SCHEDULE 1

Requirements for professional ethics, independence, objectivity, confidentiality, auditing standards and audit reporting

7.—(1) Standards must ensure that—

(a) where A is an individual, A, and

(b) where A is a firm, A's key audit partner,

does not take up a relevant position with the audited person before the end of the cooling off period.

(2) Standards must also ensure that no person having a relevant connection with A takes up a relevant position with the audited person within one year of having been directly involved in the statutory audit of the audited person.

(3) In this paragraph—

"cooling off period" means—

(a) in the case of a public interest entity, two years, and

(b) in any other case, one year,

beginning with the day on which A ceased to be the audited person's statutory auditor or (if A is a firm), A's key audit partner ceased to be the key audit partner in connection with the statutory audit of the audited person;

"person having a relevant connection with A" means a person eligible for appointment as a statutory auditor, who is—

(a) a partner (apart from a key audit partner) or employee of A, or

(b) any individual whose services are placed at A's disposal or under A's control;

"relevant position" means—

(a) any key management position,

(b) membership of the audited person's audit committee,

(c) membership of any body performing equivalent functions to an audit committee in relation to the audited person,

(d) any other position as director of the audited person or, where the audited person's affairs are managed by a management body or other committee, membership of that management body or committee.