
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

- 86.** In Article 11 (additional report to the audit committee)—
- (a) in paragraph 1—
 - (i) in the first subparagraph—
 - (aa) omit “or audit firms”;
 - (bb) for “audited entity” substitute “audited person”;
 - (cc) omit from “Member States” to the end of that subparagraph;
 - (ii) in the second subparagraph—
 - (aa) for “audited entity” substitute “audited person”;
 - (bb) for “the body performing equivalent functions within the audited entity” substitute “the management body of the audited person”;
 - (cc) omit from “Member States” to the end of that subparagraph;
 - (b) in paragraph 2, in the first subparagraph—
 - (i) in point (b), for “an audit firm” substitute “a firm”;
 - (ii) for point (c) substitute—
 - “(c) where the statutory auditor has made arrangements for audit activities to be conducted by another person who is eligible for appointment as a statutory auditor and who is not a member of the same network, by a third country auditor who is not a member of the same network, or by an external expert, the report must indicate this and confirm that the statutory auditor received confirmation from the other auditor or from the external expert of their independence;”;
 - (iii) in point (d)—
 - (aa) for “or the body performing equivalent functions within the audited entity,” substitute “and”;
 - (bb) omit “and the administrative or supervisory body”;
 - (cc) for “audited entity” substitute “audited person”;
 - (iv) in point (f)—
 - (aa) for “or audit firm have” substitute “has”;

- (bb) omit “and/or the audit firms”;
- (v) in point (g)—
 - (aa) for “other” substitute “another”;
 - (bb) for “auditor(s) or audit firm(s)” substitute “auditor”;
- (vi) in point (h), for “financial statements” substitute “accounts”;
- (vii) in point (j)—
 - (aa) for “audited entity’s” substitute “audited person’s”;
 - (bb) for “financial statements” substitute “accounts”;
 - (cc) for “and/or” substitute “or”;
- (viii) in point (l), for “financial statements” substitute “accounts”;
- (ix) in point (m)—
 - (aa) for “financial statements” substitute “accounts”;
 - (bb) for “audited entity” substitute “audited person”;
 - (cc) for “entities” substitute “members of the group”;
- (x) in point (n)—
 - (aa) for “third-country auditor(s), statutory auditor(s), third-country audit entity(ies) or audit firm(s)” substitute “third country auditors or statutory auditors”;
 - (bb) for “financial statements” in both places substitute “accounts”;
 - (cc) after “the same network as” insert “that”;
- (xi) in point (o), for “audited entity” substitute “audited person”;
- (xii) in point (p)(iii), after “in the” insert “statutory”;
- (c) in paragraph 2, omit the second subparagraph;
- (d) in paragraph 2, in the third subparagraph—
 - (i) omit “, an audit firm”;
 - (ii) for “auditor(s) or the audit firm(s)” substitute “auditor”;
 - (iii) for “audited entity” substitute “audited person”;
- (e) in paragraph 3—
 - (i) for “or audit firm have been engaged simultaneously, and any” substitute “has been appointed and a”;
 - (ii) for “reasons for such” substitute “nature of any”;
 - (iii) for “shall” substitute “and the reasons for it must”;
- (f) in paragraph 4—
 - (i) for “an audit firm” substitute “a firm”;
 - (ii) for “the audit firm” substitute “that firm”;
- (g) in paragraph 5—
 - (i) for “national law” substitute “legislation of any part of the United Kingdom”;
 - (ii) omit “or the audit firms”;
 - (iii) for “competent authorities” substitute “competent authority”;
 - (iv) omit “within the meaning of Article 20(1)”.