

Draft Regulations laid before Parliament under section 18A(8) of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and regulation 13(8) of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2021 No. XXXX

EXITING THE EUROPEAN UNION

COMPANIES

The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021

Made - - - - ***

Coming into force - - ***

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 18A(1) and (3) of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (“the 2004 Act”)(a) and regulations 13(1) and (4) and 14(4) of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (“the principal Regulations”)(b).

It appears to the Secretary of State that—

- (a) the UK Endorsement Board is able and willing to exercise the functions transferred by regulation 2 of these Regulations, and
- (b) that body has arrangements in place relating to the exercise of those functions which are such as to be likely to ensure that—
 - (i) those functions will be exercised effectively, and
 - (ii) in accordance with the requirements and provisions relating to the exercise of those functions specified in regulation 3 of these Regulations.

In accordance with section 18A(8) of the 2004 Act and regulation 13(8) of the principal Regulations, a draft of these Regulations was laid before Parliament and approved by a resolution of each House of Parliament.

(a) 2004 c. 27. Section 18A was inserted by section 38 of the Small Business, Enterprise and Employment Act 2015 (c. 26).
(b) S.I. 2019/685. This instrument is amended by S.I. 2019/1392, 2020/335 and 2020/523.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021 and come into force on the day after the day on which these Regulations are made.

(2) In these Regulations—

- (a) “the 2004 Act” means the Companies (Audit, Investigations and Community Enterprise) Act 2004;
- (b) “the principal Regulations” means the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019;
- (c) “the UK Endorsement Board” means the UK Accounting Standards Endorsement Board, an unincorporated association of that name established on [date].

Delegation of the Secretary of State’s functions

2.—(1) The UK Endorsement Board is designated for the purpose of enabling it to exercise functions of the Secretary of State under Chapter 3 of Part 2 of the principal Regulations.

(2) The functions of the Secretary of State under regulation 7(3) and 12 of the principal Regulations are not transferred by these Regulations.

Requirements for recording decisions

3. The UK Endorsement Board must have satisfactory arrangements for—

- (a) recording decisions made in the exercise of the functions transferred by these Regulations, and
- (b) the safekeeping of the records of those decisions.

Exemption from liability

4.—(1) The exemption from liability in subsections (3) and (4) of section 18A (power to confer exemption from liability) of the 2004 Act applies to the UK Endorsement Board in accordance with paragraph (2).

(2) The section 16(2) activity^(a) which is specified under section 18A(3) of the 2004 Act is the activity in subsection (2)(a) of section 16 of the 2004 Act.

Date _____
Name
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations delegate the responsibility for the adoption of international accounting standards for use within the United Kingdom from the Secretary of State to the UK Accounting Standards Endorsement Board (“the UK Endorsement Board”).

(a) “Section 16(2) activities” are defined in section 18A(5) of the Companies (Audit, Investigations and Community Enterprise) Act 2004.

The UK Endorsement Board is defined in regulation 1(2). The Board's full name is the UK Accounting Standards Endorsement Board, and it was established on [date].

The responsibility for the adoption international accounting standards for use within the United Kingdom, and other related functions, was conferred on the Secretary of State by Chapter 3 of Part 2 of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/685) ("the principal Regulations"). The principal Regulations enable the Secretary of State to delegate those functions to another body.

The responsibility for the adoption of international accounting standards for use within the United Kingdom is delegated to the UK Endorsement Board by regulation 2. Regulation 2 transfers the majority of the responsibilities and functions in Chapter 3 of Part 2 of the principal Regulations from the Secretary of State to the UK Endorsement Board. The functions in regulations 7(3) and 12 of the principal Regulations are not transferred. Regulation 2 also has the effect of designating the UK Endorsement Board under section 5 of the Freedom of Information Act 2000 (c 36) (see regulation 13(3) of the principal Regulations).

Regulation 3 requires the UK Endorsement Board to keep proper records of any decisions it makes when exercising the functions which are transferred to that body by regulation 2. Regulation 4 exempts the UK Endorsement Board from liability in damages for anything done or omitted to be done in connection with the function of issuing accounting standards.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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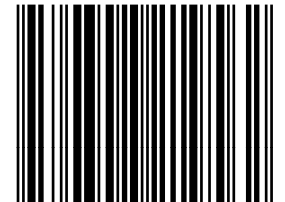
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