
DRAFT STATUTORY INSTRUMENTS

2018 No.

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

PART 2

Amendment of primary legislation

CHAPTER 3

Schedules 10, 11, 11A and 12 to the Companies Act 2006

Amendment of Schedule 10 to the Companies Act 2006

32. In paragraph 20A (interpretation)(1)—

(a) at the beginning, insert “(1)”;

(b) after “In this Part of this Schedule—” insert—

““the Audit Directive” means [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](#)”;

(c) after the definition of “audit reporting requirements”, insert—

““EEA auditor” means an individual or firm approved in accordance with the Audit Directive by an EEA competent authority to carry out audits of annual accounts or consolidated accounts required by European Union law;

“EEA competent authority” means a competent authority within the meaning of Article 2(10) of the Audit Directive of an EEA State”;

(d) in the definition of “public interest entity”—

(i) in paragraph (a), for “regulated market” substitute “UK regulated market”;

(ii) in paragraph (b), for “other than one listed in Article 2 of [Directive 2013/36/EU](#) of the European Parliament and of the Council on access to the activity of credit institutions and investment firms” substitute “which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation”;

(iii) for paragraph (c), substitute—

“(c) a person who would be an insurance undertaking as defined in Article 2(1) of Council [Directive 91/674/EEC](#) of 19 December 1991 of the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertakings as that Article had effect immediately before exit day, were the United Kingdom a member State”.

(e) omit the definition of “regulated market”;

(1) Paragraph 20A was inserted by paragraph 71 of Schedule 3 to [S.I. 2016/649](#).

- (f) in the definition of “third country audit function”—
 - (i) for “UK-traded non-EEA company” substitute “UK-traded third country company”;
 - (ii) for “an equivalent body corporate” substitute “a body corporate”;
 - (iii) for “another EEA State” substitute “an equivalent third country or transitional third country”;
- (g) omit the definition of “transferable securities”(2);
- (h) after the definition of “third country audit function” insert—
 - “(2) For the purposes of this Schedule, Gibraltar is to be treated as if it were an EEA State and subject to the Audit Directive.”.

(2) The definition of “transferable securities” was amended by paragraph 9(9) of Schedule 4 to [S.I. 2017/701](#).