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DRAFT STATUTORY INSTRUMENTS

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**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**

**83.** In Article 8 (engagement quality control review)—

(a) in paragraph 2, after “The reviewer shall be a” insert “person who is eligible for appointment as a”;

(b) for paragraph 3 substitute—

“(3) By way of derogation from paragraph 2, where—

(a) the statutory auditor is a firm and all the individuals who were able to sign audit reports on behalf of the firm were involved in carrying out the statutory audit, or

(b) the statutory auditor is an individual,

the statutory auditor must arrange for another person who is eligible for appointment as a statutory auditor to perform a review. The disclosure of documents or information to the independent reviewer for the purposes of this Article does not constitute a breach of the statutory auditor’s duty of confidentiality. Documents or information disclosed to the reviewer for the purposes of this Article must be subject to that duty.”;

(c) in paragraph 4—

(i) in point (a), omit “statutory auditor or the”;

(ii) in point (b), omit “statutory auditor or the”;

(d) in paragraph 5—

(i) in point (a)—

(aa) omit “or the audit firm”;

(bb) for “audited entity” substitute “audited person”;

(ii) in point (b)—

(aa) omit “statutory auditor or the”;

(bb) for “he or she” substitute “the key audit partner”;

(iii) in point (c), omit “statutory auditor or the”;

(iv) in point (e), for “financial statements” substitute “accounts”;

(v) in point (f)—

(aa) after “audit committee and” insert “, where applicable,”;

- (bb) for “management and/or supervisory bodies” substitute “management body”;
- (cc) for “audited entity” substitute “audited person”;
- (vi) in point (g), for “competent authorities” substitute “regulatory authorities”;
- (vii) in point (h), omit “statutory auditor or the”;
- (e) in paragraph 6—
  - (i) omit “statutory auditor or the”;
  - (ii) for “The audit firm” substitute “Where the statutory auditor is a firm, it”;
- (f) in paragraph 7, omit “or the audit firm”.