

This Statutory Instrument has been made in consequence of defects in S.I. 2019/685 and is being issued free of charge to all known recipients of that Statutory Instrument.

STATUTORY INSTRUMENTS

2020 No. 335

**EXITING THE EUROPEAN UNION
COMPANIES
AUDITORS
LIMITED LIABILITY PARTNERSHIPS**

The International Accounting Standards,
Statutory Auditors and Third Country Auditors
(Amendment) (EU Exit) Regulations 2020

<i>Sift requirements satisfied</i>	<i>25th February 2020</i>
<i>Made - - - -</i>	<i>23rd March 2020</i>
<i>Laid before Parliament</i>	<i>24th March 2020</i>
<i>Coming into force in accordance with regulation 1</i>	

The Secretary of State makes these Regulations in exercise of the powers conferred by section 8(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018⁽¹⁾.

The requirements of paragraph 3(2) of Schedule 7 to that Act (relating to the appropriate Parliamentary procedure for these regulations) have been satisfied.

PART 1

Citation and commencement

1. These Regulations may be cited as the International Accounting Standards, Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2020 and come into force immediately before IP completion day.

PART 2

Amendment of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019

2. The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019(2) are amended in accordance with this Part.

3. In the heading to regulation 1, for “commencement and application” substitute “commencement, application and transitional provisions”.

4. After regulation 1(4), insert—

“(5) For the purposes of Part 15 of the Companies Act 2006(3), where accounts for a financial year within paragraph (6) are permitted to be prepared in accordance with international accounting standards (as defined in section 474 of that Act(4)), the accounts may be prepared in accordance with international accounting standards which have been adopted for use within the United Kingdom by virtue of Chapter 3 of Part 2 of these Regulations.

(6) The financial years referred to in paragraph (5) are—

- (a) a financial year which begins before but ends on or after IP completion day;
- (b) a financial year which ends before IP completion day, where IP completion day occurs before the end of the period for filing the accounts.

(7) Where, in reliance on paragraph (5), accounts are prepared in accordance with international accounting standards which have been adopted for use within the United Kingdom, the notes to the accounts must include a statement to that effect.

(8) Where a statement is included in the notes to the accounts in accordance with paragraph (7), the notes need not include the statement specified under section 397(2) or section 406(2) of the Companies Act 2006(5) (as the case may be).”.

5. In regulation 20(2), for “regulation 3” substitute “regulation 4”.

PART 3

Amendment of the Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019

6. The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019(6) are amended in accordance with this Part.

7. In regulation 28(c), in inserted sub-paragraph (1B), for “For the purposes of sub-paragraph (1A)(b)(ii)” substitute “For the purposes of sub-paragraph (1A)(b)(iii)”.

8. In regulation 96, for paragraph (c), substitute—

“(c) omit the third subparagraph.”.

9. In Schedule 3, after paragraph 1(j) insert—

(2) [S.I. 2019/685](#). This instrument was relevantly amended by [S.I. 2019/1392](#) and [S.I. 2019/1416](#).
(3) [2006 c. 46](#).
(4) Section 474 has amendments not relevant to this regulation.
(5) Sections 397 and 406 were substituted by [S.I. 2015/980](#).
(6) [S.I. 2019/177](#). This instrument was amended by [S.I. 2019/1392](#).

“(k) Commission Implementing Decision (EU) 2019/1874 of 6 November 2019 on the adequacy of the competent authorities of the People’s Republic of China pursuant to [Directive 2006/43/EC](#) of the European Parliament and of the Council.”.

23rd March 2020

Callanan
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial
Strategy

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/685) (“the IAS SI”) and the Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/177) (“the Audit SI”).

These Regulations are made in exercise of the powers conferred by section 8(1) of the European Union (Withdrawal) Act 2018 (c. 16), and address failures of retained EU law to operate effectively (in particular under paragraphs (d) and (g) of section 8(2) of the Act) arising from the withdrawal of the United Kingdom from the European Union.

Regulation 4 applies to undertakings preparing their accounts as provided for under Part 15 of the Companies Act 2006 (c. 46) which have their financial year beginning before but ending on or after IP completion day, or which have a financial year ending before IP completion day but may file their accounts after that date. It allows these undertakings to additionally use international accounting standards that are adopted by the UK after the end of the implementation period.

Regulation 5 corrects an error in the IAS SI.

Regulation 7 makes a consequential amendment to the Audit SI as a consequence of changes made by the Statutory Auditors, Third Country Auditors and International Accounting Standards (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/1392).

Regulation 8 amends the audit SI to omit subparagraph 3 of Article 21 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ No. L 158, 27.05.2014, p. 77) (“the Audit Regulation”). The regulation removes the subparagraph from the Audit Regulation as its provisions have already been implemented in domestic legislation.

Regulation 9 amends Schedule 3 to the Audit SI to revoke retained direct EU legislation that is no longer needed.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.