46</sup>(4) .....

(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).]

**Textual Amendments**

- F45** Reg. 17 inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by *The Statutory Auditors Regulations 2017* (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 14** (with reg. 2(6)(7))
- F46** Reg. 17(4) omitted (31.12.2020) by virtue of *The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019* (S.I. 2019/177), regs. 2, **48**; 2020 c. 1, Sch. 5 para. 1(1)

Department for Business, Enterprise and  
Regulatory Reform

*Gareth Thomas*  
Parliamentary Under Secretary of State for Trade  
and Consumer Affairs,

**Changes to legislation:**

There are currently no known outstanding effects for the The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008.