
STATUTORY INSTRUMENTS

2008 No. 1950

**The Insurance Accounts Directive (Lloyd's Syndicate
and Aggregate Accounts) Regulations 2008**

PART 1

GENERAL

Citation, commencement and application

1.—(1) These Regulations may be cited as the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

(2) These Regulations come into force on 15th August 2008 and apply in relation to financial years beginning on or after 1st January 2009.

Interpretation

2.—(1) In these Regulations—

“the 2006 Act” means the Companies Act 2006 ^{M1};

“the 2008 Regulations” means the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ^{M2};

“appropriate audit authority” means—

- (a) the Secretary of State, or
- (b) if the Secretary of State has delegated functions under section 1252 of the Companies Act 2006 (delegation of the Secretary of State's functions) to a body whose functions include receiving notice that an auditor of a syndicate or of the aggregate accounts has ceased to hold office, that body;

“the Authority” means the [^{F1}Prudential Regulation Authority];

“the Council of Lloyd's” means the Council constituted by section 3 of Lloyd's Act 1982 (the Council);

“financial year” means the period of 12 months beginning on 1st January;

“Lloyd's byelaws” means the byelaws made under Lloyd's Acts 1871 to 1982 ^{M3};

“managing agent” means a person who is permitted by the Council of Lloyd's, in the conduct of his business as an underwriting agent, to perform, for a member of Lloyd's, one or more of the following functions—

- (a) underwriting contracts of insurance at Lloyd's;
- (b) reinsuring such contracts in whole or in part;
- (c) paying claims on such contracts;

“syndicate” means one or more persons, to whom a syndicate number has been assigned by or under the authority of the Council of Lloyd's, carrying out or effecting contracts of insurance written at Lloyd's;

“syndicate's annual accounts” means the accounts prepared in accordance with regulation 5(2) (a) of these Regulations.

(2) In these Regulations any reference to a person being “in default” in relation to a requirement of these Regulations means a person who authorises or permits, participates in, or fails to take all reasonable steps to prevent, a contravention of that requirement.

(3) For the purposes of these Regulations an underwriting year of account is closed—

- (a) at the time when a contract of reinsurance to close that year of account, which complies with the requirements in the Lloyd's byelaws, takes effect; or
- (b) in the case of a syndicate which consists of a single corporate member, at the time when an amount representing the provision for all known and unknown liabilities attributable to the closing year of account, is included in the underwriting account for the following underwriting year.

(4) Except as otherwise provided in these Regulations, words and expressions used in the 2006 Act have the same meaning in these Regulations as they have in that Act.

Textual Amendments

- F1** Words in [reg. 2\(1\)](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), [Sch. 2 para. 144](#) (with [Sch. 2 para. 145](#))

Marginal Citations

- M1** [2006 c.46](#).
M2 [S.I. 2008/410](#).
M3 [1871 c. xxi](#); [1911 c. lxii](#); [1951 c. viii](#); [1982 c. xiv](#).

Senior Statutory Auditor

3.—(1) In these Regulations, “senior statutory auditor” means the individual identified by a firm as senior statutory auditor in relation to an audit in accordance with the standards or guidance mentioned in section 504(1) of the 2006 Act (senior statutory auditor).

(2) The person identified as senior statutory auditor must be eligible for appointment as auditor of the syndicate in question under Chapter 2 of Part 42 of the 2006 Act (statutory auditors: individuals and firms).

(3) The senior statutory auditor is not, by reason of being named or identified as senior statutory auditor or by reason of his or her having signed the auditor's report, subject to any civil liability to which he or she would not otherwise be subject.

Summary proceedings

4. Sections 1127 and 1128 of the 2006 Act (summary proceedings: venue and time limit for proceedings) apply to an offence under these Regulations as they apply to an offence under the Companies Acts (as defined by section 2(1) of the 2006 Act).

PART 2

SYNDICATE ACCOUNTS

Preparation of syndicate's annual accounts

5.—(1) Managing agents must prepare or cause to be prepared the accounts and reports required by paragraph (2), in respect of—

- (a) each syndicate that they manage on 31st December; and
- (b) any syndicate that they were the last managing agent to manage during the preceding year and which has no managing agent on 31st December.

(2) Managing agents must, for the financial year preceding 31st December, in respect of each syndicate—

- (a) prepare annual accounts;
- (b) prepare an annual report; and
- (c) cause to be prepared an auditor's report.

(3) The accounts and annual report required by paragraph (2) must—

- (a) be prepared within a period of 3 months beginning immediately after the end of the syndicate's financial year;
- (b) state that they are prepared under this regulation; and
- (c) comply with the requirements in Schedule 1 to these Regulations.

(4) The accounts required by paragraph (2)(a) must also contain the information on auditor remuneration required by Schedule 2 to these Regulations.

(5) Schedules 1 and 2 to these Regulations have effect.

Preparation of syndicate underwriting year accounts

6.—(1) Managing agents must, in respect of each syndicate to which regulation 5(1) refers, prepare or cause to be prepared underwriting year accounts in accordance with paragraph (2), unless—

- (a) no underwriting year of that syndicate has been closed in the preceding financial year or is being closed at the end of that financial year; or
- (b) the members of the syndicate for each underwriting year included in the underwriting year accounts, agree unanimously, in writing, that no underwriting year accounts shall be prepared in respect of that syndicate.

(2) The underwriting year accounts must be an account which—

- (a) is prepared on an underwriting year basis; and
- (b) gives a true and fair view of the result of that underwriting year at closure.

(3) The accounts required by this regulation must—

- (a) be prepared within a period of 3 months beginning immediately after the end of the syndicate's financial year; and
- (b) state that they are prepared under this regulation.

(4) Managing agents must cause to be prepared an auditor's report on the underwriting year accounts required by this regulation stating whether a true and fair view is given of the result of the underwriting year at closure.

(5) Part 42 of the 2006 Act (statutory auditors) applies to an auditor appointed for the purposes of this regulation subject to any necessary modifications to take account of the fact that the syndicate is unincorporated, as it applies to the person appointed for the purposes of regulation 5 or the person appointed to report on the aggregate accounts under section 1210 of the 2006 Act (meaning of “statutory auditor”) ^{M4}.

Marginal Citations

M4 Section 1210 was amended by regulation 15(1) of [S.I. 2008/565](#), and by regulation 14 of [S.I. 2008/567](#).

Approval and signing of accounts

7.—(1) A syndicate's annual accounts must be approved and signed by the syndicate's managing agent and, where the managing agent is a body corporate or a partnership, the accounts must be approved by the board of directors or partners and signed by a director or partner of the managing agent, authorised to sign on its behalf.

(2) The signature must be on the syndicate's balance sheet.

(3) Every copy of the balance sheet which is circulated, published, issued or delivered to the Authority must state the name of the person who signed it on behalf of the syndicate's managing agent.

Accounts to be sent to syndicate members, the Council of Lloyd's and the Authority

8.—(1) The managing agent responsible for the preparation of the accounts of a syndicate must send a copy of the accounts and reports prepared under regulations 5 and 6 to every member of Lloyd's who participates in that syndicate and to the Council of Lloyd's, within 3 months from the end of the financial year.

(2) The managing agent responsible for the preparation of the accounts of a syndicate must send a copy of the accounts and reports prepared under regulations 5 and 6 to the Authority within 6 months from the end of the financial year.

(3) References in this regulation to sending documents to a person include references to using electronic communications for sending copies of those documents to such address as may for the time being be notified to the managing agent by that person for that purpose.

Publication of syndicate accounts and reports

9. Where a managing agent has sent accounts and reports to the Council of Lloyd's under regulation 8, the Council must—

- (a) make available, on reasonable notice, those accounts and reports for inspection by any person without charge and during business hours at the Council's head office for a period of three years from the date of signature of each document; and
- (b) supply to any person upon request a copy of those accounts and reports (or such part of those accounts and reports as may be requested) at a price not exceeding the administrative cost of making the copy, for a period of three years from the date of signature of each document.

Auditor's report

[^{F2}10.—(1) A syndicate's auditor must make a written report to the syndicate's members on all annual accounts of the syndicate of which copies are to be sent to the syndicate members during the auditor's tenure of office.

- (2) The auditor's report must include—
- (a) the identity of the syndicate whose annual accounts are the subject of the audit,
 - (b) a description of the annual accounts that are the subject of the audit (including the period covered by those accounts),
 - (c) a description of the financial reporting framework that has been applied in the preparation of those accounts, and
 - (d) a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.
- (3) The report must state clearly the opinion of the auditor as to whether the annual accounts—
- (a) give a true and fair view—
 - (i) in the case of an individual balance sheet, of the state of affairs of the syndicate as at the end of the financial year, and
 - (ii) in the case of an individual profit and loss account, of the profit or loss of the syndicate for the financial year;
 - (b) have been properly prepared in accordance with the relevant financial reporting framework, and
 - (c) have been prepared in accordance with the requirements of these Regulations.
- (4) The auditor must, in the auditor's report on the syndicate's annual accounts—
- (a) state whether in the auditor's opinion, based on the work undertaken in the course of the audit—
 - (i) the information given in the managing agent's report for the financial year for which the annual accounts are prepared is consistent with those accounts;
 - (ii) that report has been prepared in accordance with these Regulations,
 - (b) state whether, in the light of the knowledge and understanding of the syndicate and its environment obtained in the course of the audit, the auditor has identified material misstatements in the managing agent's report, and
 - (c) if applicable, give an indication of the nature of each of the misstatements referred to in paragraph (b).
- (5) The auditor's report must—
- (a) be unqualified or qualified,
 - (b) include a reference to any matters to which the auditor wishes to draw attention by way of emphasis without qualifying the report,
 - (c) include a statement on any material uncertainty relating to events or conditions that may cast doubt on the ability of the syndicate to continue to write future business, and
 - (d) identify the auditor's place of establishment.]

Textual Amendments

- F2** [Reg. 10](#) substituted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(2)**

Duties of auditors

11.—(1) A syndicate's auditor, in preparing the audit report, must carry out such investigations as will enable the auditor to form an opinion as to—

- (a) whether adequate accounting records have been kept on behalf of the syndicate; and
- (b) whether the syndicate's annual accounts are in agreement with the accounting records.

(2) If the auditor is of the opinion—

- (a) that adequate accounting records have not been kept; or
- (b) that the syndicate's annual accounts are not in agreement with the accounting records,

[^{F3}the auditor must state that fact in the auditor's report].

(3) If the auditor fails to obtain all the information and explanations which, to the best of the auditor's knowledge and belief, are necessary for the purposes of the audit, the audit report shall state that fact.

(4) If the requirements of paragraph 5 of Schedule 1 are not complied with in the annual accounts the audit report must include, so far as the auditor is reasonably able to do so, a statement giving the required particulars.

[^{F4}(5) Where more than one person is appointed as an auditor—

- (a) all the persons appointed must jointly make a report under this regulation and the report must include a statement as to whether all the persons appointed agree on—
 - (i) the matters contained in the report,
 - (ii) the statements under regulation 10(4) and paragraphs (2) and (3) of this regulation, and
 - (iii) the indications given under regulation 10(4), and
- (b) if all the persons appointed cannot agree on—
 - (i) the matters contained in the report,
 - (ii) the statements under regulations 10(4) and paragraphs (2) and (3) of this regulation, or
 - (iii) the indications given under regulation 10(4),

the report must include the opinions of each person appointed and give reasons for the disagreement.]

Textual Amendments

- F3** Words in reg. 11(2) substituted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(3)(a)**
- F4** Reg. 11(5) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(3)(b)**

Signature of auditor's report

12.—(1) The syndicate's auditor's report on the syndicate's annual accounts required under regulation 5(2), and on the underwriting year accounts required by regulation 6, must state the name of the auditor [^{F5}(or where more than one person is appointed as auditor, all of their names)] and be signed and dated.

(2) Where the auditor is an individual, the report must be signed by that individual.

(3) Where the auditor is a firm, the report must be signed by the senior statutory auditor in his or her own name, for and on behalf of the auditor.

[^{F6}(4) Where more than one person is appointed as auditor, the report must be signed by all of them.]

Textual Amendments

- F5** Words in reg. 12(1) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(4)(a)**
- F6** Reg. 12(4) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(4)(b)**

Names to be stated in copies of auditor's report published or filed

13.—(1) Every copy of the syndicate's auditor's report that is published by or on behalf of the syndicate or the Council of Lloyd's or which is sent to the Authority under regulation 8(2) must—

- (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor; or
- (b) if the conditions in regulation 14 are met, state that a resolution has been passed and notified to the Authority in accordance with regulation 14(2)(b).

[^{F7}(1A) If more than one person is appointed as auditor, the reference in paragraph (1)(a) to the name of the auditor is to be read as a reference to the names of all the auditors.]

(2) For the purposes of this regulation, the syndicate (or the Council) is regarded as publishing the report if it publishes, issues, circulates or otherwise makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.

Textual Amendments

- F7** Reg. 13(1A) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(5)**

Circumstances in which names may be omitted

14.—(1) [^{F8}An] auditor's name, and (where the auditor is a firm) the name of the person who signed the report as senior statutory auditor, may be omitted from copies of the report circulated, published, issued or delivered where the conditions in paragraph (2) are met.

(2) The conditions referred to in paragraph (1) are that the managing agent responsible for preparing the syndicate's accounts—

- (a) considering on reasonable grounds that statement of the name would create or be likely to create a serious risk that the auditor or senior statutory auditor, or any other person, would be subject to violence or intimidation, has resolved that the name should not be stated; and
- (b) has given notice of the resolution to the Authority, stating—
 - (i) the name and number of the syndicate;
 - (ii) the year to which the report relates; and
 - (iii) the name of the auditor and (where the auditor is a firm) the name of the person who signed the report as senior statutory auditor.

Textual Amendments

- F8** Word in reg. 14(1) substituted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(6)**

Requirements in connection with publication of statutory accounts

15.—(1) If a managing agent publishes any of the statutory accounts of a syndicate, they must be accompanied by the auditor's report on those accounts.

(2) If a managing agent publishes non-statutory accounts of a syndicate, it must publish with them a statement indicating—

- (a) that they are not the syndicate's statutory accounts;
- (b) whether statutory accounts dealing with any financial year with which the non-statutory accounts purport to deal have been sent to the Authority under regulation 8(2) of these Regulations; and
- (c) whether an auditor's report has been made on the syndicate's accounts for any such financial year, and if so whether the report—
 - (i) was qualified or unqualified, or included a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report; or
 - (ii) contained a statement under regulation 11(2), (3) or (4).

(3) The managing agent must not publish the auditor's report on the syndicate's statutory accounts with non-statutory accounts.

(4) References in this regulation to the publication by a managing agent of “non-statutory accounts” are to the publication of any balance sheet or profit and loss account relating to, or purporting to deal with, a financial year of the syndicate or an underwriting year of the syndicate otherwise than as part of the syndicate's statutory accounts.

(5) A syndicate's “statutory accounts” are its accounts for a financial year specified in regulations 5(2)(a) and 6 (1) and required to be sent to the Authority under regulation 8(2).

Delivery and publication of accounts in euros

16.—(1) The amounts set out in the syndicate's annual accounts may also be shown in the same accounts translated into euros.

(2) When complying with regulation 8(2) the managing agent may send to the Authority an additional copy of the syndicate's annual accounts in which the amounts have been translated into euros.

(3) In both cases—

- (a) the amounts must have been translated at the exchange rate prevailing on the date to which the balance sheet is made up; and
- (b) that rate must be disclosed in the notes to the accounts.

(4) For the purposes of regulation 15 any additional copy of the syndicate's annual accounts sent to the Authority under paragraph (2) above shall be treated as statutory accounts of the syndicate.

(5) In the case of such a copy, references in regulation 15 to the auditor's report on the syndicate's annual accounts must be read as references to the auditor's report on the annual accounts of which it is a copy.

Penalties for non-compliance

17.—(1) If the managing agent of a Lloyd's syndicate fails to comply with regulation 5(1), within the period referred to in regulation 5(3), the managing agent and every person who was a director or partner of it immediately before the end of that period, is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(2) If the managing agent of a Lloyd's syndicate fails to comply with regulation 6(1), within the period referred to in regulation 6(3), the managing agent and every person who was a director or partner of it immediately before the end of that period, is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(3) If accounts which are approved under regulation 7 do not comply with the requirements of these Regulations, the managing agent of the Lloyd's syndicate and every person who was a director or partner of the managing agent at the time when the accounts were approved who—

- (a) knew that they did not comply, or was reckless as to whether they complied, and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the accounts from being approved,

is guilty of an offence and liable on conviction on indictment, to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(4) If an annual report which is approved under paragraph 12 of Schedule 1 does not comply with the requirements of these Regulations, the managing agent of the Lloyd's syndicate and every person who was a director or partner of the managing agent at the time when the accounts were approved who—

- (a) knew that they did not comply, or was reckless as to whether they complied, and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the accounts from being approved,

is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(5) If a managing agent fails to comply with regulation 8(1), it and every person who was a director or partner of the managing agent at the time when the failure took place is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(6) If a managing agent fails to comply with regulation 8(2), it and every person who was a director or partner of the managing agent at the time when the failure took place is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(7) If a copy of the syndicate auditor's report is sent to the Authority or published without the statement required by regulation 13, the managing agent, and every person who was a director or partner of the managing agent at the time when the failure took place is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(8) If a managing agent contravenes any provision of regulation 15, the managing agent and every person who was a director or partner of the managing agent at the time when the contravention took place, is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(9) It is a defence for a person charged with an offence under this regulation to show that he or she took all reasonable steps for securing that the requirements in question would be complied with.

PART 3

AGGREGATE ACCOUNTS

Preparation of aggregate accounts by Council of Lloyd's

18.—(1) The members of the Council of Lloyd's must prepare aggregate accounts for each financial year by cumulating all the syndicate annual accounts prepared in accordance with regulation 5 for that year.

(2) The aggregate accounts must consist of—

- (a) an aggregate balance sheet as at the last day of the financial year; and
- (b) an aggregate profit and loss account.

Those accounts are referred to in these Regulations as the “aggregate accounts”.

(3) The aggregate accounts must—

- (a) be prepared within the period of 6 months beginning immediately after the end of the financial year; and
- (b) state that they are prepared under these Regulations.

(4) [^{F9}Subject to the modification in paragraph (4A),] the aggregate accounts must comply with the provisions of Schedule 3 to the 2008 Regulations (insurance companies: Companies Act individual accounts), other than the provisions (or parts of provisions) set out in paragraph (5) as to—

- (a) the form and content of the aggregate balance sheet and aggregate profit and loss account; and
- (b) additional information to be provided by way of notes to the accounts.

[^{F10}(4A) Paragraph 16 of Schedule 3 to the 2008 Regulations applies in relation to the syndicates as if it read “The syndicates are presumed to continue to write future business.”]

(5) The provisions are the following—

- (a) paragraphs 11(2), 68, 71, 72, 79, 81, 82(2), 83; and
- (b) in paragraph 2(2) the words from “save that none” to the end of that sub-paragraph.

(6) The aggregate accounts must also contain the information on auditor remuneration required in Schedule 2 to these Regulations and comply with the provisions set out in paragraph 1 of Schedule 3 to these Regulations.

(7) Schedule 3 to these Regulations has effect.

Textual Amendments

- F9** Words in reg. 18(4) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(7)(a)**
- F10** Reg. 18(4A) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(7)(b)**

Approval and signing of aggregate accounts

19.—(1) The aggregate accounts must be approved by the Council of Lloyd's and signed on behalf of the Council by a member of the Council.

(2) The signature must be on the aggregate balance sheet.

(3) Every copy of the aggregate balance sheet which is circulated, published or issued must state the name of the person who signed it on behalf of the Council.

(4) The copy of the aggregate balance sheet which is delivered to the Authority must be signed on behalf of the Council by a member of the Council.

Preparation of annual report by the Council of Lloyd's

20. The members of the Council of Lloyd's must prepare an annual report on the insurance business carried on by the members of Lloyd's which complies with the requirements set out in paragraphs 2 to 4 of Schedule 3.

Approval and signing of annual report

21.—(1) The annual report prepared under regulation 20 must be approved by the Council of Lloyd's and signed on behalf of the Council by a member of the Council.

(2) Every copy of the annual report which is circulated, published or issued, must state the name of the person who signed it on behalf of the Council.

(3) The copy of the annual report which is delivered to the Authority must be signed on behalf of the Council by a member of the Council.

Auditor's report

[F11]22.—(1) The members of the Council of Lloyd's must obtain a written auditor's report on the aggregate accounts.

(2) The auditor's report must include—

- (a) a statement that the subject of the review is the aggregate accounts which are an accumulation of the syndicates' annual accounts prepared in accordance with these Regulations,
- (b) a description of the aggregate accounts that are the subject of the review (including the period covered by those accounts),
- (c) a description of the financial reporting framework that has been applied in the preparation of those accounts,
- (d) a description of the scope of the review identifying the standards in accordance with which the review was conducted, and
- (e) a clear statement as to whether, in the auditor's opinion, the aggregate accounts have been properly prepared in accordance with the requirements of these Regulations, and whether those accounts are correctly aggregated.

(3) The auditor must in the auditor's report—

- (a) state whether, in the auditor's opinion, based on the work undertaken in the course of the audit—
 - (i) the information given in the annual report of the Council of Lloyd's for the financial year for which the aggregate accounts are prepared is consistent with those accounts, and
 - (ii) that report has been prepared in accordance with these Regulations,
- (b) state whether, in the light of the knowledge and understanding of the syndicates and their environment obtained in the course of the audit, the auditor has identified material misstatements in the annual report of the Council of Lloyd's, and

- (c) if applicable, give an indication of the nature of each of the misstatements referred to in paragraph (b).
- (4) The auditor's report must—
- (a) be either unqualified or qualified,
 - (b) include a reference to any matters to which the auditor wishes to draw attention by way of emphasis without qualifying the report, and
 - (c) identify the auditor's place of establishment.
- (5) Where more than one person is appointed as an auditor—
- (a) all the persons appointed must jointly make a report under this regulation and the report must include a statement as to whether all the persons appointed agree on—
 - (i) the matters contained in the report,
 - (ii) the statements under paragraph (3), and
 - (iii) the indications given under paragraph (3), and
 - (b) if all the persons appointed cannot agree on—
 - (i) the matters contained in the report,
 - (ii) the statements under paragraph (3), or
 - (iii) the indications given under paragraph (3),
 the report must include the opinions of each person appointed and give reasons for the disagreement.]

Textual Amendments

- F11** Reg. 22 substituted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(8)**

Signature of auditor's report

23.—(1) The auditor's report must state the name of the auditor [^{F12}(or, where more than one person is appointed as auditor, all of their names)] and be signed and dated.

(2) Where the auditor is an individual, the report must be signed by that individual.

(3) Where the auditor is a firm, the report must be signed by the senior statutory auditor in his own name, for and on behalf of the auditor.

[^{F13}(4) Where more than one person is appointed as auditor, the report must be signed by all of them.]

Textual Amendments

- F12** Words in [reg. 23\(1\)](#) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(9)(a)**
- F13** [Reg. 23\(4\)](#) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(9)(b)**

Names to be stated in copies of auditor's report published or filed

24.—(1) Every copy of the auditor's report which is published by or on behalf of the Council of Lloyd's must—

- (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor; or
- (b) if the conditions in regulation 25 are met, state that a resolution has been passed and notified to the Authority in accordance with regulation 25(2)(b).

[^{F14}(1A) If more than one person is appointed as auditor, the reference in paragraph (1)(a) to the name of the auditor is to be read as a reference to the names of all the auditors.]

(2) The copy of the auditor's report delivered to the Authority must be signed and dated by the auditor.

(3) For the purposes of this regulation, the Council is regarded as publishing the report if it publishes, issues, circulates or otherwise makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.

Textual Amendments

F14 Reg. 24(1A) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(10)**

Circumstances in which names may be omitted

25.—(1) [^{F15}An] auditor's name, and (where the auditor is a firm) the name of the person who signed the report as senior statutory auditor, may be omitted from copies of the report circulated, published, issued or delivered where the conditions in paragraph (2) are met.

- (2) The conditions referred to in paragraph (1) are that the Council of Lloyd's—
 - (a) considering on reasonable grounds that statement of the name would create or be likely to create a serious risk that the auditor, senior statutory auditor, or any other person, would be subject to violence or intimidation, has resolved that the name should not be stated; and
 - (b) has given notice of the resolution to the Authority, stating—
 - (i) the year to which the report relates; and
 - (ii) the name of the auditor and (where the auditor is a firm) the name of the person who signed the report as senior statutory auditor.

Textual Amendments

F15 Word in reg. 25(1) substituted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(11)**

Duties of auditors

26.—(1) The auditor of the aggregate accounts must, in preparing the auditor's report, carry out such investigations as will enable the auditor to form an opinion as to whether the aggregate accounts are properly prepared and a correct aggregation of the syndicate accounts which have been cumulated to prepare them.

(2) If the auditor is of the opinion that the aggregate accounts are not properly prepared or not a correct aggregation of the syndicate accounts which have been cumulated to prepare them, that fact must be stated in the auditor's report.

(3) If the auditor fails to obtain all the information and explanations which, to the best of the auditor's knowledge and belief, are necessary for the purposes of the auditor's report, that fact must be stated in the auditor's report.

[^{F16}(4) Where more than one person is appointed as auditor, the report must include a statement as to whether all the persons appointed agree on any statements given under paragraphs (2) and (3) and, if they cannot agree on those statements, the report must include the opinions of each person appointed and the reasons for the disagreement.]

Textual Amendments

F16 Reg. 26(4) inserted (with effect in accordance with reg. 1(7) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **15(12)**

Aggregate accounts and annual report of Council to be delivered to the Authority and published

27.—(1) The Council of Lloyd's must deliver to the Authority a copy of the aggregate accounts and its annual report on each financial year within 6 months from the end of that year.

(2) The Council of Lloyd's must—

- (a) make available, on reasonable notice, the latest aggregate accounts and its latest annual report for inspection by any person, without charge and during business hours, at the Council's head office; and
- (b) supply to any person upon request a copy of those accounts or that report (or such part of them as may be requested) at a price not exceeding the administrative cost of making the copy.

Penalties for non-compliance

28.—(1) If the members of the Council of Lloyd's fail to comply with the requirement in regulation 18(1) within the period referred to in regulation 18(3) to prepare aggregate accounts, every person who was a member of the Council of Lloyd's immediately before the end of that period is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(2) If aggregate accounts which are approved under regulation 19 do not comply with the requirements of these Regulations, every member of the Council of Lloyd's who—

- (a) knew that they did not comply, or was reckless as to whether they complied, and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the accounts from being approved,

is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(3) In the case of failure to comply with the requirement in regulation 20 to prepare an annual report, every person who was a member of the Council of Lloyd's immediately before the end of the period referred to in regulation 27(1) is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(4) If an annual report which is approved under regulation 21 does not comply with the requirements of these Regulations, every member of the Council of Lloyd's who—

- (a) knew it did not comply, or was reckless as to whether it complied; and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the report from being approved,

is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(5) If a copy of the auditor's report is sent to the Authority or published without the statement required by regulation 24, every person who was a member of the Council of Lloyd's at the time when the failure took place is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(6) In the event of failure to deliver a copy of the aggregate accounts and the report of the Council of Lloyd's to the Authority under regulation 27, every person who was a member of the Council of Lloyd's at the time when the failure took place is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(7) It is a defence for a person charged with an offence under this regulation to show that he or she took all reasonable steps for securing that the requirements in question would be complied with.

PART 4

Regulation by the Authority

Functions of the Authority

29.—(1) The Authority has responsibility for administering the system of regulation of Lloyd's syndicates and the Council of Lloyd's provided for by these Regulations.

(2) Proceedings for an offence under these Regulations may be instituted only—

(a) by the Authority or the Secretary of State; or

(b) by or with the consent of the Director of Public Prosecutions.

(3) In exercising its power to institute proceedings for an offence under these Regulations, the Authority must comply with any conditions or restrictions imposed in writing by the Treasury.

(4) The Authority may increase any fee which it charges managing agents under the Financial Services and Markets Act 2000 ^{M5} to take account of the expenses incurred in carrying out its functions under these Regulations.

Marginal Citations

M5 2000 c.8.

PART 5

Revocation and consequential provision

Revocation

30. The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2004 ^{M6} are revoked, but continue to apply to financial years beginning on or before 1 January 2008.

Marginal Citations

M6 S.I. 2004/3219.

Consequential amendment

31.—(1) In section 1210 of the 2006 Act (meaning of “statutory auditor” etc.), for subsection (1) (e) substitute—

“(e) a person appointed as auditor for the purposes of regulation 5 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 or appointed to report on the “aggregate accounts” within the meaning of those Regulations,”

(2) In relation to financial years beginning on or before 1st January 2008, subsection (1)(e) of that section is to continue to have effect without the substitution made by paragraph (1).

Review

^{F17}**32.**

Textual Amendments

F17 Regulations revoked (14.12.2023 for the revocation of reg. 32) by [Financial Services and Markets Act 2023 \(c. 29\)](#), s. 86(3), [Sch. 1 Pt. 2](#) (with s. 1(4)); S.I. 2023/1382, reg. 2(c)(i)

Claire Ward
Dave Watts
Two of the Lords Commissioners of Her
Majesty's Treasury

Changes to legislation:

There are currently no known outstanding effects for the The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.