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## STATUTORY INSTRUMENTS

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### 2019 No. 177

## The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019

### PART 5

Amendments made under section 2(2) of the European Communities Act 1972

**106.** In regulation 3 (the competent authority)—

- (a) in paragraph (2)(b), for “paragraph (5)” substitute “ paragraphs (5), (5A) and (5B) ”;
- (b) after paragraph (5), insert—

“(5A) Any delegation under paragraph (2) of the competent authority's responsibilities under sub-paragraphs (k), (l) or (m) of paragraph (1) must not prejudice the competent authority's ability to initiate and conduct an inspection or investigation of audit work by a statutory auditor itself, where necessary, and to take appropriate action.

(5B) In determining the delegation of tasks, the competent authority must ensure that conflicts of interest are avoided.”;

- (c) after paragraph (13), insert—

“(14) The members of the management body of the competent authority must be individuals who—

- (a) are knowledgeable in the areas relevant to statutory audit;
- (b) are selected in accordance with an independent and transparent nomination procedure;
- (c) during their period in office are non-practitioners, and in the three years preceding their appointment were non-practitioners.

- (15) In paragraph (14), a “non-practitioner” is a person who is not—

- (a) carrying out statutory audit work;
- (b) a member of the ownership or management body of a firm that is eligible for appointment as a statutory auditor;
- (c) employed by or otherwise associated with a firm that is eligible for appointment as a statutory auditor.”.

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#### Commencement Information

**II** Reg. 106 in force at 22.2.2019, see reg. 2

**Changes to legislation:**

There are currently no known outstanding effects for the The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019, Section 106.