
DRAFT STATUTORY INSTRUMENTS

2018 No.

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

PART 4

Amendment of retained direct EU legislation

Amendment of Regulation 537/2014

81. In Article 6 (preparation for the statutory audit and assessment of threats to independence)—

- (a) in paragraph 1—
 - (i) for “accepting or continuing an engagement for a” substitute “appointment as a statutory auditor for the”;
 - (ii) for “a statutory auditor or an audit firm shall” substitute “a person who is eligible for appointment as a statutory auditor must”;
 - (iii) for “the provisions of Article 22b of [Directive 2006/43/EC](#)” substitute “what is required by paragraph 8 of Schedule 1 to the Statutory Auditors and Third Country Auditors Regulations 2016”;
 - (iv) in point (a), for “he, she or it” substitute “the person who is eligible for appointment as a statutory auditor”;
 - (v) in point (b), for “Article 17 of this Regulation” substitute “the provisions for the appointment of statutory auditors by public interest entities and Article 17(7)”;
 - (vi) in point (c)—
 - (aa) for “[Directive 2005/60/EC](#)” substitute “the relevant legislation”;
 - (bb) for “supervisory, administrative and management bodies” substitute “management body”;
- (b) after paragraph 1, insert—
 - “**1A.** In point (c) of paragraph 1, “relevant legislation” means—
 - (a) the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017(1);
 - (b) sections 330(6), 330(7A), 333A and 342 of the Proceeds of Crime Act 2002(2);

(1) [S.I. 2017/692](#); amended by [S.I. 2017/752](#), [2017/1064](#) and paragraphs 411 to 419 of Schedule 9 to the Data Protection Act 2018 (c. 12).

(2) [2002 c. 29](#). Section 330(6) was substituted by section 104(3) of the Serious Organised Crime and Police Act 2005 (c. 15) and amended by article 2(2) and (3) of [S.I. 2006/308](#), and paragraph 2 of Schedule 2 to [S.I. 2007/3398](#). Section 330(7A) was inserted by section 102(5) of the Serious Organised Crime and Police Act 2005. Section 333A was inserted by paragraph 4 of Schedule 2 to [S.I. 2007/3398](#) and amended by paragraph 132 of Schedule 8 to the Crime and Courts Act 2013 (c. 22). Section 342 was amended by paragraph 2 of Schedule 10 to the Serious Crime Act 2007 (c. 27), paragraph 3(a) and (b) of Schedule 19 to the Coroners and Justice Act 2009 (c. 25), paragraph 8(2) and (3) of Schedule 2 to [S.I. 2007/3398](#) and paragraph 40 of Schedule 5 to the Criminal Finances Act 2017 (c. 22).

- (c) sections 45 and 46 of the Criminal Finances Act 2017⁽³⁾;
- (d) the Terrorism Act 2000⁽⁴⁾.

1B. The reference to appointment as a statutory auditor for the statutory audit of a public interest entity in paragraph 1 means any appointment of the auditor by public interest entities and includes any deemed reappointment of the statutory auditor under section 487 of the Companies Act 2006⁽⁵⁾.”;

- (c) in paragraph 2—
 - (i) omit “or an audit firm”;
 - (ii) in point (a)—
 - (aa) omit “the audit firm”;
 - (bb) for “and partners, senior managers and managers” substitute “and, where the statutory auditor is a firm, any associated persons”;
 - (cc) for “audited entity” substitute “audited person”;
 - (iii) in point (b)—
 - (aa) for “their independence” substitute “the statutory auditor’s independence”;
 - (bb) for “by them” substitute “by the statutory auditor”;
- (d) after paragraph 2, insert—

“**3.** In this Article, “associated persons” means—

 - (a) partners if the firm is a partnership, general partners if the firm is a limited partnership, or members if the firm is a limited liability partnership;
 - (b) members of the management body of the firm; or
 - (c) individuals who are responsible for statutory audit work on behalf of the firm.”.

⁽³⁾ 2017 c. 22.

⁽⁴⁾ 2000 c. 11.

⁽⁵⁾ Section 487 was amended by regulation 12(6)(a) and (b) of [S.I. 2017/516](#).