

SCHEDULE 3

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

19. In regulation 46—

(a) in the modified version of section 519 (statement by auditor to be deposited with LLP)—

(i) in the heading, for “deposited with” substituted “sent to”;

(ii) for subsections (1) and (2) substitute—

“(1) An auditor of a public interest LLP who is ceasing to hold office (at any time and for any reason) must send to the LLP a statement of the reasons for doing so.

(2) An auditor (“A”) of a non-public interest LLP who is ceasing to hold office must send to the LLP a statement of the reasons for doing so unless A satisfies the first or second condition.

(2A) The first condition is that A is ceasing to hold office at the end of a period for appointing auditors.

(2B) The second condition is that—

(a) A’s reasons for ceasing to hold office are all exempt reasons (as to which see section 519A(3)), and

(b) there are no matters connected with A’s ceasing to hold office that A considers need to be brought to the attention of members or creditors of the LLP.

(2C) A statement under this section must include—

(a) the auditor’s name and address;

(b) the number allocated to the auditor on being entered in the register of auditors kept under section 1239;

(c) the LLP’s name and registered number.

(2D) Where there are matters connected with an auditor’s ceasing to hold office that the auditor considers need to be brought to the attention of members or creditors of the LLP, the statement under this section must include details of those matters.

(2E) Where—

(a) an auditor (“A”) of a non-public interest LLP is required by subsection (2) to send a statement, and

(b) A considers that none of the reasons for A’s ceasing to hold office, and no matters (if any) connected with A’s ceasing to hold office, need to be brought to the attention of members or creditors of the LLP,

A’s statement under this section must include a statement to that effect.”.

(iii) in subsection (3)—

(aa) for “The statement required by this section” substitute “A statement under this section”;

(bb) for “deposited” substitute “sent”;

(b) after the modified version of section 519 insert—

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“Meaning of “public interest LLP”, “non-public interest LLP” and “exempt reasons”

519A.—(1) In this Chapter—

“public interest LLP” means an LLP—

- (a) an issuer whose transferable securities are admitted to trading on a regulated market; or
- (b) a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, other than one listed in Article 2 of [Directive 2013/36/EU](#) of the European Parliament and of the Council on access to the activity of credit institutions and investment firms;

“non-public interest LLP” means an LLP that is not a public interest LLP.

(2) For the purposes of the definition of “public interest LLP”—

“issuer” has the same meaning as in Part 6 of the Financial Services and Markets Act 2000 (see section 102A(6)(1));

“regulated market” has the same meaning as in Part 6 of the Financial Services and Markets Act 2000 (see section 103(1)(2));

“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(3).

(3) In the application of this Chapter to an auditor (“A”) of an LLP ceasing to hold office, the following are “exempt reasons”—

- (a) A is no longer to carry out statutory audit work within the meaning of Part 42 (see section 1210(1));
- (b) the LLP is, or is to become, exempt from audit under section 477, 479A or 480, and intends to include in its balance sheet a statement of the type described in section 475(2);
- (c) the LLP is a subsidiary undertaking of a parent undertaking that is incorporated in the United Kingdom and—
 - (i) the parent undertaking prepares group accounts, and
 - (ii) A is being replaced as auditor of the LLP by the auditor who is conducting, or is to conduct, an audit of the group accounts;
- (d) the LLP is being wound up under Part 4 of the Insolvency Act 1986 or Part 5 of the Insolvency (Northern Ireland) Order 1989 ([S.I. 1989/2405 \(N.I. 19\)](#)), whether voluntarily or by the court, or a petition under Part 4 of that Act or Part 5 of that Order (as applied to LLPs) for the winding up of the LLP has been presented and not finally dealt with or withdrawn.

In this paragraph the references—

- (i) to Part 4 of the Insolvency Act 1986 are to that Part as applied to LLPs by the Limited Liability Partnerships Regulations 2001 ([S.I. 2001/1090](#)), and

(1) Section 102A was substituted by [S.I. 2005/1433](#) and amended by [S.I. 2015/1755](#).

(2) Section 103 was substituted by [S.I. 2005/1433](#) and amended by paragraphs 1 and 11 of Schedule 15 to the Companies Act 2006 (c. 46). There are other amendments but none is relevant.

(3) OJ No L 145, 30.04.2004, p. 1, last amended by [Directive 2010/78/EU](#) (OJ No L 331, 15.12.10, p. 120).

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- (ii) to Part 5 of the Insolvency (Northern Ireland) Order 1989 are to that Part as applied to LLPs by the Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. (NI) 2004 No 307).
- (4) But the reason described in subsection (3)(c) is only an exempt reason if the auditor who is conducting, or is to conduct, an audit of the group accounts is also conducting, or is also to conduct, the audit (if any) of the accounts of each of the subsidiary undertakings (of the parent undertaking) that is incorporated in the United Kingdom and included in the consolidation.”;
- (c) in the modified version of section 520 (LLP’s duties in relation to statement)—
 - (i) for subsection (1), substitute—

“(1) This section applies where an LLP receives from an auditor (“A”) who is ceasing to hold office a statement under section 519 except where—

 - (a) the LLP is a non-public interest LLP, and
 - (b) the statement includes a statement to the effect that A considers that none of the reasons for A’s ceasing to hold office, and no matters (if any) connected with A’s ceasing to hold office, need to be brought to the attention of members or creditors of the LLP (as required by section 519(2E)).”;
 - (ii) in subsection (2)—
 - (aa) at the beginning, for “The” substitute “Where this section applies, the”;
 - (bb) for “deposit” substitute “receipt”;
- (d) in the modified version of section 521 (copy of statement to be sent to registrar)—
 - (i) before subsection (1) insert—

“(A1) This section applies where an auditor (“A”) of an LLP sends a statement to the LLP under section 519 except where—

 - (a) the LLP is a non-public interest LLP, and
 - (b) the statement includes a statement to the effect that A considers that none of the reasons for A’s ceasing to hold office, and no matters (if any) connected with A’s ceasing to hold office, need to be brought to the attention of members or creditors of the LLP (as required by section 519(2E)).”;
 - (ii) in subsection (1)—
 - (aa) for “Unless” substitute “Where this section applies, unless”;
 - (bb) for “deposited” substitute “sent”;
- (e) in the modified version of section 522 (duty of auditor to notify appropriate audit authority)
—
 - (i) in the heading, for “notify” substitute “send statement to”;
 - (ii) for subsections (1) to (4) substitute—

“(1) Where an auditor of an LLP sends a statement under section 519, the auditor must at the same time send a copy of the statement to the appropriate audit authority.”;
- (f) in the modified version of section 523 (duty of LLP to notify appropriate audit authority), for subsections (1) to (3) substitute—

“(1) This section applies if an auditor is ceasing to hold office at any time other than at the end of a period for appointing auditors.

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(1A) But this section does not apply if the LLP reasonably believes that the only reasons for the auditor’s ceasing to hold office are exempt reasons (as to which see section 519A(3)).

(2) Where this section applies, the LLP must give notice to the appropriate audit authority that the auditor is ceasing to hold office.

(2A) The notice is to take the form of a statement by the LLP of what the LLP believes to be the reasons for the auditor’s ceasing to hold office and must include the information listed in section 519(2C).

This is subject to subsection (2C).

(2B) Subsection (2C) applies where—

- (a) the LLP receives a statement from the auditor under section 519,
- (b) the statement is sent at the time required by section 519(3), and
- (c) the LLP agrees with the contents of the statement.

(2C) Where this subsection applies, the notice may instead take the form of a copy of the statement endorsed by the LLP to the effect that it agrees with the contents of the statement.

(3) A notice under this section must be given within the period of 28 days beginning with the day on which the auditor ceases to hold office.”;

(g) in the modified version of section 524 (information to be given to accounting authorities)

- (i) in the heading, for “Information to be given” substitute “Provision of information”;
- (ii) for subsection (1) substitute—

“(1) Where the appropriate audit authority receives a statement under section 522 or a notice under section 523, the authority may forward to the accounting authorities—

- (a) a copy of the statement or notice, and
- (b) any other information the authority has received from the auditor or the LLP concerned in connection with the auditor’s ceasing to hold office.”;

(h) in the modified version of section 525 (meaning of “appropriate audit authority” and “major audit”)—

- (i) in the heading, omit “and “major audit””;
- (ii) in subsection (1)(a), for the words from the beginning to “Auditor General)” substitute “in relation to an auditor of a public interest LLP (other than an Auditor General)”;
- (iii) in subsection (1)(b), for the words from the beginning to “a major audit” substitute “in relation to an auditor of a non-public interest LLP (other than an Auditor General)”;
- (iv) in subsection (1)(c), for “in the case of an audit conducted by” substitute “in relation to”;
- (v) omit subsections (2) and (3).