
STATUTORY INSTRUMENTS

2007 No. 3494

The Statutory Auditors and Third
Country Auditors Regulations 2007

PART 3

COMPETENT AUTHORITIES

Transfer of papers to third countries

15.—(1) After section 1253C of the Companies Act 2006⁽¹⁾ (inserted by regulation 14 above), insert—

“Transfer of papers to third countries

Restriction on transfer of audit working papers to third countries

1253D. Audit working papers must not be transferred to a third country competent authority by any person other than a statutory auditor acting in accordance with rules imposed under paragraph 16A of Schedule 10 (transfer of papers to third countries).

Working arrangements for transfer of papers

1253E.—(1) The Secretary of State may enter into arrangements with a third country competent authority relating to the transfer of audit working papers—

- (a) from the third country competent authority or third country auditors regulated by that authority to the Secretary of State; and
- (b) from statutory auditors to the third country competent authority.

(2) The arrangements must provide that—

- (a) the Secretary of State has the rights and duties referred to in subsections (3) to (5) in relation to papers he requests from the third country competent authority or third country auditors, and
- (b) the third country competent authority has comparable rights and duties in relation to papers it requests from statutory auditors.

(3) Any request by the Secretary of State for audit working papers from the third country competent authority or a third country auditor must be accompanied by a statement explaining the reasons for the request.

(4) The Secretary of State may use the audit working papers he receives in response to a request only in connection with—

- (a) quality assurance functions which meet requirements equivalent to those of Article 29 of the Audit Directive (quality assurance),
- (b) investigation or disciplinary functions which meet requirements equivalent to those of Article 30 of the Audit Directive (investigations and penalties), or
- (c) public oversight functions which meet requirements equivalent to those of Article 32 of the Audit Directive (principles of public oversight).

(5) The Secretary of State, a person exercising the functions of the Secretary of State and persons employed in discharging those functions must be subject to obligations of professional secrecy in relation to audit papers supplied to the Secretary of State by a third country competent authority or a third country auditor.

Publication of working arrangements

1253F. If the Secretary of State enters into working arrangements in accordance with section 1253E, he must publish on a website without undue delay—

- (a) the name of the third country competent authority with which he has entered into such arrangements, and
- (b) the country or territory in which it is established.”.

(2) Arrangements under section 1253E of the Companies Act 2006 only apply to working papers for audits conducted by auditors appointed for financial years beginning on or after 6th April 2008.