

**2007 No. 2583**

**COMPANIES**

**The Supervision of Accounts and Reports (Prescribed Body)  
Order 2007**

<i>Made</i>	- - - -	<i>3rd September 2007</i>
<i>Laid before Parliament</i>		<i>5th September 2007</i>
<i>Coming into force</i>	- -	<i>1st October 2007</i>

It appears to the Secretary of State that the Financial Reporting Review Panel is a body:

- (a) having an interest in, and having satisfactory procedures directed to, monitoring compliance by issuers of transferable securities with accounting requirements imposed by Part 6 rules(a) in relation to periodic accounts and reports produced by such issuers;
- (b) which is otherwise a fit and proper body to be appointed;
- (c) which will exercise its functions as a prescribed body in accordance with the requirements of this Order;

The Secretary of State makes the following Order in exercise of the powers conferred on him by section 14(1), (5) and (8) of the Companies (Audit, Investigations and Community Enterprise) Act 2004(b):

**Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Supervision of Accounts and Reports (Prescribed Body) Order 2007 and shall come into force on 1st October 2007.

(2) In this Order—

“the Act” means the Companies (Audit, Investigations and Community Enterprise) Act 2004;

“the prescribed body” means the body known as the Financial Reporting Review Panel established under the articles of association of The Financial Reporting Review Panel Limited;

“regulated market” has the meaning given by Article 4(1)(14) of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments(c);

“the transparency obligations directive” means Directive 2004/109/EC of the European Parliament and of the Council relating to the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market(d).

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(a) Defined in section 103(1) of the Financial Services and Markets Act 2000 (c. 8); section 103 was substituted by S.I. 2005/1433.

(b) 2004 c.27; section 14 was amended by Schedule 15 to the Companies Act 2006 (c. 46).

(c) OJ No L 145, 30.4.2004, p.1.

(d) OJ No L 390, 31.12.2004, p.38.

### **Application and revocation**

2.—(1) This Order does not apply in respect of periodic accounts and reports relating to financial years beginning before 20th January 2007.

(2) The Supervision of Accounts and Reports (Prescribed Body) Order 2005(a) shall continue to apply in respect of periodic accounts and reports—

- (a) to which section 14(2)(a) of the Act as amended by the Companies Act 2006 applies; and
- (b) which relate to financial years beginning before 20th January 2007.

(3) Subject to paragraph (2), the Supervision of Accounts and Reports (Prescribed Body) Order 2005 is revoked.

### **Appointment in relation to issuers**

3.—(1) The prescribed body is appointed to exercise the functions mentioned in section 14(2) of the Act in respect of any issuer of transferable securities admitted to trading on a regulated market which is—

- (a) a body corporate incorporated or otherwise formed under the law of, or of a part of, the United Kingdom of which the United Kingdom is the home Member State for the purposes of the transparency obligations directive;
- (b) a body corporate incorporated or otherwise formed under the law of a place outside the United Kingdom of which the United Kingdom is the home Member State for the purposes of the transparency obligations directive.

(2) In paragraph (1), “issuer” does not include a person which is not required to comply with the reporting requirements of provisions implementing Articles 4 and 5 of the transparency obligations directive (annual financial reports and half-yearly financial reports) by virtue of—

- (a) provisions implementing Article 8(1) of that Directive (exemptions), or
- (b) the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006 made by the Financial Services Authority under the Financial Services and Markets Act 2000 on 21st December 2006.

### **Appointment in relation to accounts**

4. The prescribed body is appointed to exercise the functions mentioned in section 14(2) of the Act only in respect of the periodic accounts and reports required to be produced under Articles 4 and 5 of the transparency obligations directive.

### **Requirements for prescribed body**

5. The prescribed body shall have satisfactory arrangements for recording decisions made in the exercise of the functions it exercises by virtue of its appointment and for the safeguarding of those records which ought to be preserved.

3rd September 2007

*Stephen Timms*  
Minister of State for Competitiveness  
Department for Business, Enterprise and Regulatory Reform

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(a) S.I. 2005/715.

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order partially transposes Directive 2004/109/EC of the European Parliament and of the Council relating to the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (OJ No L 390, 31.12.2004, p.38) (“the Directive”).

It appoints the Financial Reporting Review Panel to exercise the functions mentioned in section 14(2) of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27) as amended by the Companies Act 2006 (c. 46). These functions are the keeping under review of periodic accounts and reports that are produced by issuers of transferable securities and are required to comply with any accounting requirements imposed by Part 6 rules made under the Financial Services and Markets Act 2000 (c. 8), and informing the Financial Services Authority of any conclusions the Panel reaches if it thinks fit.

This Order replaces the Supervision of Accounts and Reports (Prescribed Body) Order 2005 (S.I. 2005/715) (the “2005 Order”). Article 2 provides that the Order only applies in respect of periodic accounts and reports relating to financial years beginning on or after 20th January 2007. The 2005 Order is revoked but continues to apply for earlier financial years.

Article 3 limits the appointment to issuers of transferable securities admitted to trading on a regulated market which are bodies corporate and of which the United Kingdom is the home Member State for the purposes of the Directive. Article 4 limits the appointment to periodic accounts and reports required to be produced under Articles 4 and 5 of the Directive (annual and half-yearly financial reports). Article 5 contains a requirement for record keeping in relation to the functions conferred by this Order.

The Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006 referred to in article 3(2)(b) of the Order is available on the Financial Services Authority’s website at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook).

A transposition note which sets out how the main elements of the Directive have been transposed into United Kingdom law is at Annex A to the notes accompanying the Companies Act 2006 and is available on the Office of Public Sector Information’s website at [www.opsi.gov.uk/acts.htm](http://www.opsi.gov.uk/acts.htm). An assessment of the effects of the Directive on the costs of and benefits to business is included in the Regulatory Impact Assessment for the Companies Act 2006 and is available on the Department for Business, Enterprise and Regulatory Reform’s website at [www.berr.gov.uk/bbf/co-act-2006](http://www.berr.gov.uk/bbf/co-act-2006) or from the Corporate Law and Governance Directorate, 5th Floor, 1 Victoria Street, London SW1H 0ET. A full impact assessment has not been produced for this Order as no impact on the private or voluntary sectors is foreseen.

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STATUTORY INSTRUMENTS

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