
STATUTORY INSTRUMENTS

2016 No. 575

**The Limited Liability Partnerships, Partnerships
and Groups (Accounts and Audit) Regulations 2016**

PART 2

**Amendments to the Limited Liability Partnerships (Accounts and
Audit) (Application of Companies Act 2006) Regulations 2008**

**Amendments to the Limited Liability Partnerships (Accounts and Audit) (Application of
Companies Act 2006) Regulations 2008**

3.—(1) The 2008 Regulations are amended in accordance with this Part.

(2) Any reference in this Part to a numbered section is a reference to the section so numbered in the Act as applied to LLPs by the 2008 Regulations.

Scheme of Part 15 of the Companies Act 2006 as applied to LLPs

4.—(1) Regulation 4 (scheme of Part 15 as applied to LLPs) is amended as follows.

(2) In section 380 (scheme of Part 15), omit subsections (3) and (4).

LLPs subject to the small LLPs regime

5.—(1) Regulation 5 (LLPs subject to the small LLPs regime) is amended as follows.

(2) In section 382 (LLPs qualifying as small: general)—

(a) after subsection (1) insert—

“(1A) Subject to subsection (2), an LLP qualifies as small in relation to a subsequent financial year if the qualifying conditions are met in that year.”;

(b) for subsection (2) substitute—

“(2) In relation to a subsequent financial year, where on its balance sheet date an LLP meets or ceases to meet the qualifying conditions, that affects its qualification as a small LLP only if it occurs in two consecutive financial years.”; and

(c) in the table in subsection (3)—

(i) in item 1 (turnover), for “Not more than £6.5 million” substitute “Not more than £10.2 million”; and

(ii) in item 2 (balance sheet total), for “Not more than £3.26 million” substitute “Not more than £5.1 million”.

(3) In section 383 (LLPs qualifying as small: parent LLPs)—

(a) after subsection (2) insert—

“(2A) Subject to subsection (3), a group qualifies as small in relation to a subsequent financial year of the parent LLP if the qualifying conditions are met in that year.”;

(b) for subsection (3) substitute—

“(3) In relation to a subsequent financial year of the parent LLP, where on the parent LLP’s balance sheet date the group meets or ceases to meet the qualifying conditions, that affects the group’s qualification as a small group only if it occurs in two consecutive financial years.”; and

(c) in the table in subsection (4)—

(i) in item 1 (aggregate turnover), for “Not more than £6.5 million net (or £7.8 million gross)” substitute “Not more than £10.2 million net (or £12.2 million gross)”; and

(ii) in item 2 (aggregate balance sheet total), for “Not more than £3.26 million net (or £3.9 million gross)” substitute “Not more than £5.1 million net (or £6.1 million gross)”.

(4) In section 384 (LLPs excluded from the small LLPs regime)—

(a) in subsection (1)—

(i) omit “is, or”; and

(ii) for paragraph (a) substitute—

“(a) a traded LLP.”; and

(b) for subsection (2)(a) substitute—

“(a) a traded company.”.

LLPs qualifying as micro-entities

6. After regulation 5 (LLPs subject to the small LLPs regime), insert the following—

“LLPs qualifying as micro-entities

5A. Sections 384A and 384B(1) apply to LLPs, modified so that they read as follows—

“384A 384A LLPs qualifying as micro-entities

(1) An LLP qualifies as a micro-entity in relation to its first financial year if the qualifying conditions are met in that year.

(2) Subject to subsection (3), an LLP qualifies as a micro-entity in relation to a subsequent financial year if the qualifying conditions are met in that year.

(3) In relation to a subsequent financial year, where on its balance sheet date an LLP meets or ceases to meet the qualifying conditions, that affects its qualification as a micro-entity only if it occurs in two consecutive financial years.

(4) The qualifying conditions are met by an LLP in a year in which it satisfies two or more of the following requirements—

1. Turnover	Not more than £632,000
2. Balance sheet total	Not more than £316,000
3. Number of employees	Not more than 10

(5) For a period that is an LLP’s financial year but not in fact a year the maximum figure for turnover must be proportionately adjusted.

(6) The balance sheet total means the aggregate of the amounts shown as assets in the LLP's balance sheet.

(7) The number of employees means the average number of persons employed by the LLP in the year, determined as follows—

- (a) find for each month in the financial year the number of persons employed under contracts of service by the LLP in that month (whether throughout the month or not),
- (b) add together the monthly totals, and
- (c) divide by the number of months in the financial year.

(8) In the case of an LLP which is a parent LLP, the LLP qualifies as a micro-entity in relation to a financial year only if—

- (a) the LLP qualifies as a micro-entity in relation to that year, as determined by subsections (1) to (7), and
- (b) the group headed by the LLP qualifies as a small group, as determined by section 383(2) to (7).

384B LLPs excluded from being treated as micro-entities

(1) The micro-entity provisions do not apply in relation to an LLP's accounts for a particular financial year if the LLP was at any time within that year—

- (a) an LLP excluded from the small LLPs regime by virtue of section 384,
- (b) an investment undertaking as defined in Article 2(14) of [Directive 2013/34/EU](#) of 26 June 2013 on the annual financial statements etc. of certain types of undertakings⁽²⁾,
- (c) a financial holding undertaking as defined in Article 2(15) of that Directive,
- (d) a credit institution as defined in Article 3 of [Directive 2013/36/EU](#) of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms⁽³⁾, other than one referred to in Article 2(5) of that Directive, or
- (e) an insurance undertaking as defined in Article 2(1) of Council [Directive 91/674/EEC](#) of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings⁽⁴⁾.

(2) The micro-entity provisions also do not apply in relation to an LLP's accounts for a financial year if—

- (a) the LLP is a parent LLP which prepares group accounts for that year as permitted by section 398, or
- (b) the LLP is not a parent LLP but its accounts are included in consolidated group accounts for that year.””

Annual accounts to give true and fair view

7.—(1) Regulation 8 (annual accounts to give true and fair view) is amended as follows.

(2) OJ No L 182, 29.6.13, p.19.

(3) OJ No L 176, 27.06.13, p.338, as last amended by [Directive 2014/59/EU](#).

(4) OJ No L 374, 31.12.91, p.7, as last amended by [Directive 2006/46/EC](#).

(2) In section 393 (accounts to give true and fair view), after subsection (1) insert—

“(1A) Subsection (1B) applies to the members of an LLP which qualifies as a micro-
entity in relation to a financial year (see sections 384A and 384B) in their consideration of
whether the non-IAS individual accounts of the LLP for that year give a true and fair view
as required by subsection (1)(a).

(1B) Where the accounts contain an item of information additional to the micro-
entity minimum accounting items, the members must have regard to any provision of an
accounting standard which relates to that item.”.

Individual accounts

8.—(1) Regulation 9 (individual accounts) is amended as follows.

(2) In section 394A(2)(c)(5) (individual accounts: exemption for dormant subsidiaries), for sub-
paragraph (i) substitute—

“(i) the provisions of [Directive 2013/34/EU](#) of 26 June 2013 on the annual financial statements
etc. of certain types of undertakings(6), or”.

(3) In section 394B(7) (LLPs excluded from the dormant subsidiaries exemption), before
paragraph (a) insert—

“(za) a traded LLP,”.

(4) In section 396 (non-IAS individual accounts)—

(a) before subsection (1) insert—

“(A1) Non-IAS individual accounts must state—

- (a) the part of the United Kingdom in which the LLP is registered,
- (b) the LLP’s registered number,
- (c) the address of the LLP’s registered office, and
- (d) where appropriate, the fact that the LLP is being wound up.”;

(b) after subsection (2) insert—

“(2A) In the case of the individual accounts of an LLP which qualifies as a micro-
entity in relation to the financial year (see sections 384A and 384B), the micro-
entity minimum accounting items included in the LLP’s accounts for the year are presumed to give the true
and fair view required by subsection (2).”; and

(c) after subsection (5) insert—

“(6) Subsections (4) and (5) do not apply in relation to the micro-
entity minimum accounting items included in the individual accounts of an LLP for a financial year in
relation to which the LLP qualifies as a micro-
entity.”.

(5) For section 397 (IAS individual accounts) substitute—

“397 IAS individual accounts

(1) IAS individual accounts must state—

- (a) the part of the United Kingdom in which the LLP is registered,
- (b) the LLP’s registered number,

(5) Section 394A as applied to LLPs was inserted into regulation 9 of [S.I. 2008/1911](#) by [S.I. 2012/2301](#), regulation 20(1) and (5)(b).

(6) OJ No L 182, 29.6.13, p.19, as last amended by Council [Directive 2014/102/EU](#).

(7) Section 394B as applied to LLPs was inserted into regulation 9 of [S.I. 2008/1911](#) by [S.I. 2012/2301](#), regulation 20(1) and (5)(b).

- (c) the address of the LLP’s registered office, and
 - (d) where appropriate, the fact that the LLP is being wound up.
- (2) The notes to the accounts must state that the accounts have been prepared in accordance with international accounting standards.”.

Group accounts

- 9.—(1) Regulation 10 (group accounts) is amended as follows.
- (2) In section 400 (exemption for LLP included in EEA group accounts of larger group)—
- (a) for subsection (1)(b) substitute—
 - “(b) where that parent undertaking holds 90% or more of the shares in the LLP and the remaining members have approved the exemption;
 - (c) where that parent undertaking holds more than 50% (but less than 90%) of the shares in the LLP and notice requesting the preparation of group accounts has not been served on the LLP by the members holding in aggregate at least 5% of the shares in the LLP.
Such notice must be served at least six months before the end of the financial year to which it relates.”;
 - (b) in subsection (2)(b), for sub-paragraph (i) substitute—
 - “(i) in accordance with the provisions of [Directive 2013/34/EU](#) of 26 June 2013 on the annual financial statements etc. of certain types of undertakings, or”;
 - (c) in subsection (2)(c), after “the LLP must disclose in” insert “the notes to”;
 - (d) in subsection (2)(d), for sub-paragraph (i) substitute—
 - “(i) the address of the undertaking’s registered office (whether in or outside the United Kingdom), or”;
 - (e) in subsection (3), after “subsection (1)(b)” insert “and (c)”;
 - (f) in subsection (4), for “any of whose securities are admitted to trading on a regulated market in an EEA state” substitute “which is a traded LLP”; and
 - (g) omit subsection (5).
- (3) In section 401(exemption for LLP included in non-EEA group accounts of larger group)—
- (a) for subsection (1)(b) substitute—
 - “(b) where that parent undertaking holds 90% or more of the shares in the LLP and the remaining members have approved the exemption;
 - (c) where that parent undertaking holds more than 50% (but less than 90%) of the shares in the LLP and notice requesting the preparation of group accounts has not been served on the LLP by the members holding in aggregate at least 5% of the shares in the LLP.
Such notice must be served at least six months before the end of the financial year to which it relates.”;
 - (b) for subsection (2)(b) substitute—
 - “(b) those accounts must be drawn up—
 - (i) in accordance with the provisions of [Directive 2013/34/EU](#) of 26 June 2013 on the annual financial statements etc. of certain types of undertakings,
 - (ii) in a manner equivalent to consolidated accounts so drawn up,

- (iii) in accordance with international accounting standards adopted pursuant to the IAS Regulation, or
- (iv) in accordance with accounting standards which are equivalent to such international accounting standards, as determined pursuant to [Commission Regulation \(EC\) No. 1569/2007](#) of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives [2003/71/EC](#) and [2004/109/EC](#) of the European Parliament and of the Council⁽⁸⁾”;
- (c) in subsection (2)(e), for sub-paragraph (i) substitute—
 - “(i) the address of the undertaking’s registered office (whether in or outside the United Kingdom), or”;
- (d) in subsection (3), after “subsection (1)(b)” insert “and (c)”;
- (e) in subsection (4), for “any of whose securities are admitted to trading on a regulated market in an EEA State” substitute “which is a traded LLP”; and
- (f) omit subsection (5).
- (4) In section 404 (non-IAS group accounts), before subsection (1) insert—
 - “(A1) Non-IAS group accounts must state, in respect of the parent LLP—
 - (a) the part of the United Kingdom in which the LLP is registered,
 - (b) the LLP’s registered number,
 - (c) the address of the LLP’s registered office, and
 - (d) where appropriate, the fact that the LLP is being wound up.”.
- (5) In section 405 (non-IAS group accounts: subsidiary undertakings included in the consolidation), at the beginning of subsection (3)(b) insert “extremely rare circumstances mean that”.
- (6) For section 406 (IAS group accounts) substitute—

“406 IAS group accounts

- (1) IAS group accounts must state—
 - (a) the part of the United Kingdom in which the LLP is registered,
 - (b) the LLP’s registered number,
 - (c) the address of the LLP’s registered office, and
 - (d) where appropriate, the fact that the LLP is being wound up.
- (2) The notes to the accounts must state that the accounts have been prepared in accordance with international accounting standards.”.
- (7) In section 408 (individual profit and loss account where group accounts prepared)—
 - (a) for subsection (1)(b) substitute—
 - “(b) the LLP’s individual balance sheet shows the LLP’s profit and loss for the financial year determined in accordance with this Act.”; and
 - (b) omit subsection (2).

Information to be given in notes to accounts

- 10.**—(1) Regulation 11 (information to be given in notes to accounts) is amended as follows.

⁽⁸⁾ OJ No L 340, 22.12.07, p.66, as last amended by Commission Delegated Regulation (EU) 2015/1605.

(2) For “Section 409 to 411(9) apply to LLPs” substitute “Sections 409, 410A and 411 apply to LLPs”.

(3) Omit section 410 (information about related undertakings: alternative compliance).

(4) In section 410A (information about off-balance sheet arrangements)—

(a) for subsection (1) substitute—

“(1) If in any financial year—

(a) an LLP is or has been party to arrangements that are not reflected in its balance sheet, and

(b) at the balance sheet date the risks or benefits arising from those arrangements are material,

the information required by this section must be given in the notes to the LLP’s annual accounts.”; and

(b) for subsection (4) substitute—

“(4) If the LLP is subject to the small LLPs regime in relation to the financial year (see section 381), it need not comply with subsection (2)(b).”.

(5) In section 411 (information about employee numbers and costs)—

(a) for subsection (1) substitute—

“(1) The notes to an LLP’s annual accounts must disclose the average number of persons employed by the LLP in the financial year.

(1A) In the case of an LLP not subject to the small LLPs regime, the notes to the LLP’s accounts must also disclose the average number of persons within each category of persons so employed.”;

(b) in subsection (2), for “subsection (1)(b)” substitute “subsection (1A)”;

(c) in subsection (3), for “subsection (1)(a) or (b)” substitute “subsection (1) or (1A)”;

(d) in subsection (4)—

(i) in paragraph (a), for “subsection (1)(a)” substitute “subsection (1)”;

(ii) in paragraph (b), for “subsection (1)(b)” substitute “subsection (1A)”;

(e) for subsection (5) substitute—

“(5) Except in the case of an LLP subject to the small LLPs regime, the notes to the LLP’s annual accounts or the profit and loss account must disclose, with reference to all persons employed by the LLP during the financial year, the total staff costs of the LLP relating to the financial year broken down between—

(a) wages and salaries paid or payable in respect of that year to those persons,

(b) social security costs incurred by the LLP on their behalf, and

(c) other pension costs so incurred.”.

Approval and signing of accounts

11.—(1) Regulation 12 (approval and signing of accounts) is amended as follows.

(2) In section 414 (approval and signing of accounts), for subsection (3) substitute—

“(3) If the accounts are prepared in accordance with the small LLPs regime, the balance sheet must contain, in a prominent position above the signature—

- (a) in the case of individual accounts prepared in accordance with the micro-entity provisions, a statement to that effect,
- (b) in the case of accounts not prepared as mentioned in paragraph (a), a statement to the effect that the accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.”.

Duty to file accounts and reports

12.—(1) Regulation 17 (duty to file accounts and reports) is amended as follows.

(2) In section 442 (period allowed for filing accounts)—

- (a) in subsection (5), for “If” substitute “Subject to subsection (5A), if”; and
- (b) after subsection (5) insert—

“(5A) Any such extension must not have the effect of extending the period for filing to more than twelve months after the end of the relevant accounting reference period.”;

(3) In section 444 (filing obligations of LLPs subject to small LLPs regime)—

- (a) in subsection (1)(a), for “a balance sheet” substitute “the balance sheet”;
- (b) in subsection (2), for “The” substitute “Where the designated members deliver to the registrar a copy of the LLP’s profit and loss account under subsection (1)(b), the”;
- (c) after subsection (2) insert—

“(2A) Where the balance sheet or profit and loss account is abridged pursuant to paragraph 1A of Schedule 1 to the Small Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1912)(10), the designated members must also deliver to the registrar a statement by the LLP that all the members of the LLP have consented to the abridgement.”;

- (d) in subsection (3), omit from “, except that where” to the end of that subsection;
- (e) omit subsection (4);
- (f) in subsection (5), omit “deliver to the registrar IAS accounts, or non-IAS accounts that are not abbreviated accounts, and in accordance with this section”; and
- (g) after subsection (5) insert—

“(5A) Subject to subsection (5C), where the designated members of an LLP subject to the small LLPs regime do not deliver to the registrar a copy of the LLP’s profit and loss account—

- (a) the copy of the balance sheet delivered to the registrar must disclose that fact, and
- (b) unless the LLP is exempt from audit and the members have taken advantage of that exemption, the notes to the balance sheet delivered must satisfy the requirements in subsection (5B).

(5B) Those requirements are that the notes to the balance sheet must—

- (a) state whether the auditor’s report was qualified or unqualified,
- (b) where that report was qualified, disclose the basis of the qualification (reproducing any statement under section 498(2)(a) or (b) or (3), if applicable),
- (c) where that report was unqualified, include a reference to any matters to which the auditor drew attention by way of emphasis, and
- (d) state—

(10) Paragraph 1A of Schedule 1 is inserted by regulation 34 of these Regulations.

- (i) the name of the auditor and (where the auditor is a firm) the name of the person who signed the auditor’s report as senior statutory auditor, or
 - (ii) if the conditions in section 506 (circumstances in which names may be omitted) are met, that a determination has been made and notified to the Secretary of State in accordance with that section.
- (5C) Subsection (5A) does not apply in relation to an LLP if—
- (a) the LLP qualifies as a micro-entity (see sections 384A and 384B) in relation to a financial year, and
 - (b) the LLP’s accounts are prepared for that year in accordance with any of the micro-entity provisions.”.

Filing obligations of medium-sized LLPs

- 13.**—(1) Regulation 18 (filing obligations of medium-sized LLPs) is amended as follows.
- (2) In section 445 (filing obligations of medium-sized LLPs)—
- (a) at the end of subsection (2) insert—
“This does not apply if the LLP is exempt from audit and the members have taken advantage of that exemption.”; and
 - (b) omit subsections (3) and (4).

Filing obligations of large LLPs

- 14.**—(1) Regulation 19 (filing obligations of large LLPs) is amended as follows.
- (2) In section 446 (filing obligations of large LLPs), at the end of subsection (2) insert—
“This does not apply if the LLP is exempt from audit and the members have taken advantage of that exemption.”.

Exemption for dormant subsidiary LLPs

- 15.**—(1) Regulation 19A(11) (exemption for dormant subsidiary LLPs) is amended as follows.
- (2) In section 448A (dormant subsidiary LLPs exempt from obligation to file accounts), for subsection (2)(c)(i) substitute—
“(i) the provisions of [Directive 2013/34/EU](#) of 26 June 2013 on the annual financial statements etc. of certain types of undertakings(12), or”.
- (3) In section 448B (LLPs excluded from the dormant subsidiaries exemption), before paragraph (a) insert—
“(za) a traded LLP”.

Removal of requirements relating to abbreviated accounts

- 16.**—(1) Omit regulation 20 (requirements where abbreviated accounts delivered).
- (2) Omit regulation 21 (approval and signing of abbreviated accounts).

Medium-sized LLPs

- 17.**—(1) Regulation 26 (medium-sized LLPs) is amended as follows.

(11) Regulation 19A was inserted by [S.I. 2012/2301](#), regulation 20(1) and (7).

(12) OJ No L 182, 29.6.13, p. 19, as last amended by Council [Directive 2014/102/EU](#).

- (2) In the table in section 465(3) (LLPs qualifying as medium-sized: general)—
- (a) in item 1 (turnover), for “Not more than £25.9 million” substitute “Not more than £36 million”; and
 - (b) in item 2 (balance sheet total), for “Not more than £12.9 million” substitute “Not more than £18 million”.
- (3) In the table in section 466(4) (LLPs qualifying as medium-sized: parent LLPs)—
- (a) in item 1 (aggregate turnover), for “Not more than £25.9 million net (or £31.1 million gross)” substitute “Not more than £36 million net (or £43.2 million gross)”; and
 - (b) in item 2 (aggregate balance sheet total), for “Not more than £12.9 million net (or £15.5 million gross)” substitute “Not more than £18 million net (or £21.6 million gross)”.
- (4) In section 467 (LLPs excluded from being treated as medium-sized)—
- (a) for subsection (1)(a) substitute—
 - “(a) a traded LLP;”;
 - (b) for subsection (2)(a) substitute—
 - “(a) a traded company.”.

Preparation and filing of accounts in euros

- 18.**—(1) Regulation 28 (other supplementary provisions) is amended as follows.
- (2) In section 469 (preparation and filing of accounts in euros), after subsection (3) insert—
- “(3A) Subsection (3)(b) does not apply to the non-IAS individual accounts of an LLP for a financial year in which the LLP qualifies as a micro-entity (see sections 384A and 384B).”.

Meaning of “annual accounts”

- 19.**—(1) Regulation 29 (meaning of “annual accounts”) is amended as follows.
- (2) In section 471(1)(**13**) (meaning of “annual accounts” and related expressions), for “given in group accounts” substitute “given in notes to the individual balance sheet”.

Notes to the accounts

- 20.**—(1) Regulation 30 (notes to the accounts) is amended as follows.
- (2) In section 472 (notes to the accounts)—
- (a) omit subsection (1); and
 - (b) before subsection (2) insert—
 - “(1A) In the case of an LLP which qualifies as a micro-entity in relation to a financial year (see sections 384A and 384B), the notes to the accounts for that year required by regulation 5A(**14**) of, and paragraph 55 of Part 3 of Schedule 1(**15**) to, the Small Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1912) must be included at the foot of the balance sheet.”.

Minor definitions

- 21.**—(1) Regulation 32 (minor definitions) is amended as follows.

(13) Section 471(1) as applied to LLPs was amended by S.I. 2012/2301, regulation 20(1) and (10).

(14) Regulation 5A is inserted by regulation 32 of these Regulations.

(15) Paragraph 55 of Part 3 of Schedule 1 is substituted by regulation 41 of these Regulations.

(2) In section 474(1)(16) (minor definitions)—

(a) insert the following definitions at the appropriate places—

““micro-entity minimum accounting item” means an item of information required by this Part or by the Small Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1912) to be contained in the non-IAS individual accounts of an LLP for a financial year in relation to which it qualifies as a micro-entity (see sections 384A and 384B);”;

““micro-entity provisions” means any provisions of this Part, Part 16 or the Small Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1912) relating specifically to the individual accounts of an LLP which qualifies as a micro-entity;”;

““qualified”, in relation to an auditor’s report, means that the report does not state the auditor’s unqualified opinion that the accounts have been properly prepared in accordance with this Act;”;

““traded company” means a company any of whose transferable securities are admitted to trading on a regulated market;”;

““traded LLP” means an LLP any of whose transferable securities are admitted to trading on a regulated market;”;

(b) in the definition of “turnover”, omit “falling within the LLP’s ordinary activities”.

Exemption from audit: qualifying subsidiaries

22.—(1) Regulation 34A(17) (exemption from audit: qualifying subsidiaries) is amended as follows.

(2) In section 479A(2)(c) (subsidiary LLPs: conditions for exemption from audit), for subparagraph (i) substitute—

“(i) the provisions of [Directive 2013/34/EU](#) of 26 June 2013 on the annual financial statements etc. of certain types of undertakings, or”.

(3) In section 479B (LLPs excluded from the subsidiary audit exemption), before paragraph (a) insert—

“(za) a traded LLP as defined in section 474(1),”.

Exemption from audit: dormant LLPs

23.—(1) Regulation 35 (exemption from audit: dormant LLPs) is amended as follows.

(2) In section 481 (LLPs excluded from dormant LLPs exemption), before paragraph (a) insert—

“(za) is a traded LLP as defined in section 474(1),”.

Auditor’s report

24.—(1) Regulation 39 (auditor’s report) is amended as follows.

(2) In section 495 (auditor’s report on LLP’s annual accounts)—

(a) in the last sentence of subsection (3)—

(i) after “this subsection” insert “or subsection (3A)”; and

(16) Section 474(1) as applied to LLPs was amended by [S.I. 2009/1804](#), regulation 85 and paragraph 15(3) of Part 2 of Schedule 3; [S.I. 2009/1342](#), article 31; [S.I. 2011/99](#), regulation 79 and paragraph 20 of Part 2 of Schedule 4; [S.I. 2012/1439](#), article 8(1) and (4); and [S.I. 2013/472](#), article 3 and paragraph 143(b) of Schedule 2.

(17) Regulation 34A was inserted by [S.I. 2012/2301](#), regulation 20(1) and (4).

- (ii) for “section 474” substitute “sections 464, 471 and 474”; and
- (b) after subsection (3) insert—

“(3A) Subsection (3B) applies to the auditors of an LLP which qualifies as a micro-entity in relation to a financial year (see sections 384A and 384B) in their consideration of whether the non-IAS individual accounts of the LLP for that year give a true and fair view as mentioned in subsection (3)(a).

(3B) Where the accounts contain an item of information additional to the micro-entity minimum accounting items, the auditors must have regard to any provision of an accounting standard which relates to that item.”.

Minor definitions

25.—(1) Regulation 55(**18**) (minor definitions) is amended as follows.

(2) In section 1173(1) (minor definitions: general), after the definition of “regulated market”, insert—

““transferable securities” means anything which is a transferable security for the purposes of [Directive 2004/39/EC](#) of the European Parliament and of the Council on markets in financial instruments(**19**)

Review

26. After regulation 58 (revocation and transitional provisions) insert—

“Review

59.—(1) The Secretary of State must from time to time—

- (a) carry out a review of the provisions of these Regulations to which amendments have been made by Part 2 of the Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (“the 2016 Regulations”),
- (b) set out the conclusions of the review in a report, and
- (c) publish the report.

(2) The report must, in particular—

- (a) set out the objectives intended to be achieved by those provisions,
- (b) assess the extent to which those objectives are achieved,
- (c) assess whether those objectives remain appropriate, and
- (d) if those objectives remain appropriate, assess the extent to which they could be achieved in another way which involves less onerous regulatory provision.

(3) The first report under this regulation must be published before the end of the period of 5 years beginning with the date on which the 2016 Regulations come into force.

(4) Subsequent reports under this regulation must be published at intervals not exceeding 5 years.

(5) In this regulation, “regulatory provision” has the meaning given by section 32(4) of the Small Business, Enterprise and Employment Act 2015(**20**).”.

(**18**) Regulation 55 was amended by [S.I. 2009/1804](#), regulation 85 and paragraph 15 of Part 2 of Schedule 3.

(**19**) OJ L 145, 30.4.04, p.1, as last amended by [Directive 2010/78/EU](#).

(**20**) [2015 c.26](#).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.
