
DRAFT STATUTORY INSTRUMENTS

2018 No.

**The Statutory Auditors and Third Country Auditors
(Amendment) (EU Exit) Regulations 2018**

PART 2

Amendment of primary legislation

CHAPTER 4

Amendment of other primary legislation

Amendment of the Building Societies Act 1986

37. The Building Societies Act 1986(1) is amended in accordance with regulation 38.

38. In paragraph 3E(5)(b) (appointment)(2) of Schedule 11 (auditors: appointment, tenure), after “Audit Regulation” insert “as it had effect immediately before exit day”.

Amendment of the Friendly Societies Act 1992

39. The Friendly Societies Act 1992(3) is amended in accordance with regulation 40.

40. In paragraph 5(5)(b) (the maximum engagement period) of Schedule 14A (appointment and removal of auditors: societies to which audit directive applies)(4), after “Audit Regulation” insert “as it had effect immediately before exit day”.

Amendment of the Companies (Audit, Investigations and Community Enterprise) Act 2004

41. Part 1 (auditors, accounts, directors’ liabilities and investigations) of the Companies (Audit, Investigations and Community Enterprise) Act 2004(5) is amended in accordance with regulations 42 and 43.

42. In section 15D(4) (permitted disclosure of information obtained under compulsory powers)(6)—

(a) in paragraph (aa)(i), for “UK-traded non-EEA companies” substitute “UK-traded third country companies”;

(b) in paragraph (h), for “EU obligation” substitute “retained EU obligation”.

43. In section 16 (grants to bodies concerned with accounting standards etc)—

(1) 1986 c. 53.

(2) Paragraph 3E was inserted by regulation 2(6)(d) of S.I. 2017/516.

(3) 1992 c. 40.

(4) Schedule 14A was inserted by regulation 11 of S.I. 2017/516.

(5) 2004 c. 27.

(6) Section 15D(4)(aa)(i) was inserted by paragraph 232(2) of Schedule 1 to S.I. 2008/948, and substituted by paragraph 1(2) (a) of Schedule 5 to S.I. 2016/649.

- (a) after subsection (2)(ea)(7), insert—
- “(eb) assessing, and reporting to the Secretary of State on, the comparability of the audit regulatory regimes of third countries to the audit regulatory regime of the United Kingdom;
 - (ec) assessing, and reporting to the Secretary of State on, the adequacy of third country competent authorities, in relation to their ability to co-operate with the competent authority on the exchange of audit working papers and investigation reports;”;
- (b) in subsection (5)—
- (i) after the definition of “accountancy functions” insert—
““audit regulatory regime” in relation to a country or territory, means the system of public oversight, quality assurance, investigations and sanctions for auditors in that country or territory;”;
 - (ii) after the definition of “company”(8) insert—
““the competent authority” means the Financial Reporting Council Limited(9);”;
 - (iii) after the definition of “subsidiary”(10) insert—
““third country” means a country or territory other than the United Kingdom;
“third country competent authority” means a body established in a third country exercising functions related to the regulation or oversight of auditors.”.

Amendment of the Local Audit and Accountability Act 2014

44. The Local Audit and Accountability Act 2014(11) is amended in accordance with regulation 45.

45. In Schedule 5 (eligibility and regulation of local auditors), in paragraph 1(3)(b), after “the Statutory Auditors and Third Country Auditors Regulations 2016” insert “and the Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2018”.

(7) Sub-section (2)(ea) was inserted by paragraph 1(3) of Schedule 5 to [S.I. 2016/649](#).

(8) The definition of “company” was amended by paragraph 222(2) of Schedule 1 to [S.I. 2009/1941](#).

(9) A company registered in England and Wales with number 02486368.

(10) The definition of “subsidiary” was amended by paragraph 222(3) of Schedule 1 to [S.I. 2009/1941](#).

(11) [2014 c. 2](#).