

TRANSPOSITION NOTE

The table below sets out how the following enactments implement Council Directive 90/605/EEC of 8 November 1990 amending Directive 78/660/EEC on annual accounts (the 4th Company Law Directive) and Directive 83/349/EEC on consolidated accounts (the 7th Company Law Directive) as regards the scope of those Directives. The enactments implementing those amendments are:

- The Companies Act 2006 (c. 46)
- The Partnerships (Accounts) Regulations 2008 (SI 2008/569) (“the 2008 Regulations”)
- Companies Act 2006 (Amendment) (Accounts and Reports) Regulations 2008 (SI 2008/393)
- Companies and Partnerships (Accounts and Audit) Regulations 2013 (“the 2013 Regulations”)
- The following regulations (known jointly as “the 2008 accounting regulations”):
 - The Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008 (SI 2008/409)
 - The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)

Article	Objective	Implementation
1(1)	<p>Inserts a second subparagraph to Article 1 of the 4th Directive to extend the scope of that Directive to include partnerships, limited partnerships and unlimited companies (and other similar entities incorporated in other EEA States) where all members having unlimited liability are limited companies (and other comparable entities incorporated in other EEA States or outside the EEA).</p> <p>Inserts a third subparagraph further expanding the scope of the 4th Directive to include the entities referred to in the second subparagraph where all members having unlimited liability are themselves either limited companies or the entities set out in the second subparagraph.</p>	<p>For partnerships and limited partnerships, Regulation 3 of the 2008 Regulations, as substituted by Regulation 4(3) of the 2013 Regulations then applies the 2008 regulations to partnerships all of whose members are:</p> <ul style="list-style-type: none"> • limited companies; • unlimited companies all of whose members are limited companies • Scottish partnerships all of whose members are limited companies; or • Scottish limited partnerships, all of whose general partners are limited companies. <p>Regulation 4 of the 2008 regulations then requires the members of these “qualifying partnerships” to prepare accounts as if they were limited companies.</p> <p>For unlimited companies section 448(3)(b) of the Companies Act 2006 as substituted by regulation 13 of the Companies Act 2006 (Amendment) (Accounts and Reports) Regulations</p>

		<p>2008 and as amended by regulation 2(3) to (5) of the 2013 Regulations excludes from the exemption in that section from preparing and filing accounts under Part 15 of the Companies Act those unlimited companies all of whose members are entities listed in the bullet-point list above.</p>
<p>1(2)</p>	<p>Inserts a second subparagraph to Article 43(1.2) of the Fourth Directive requiring a company or partnership covered by the Directive, in the notes to its accounts, to state the name, the head or registered office and legal form of each of the undertakings of which the company or partnership is a member having unlimited liability. This may be omitted where it is of negligible importance.</p> <p>For the sake of completeness, it should be noted that the 7th Directive then requires consolidated accounts of groups to include information in the notes to the accounts as if they were a single company.</p>	<p>Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by regulation 6(2) of the 2013 Regulations)</p> <p><u>For Large and Medium-sized Companies</u> Regulation 7 Paragraph 7 of Schedule 4</p> <p><u>For Large and Medium-sized Groups</u> Regulation 7 and Paragraph 21 of Schedule 4 (which refers back to paragraph 7)</p> <p>The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 (as amended by regulation 5 of the 2013 Regulations)</p> <p><u>For Small Companies</u> Regulation 4 and Paragraph 8 of Schedule 2</p> <p><u>For Small Groups</u> Regulation 10 Paragraph 34 of Schedule 6</p> <p>All the above provisions extend to partnerships by virtue of regulation 4 of the 2008 Regulations.</p>

1(3)	<p>Inserts paragraph 1a into Article 47 of the 4th Directive. This paragraph provides Member States with the option of exempting qualifying partnerships or unlimited companies from filing accounts against a registration of their own at Companies House (or equivalent elsewhere in the EEA) provided that the accounts are made available at the head office of the qualifying partnership or unlimited company.</p>	<p>The UK takes up this option for qualifying partnerships in regulation 6 of the 2008 Regulations as amended by regulation 4(5) of the 2013 Regulations.</p> <p>The requirement to make the accounts available for inspection is at regulation 6(3) of the 2008 Regulations as amended by regulation 4(5)(b) of the 2013 Regulations.</p> <p>The UK does not take up this option for unlimited companies.</p>
	<p>This option is only available where:</p> <ul style="list-style-type: none"> • those members of the partnership or unlimited company having unlimited liability, that are incorporated in other EEA States, have not filed the partnership's or unlimited company's accounts with their own accounts; • the remaining members having unlimited liability are incorporated outside the EEA. 	<p>The scope of application of the requirements for publication of the accounts at a qualifying partnership's specific address is at Regulation 6(1) and (2) of the 2008 Regulations as substituted by regulation 4(5)(a) of the 2013 Regulations.</p>
	<p>Copies of the accounts must be supplied upon request.</p>	<p>Regulation 6(4) of the 2008 Regulations.</p>
	<p>Appropriate sanctions must be provided.</p>	<p>Regulation 15 of the 2008 Regulations</p>
1(4)	<p>Inserts Article 57a into the 4th Directive providing:</p> <p>57a(1). Member State option to exempt qualifying partnerships and unlimited companies from the requirements of the 4th Directive where those members of the partnership or unlimited company that are limited companies incorporated in the same member state of the partnership file the partnership's or unlimited company's accounts with their own accounts at Companies House (or equivalent).</p>	<p>The UK takes up this option for all qualifying partnerships for which it is intended to be available in regulation 5(1) of the 2008 Regulations.</p> <p>The UK does not take up this option for unlimited companies.</p>

	<p>57a(2)(a). Member State option to exempt qualifying partnerships and unlimited companies from the requirements of the 4th Directive where those members of the partnership or unlimited company that are limited companies incorporated in another EEA State file the partnership's or unlimited company's accounts with their own accounts at the companies registry (equivalent to Companies House) in that EEA State.</p>	<p>The UK takes up this option for all qualifying partnerships for which it is intended to be available. Regulation 6(1) applies where a qualifying partnership has no members that are limited companies incorporated in the UK. From among these Regulation 6(2) then provides an exemption for those qualifying partnerships that have a member (or for a limited partnership a general partner) that is the equivalent of a limited company incorporated in another EEA State and which files the qualifying partnership's accounts with its own accounts at the registry (equivalent to Companies House) in that EEA State.</p> <p>The UK does not take up this option for unlimited companies.</p>
	<p>57a(2)(b). Member State option to exempt qualifying partnerships and unlimited companies from the requirements of the 4th Directive where their accounts are consolidated into group accounts of a member having unlimited liability, or of a larger group of which such a member is a part.</p> <p>The consolidated accounts must be drawn up, audited and published in accordance with the 7th Company Law (Accounting) Directive.</p>	<p>The UK takes up this option for all qualifying partnerships for which it is intended to be available at Regulation 7(1) and (2) of the 2008 Regulations.</p> <p>The UK does not take up this option for unlimited companies.</p>
	<p>57a(3). Where any of the cases covered by paras 1, 2(a) or 2(b) applies the qualifying partnership or unlimited company must provide upon request, the name of the entity publishing the accounts in accordance with those paragraphs.</p>	<p>For qualifying partnerships whose accounts are filed with the accounts of a member of the partnership (whether in the UK or another EEA State) - Regulation 5(2).</p> <p>For qualifying partnerships whose accounts are consolidated into the group accounts of a member of the partnership (or general partner in a</p>

		<p>limited partnership) or of a larger group of which such a member or general partner is a part: Regulation 7(3) of the 2008 Regulations.</p> <p>As the UK does not take up the relevant options for unlimited companies, this requirement is not applied to them.</p>
2(1)	Brings the scope of the 7 th Directive into line with the scope of the 4 th Directive (as extended) to require preparation and filing of consolidated accounts of qualifying partnerships and unlimited companies, and to require that all consolidated group accounts under the Directive include in the consolidation the accounts of subsidiaries that are qualifying partnerships or unlimited companies.	Part 15 of the Companies Act 2006
2(2)	Provides a Member State option to exempt groups whose parent undertaking is not a limited company or qualifying partnership or unlimited company	The UK takes up this option by not applying requirements for consolidated accounts to the majority of other corporate business entities (eg other partnerships)
3 and 4	Timing and communication of implementation. Dates and scope of application.	<p>Directive first implemented by The Partnerships and Unlimited Companies (Accounts) Regulations 1993 (SI 1993/1820) and the Partnerships and Unlimited Companies (Accounts) Regulations (Northern Ireland) 1994 (SR(NI) 1994/133). These were revoked by the 2008 Regulations.</p> <p>However these were also amended by the Partnerships and Unlimited Companies (Accounts) (Amendment) Regulations 2005 (SI 2005/1987) and the Partnerships and Unlimited Companies (Accounts) (Amendment) Regulations (Northern Ireland) 2006 (SR(NI) 2006/354). These are now being revoked.</p>