

SCHEDULE 1

Regulation 19

Consequential amendments and transitional provision relating to the adoption of international accounting standards in the United Kingdom

PART 1

Amendments to Primary Legislation

CHAPTER 1

Amendments to the Companies Act 2006

Amendments to the Companies Act 2006

1. The Companies Act 2006(1) is amended in accordance with this Chapter.

Companies qualifying as small: parent companies

2. In section 383(6), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Duty to keep accounting records

3. In section 386(2)(c) and (5), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

Where and for how long records to be kept

4. In section 388(3)(b), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

Individual accounts: exemption for dormant subsidiaries

5. In section 394A(2)(c)(ii)(2), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Individual accounts: applicable accounting framework

6. In section 395(1)(b) and (3)(3), for “international accounting standards” substitute “UK-adopted international accounting standards”.

IAS individual accounts

7. In section 397(2)(4), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Exemption for company included in EEA group accounts of larger group

8. In section 400(2)(b)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards”.

(1) 2006 c.46.

(2) Section 394A was inserted by [S.I. 2012/2301](#).

(3) Section 395(3) was amended by [S.I. 2012/2301](#).

(4) Section 397 was substituted by [S.I. 2015/980](#).

Exemption for company included in non-EEA group accounts of larger group

9. In section 401(2)(b)(iii)(5), for “international accounting standards adopted pursuant to the IAS Regulation” substitute “UK-adopted international accounting standards”.

Group accounts: applicable accounting framework

10. In section 403(6)—

(a) for subsection (1) substitute—

“(1) The group accounts of a parent company whose securities are, on its balance sheet date, admitted to trading on a UK regulated market must be prepared in accordance with UK-adopted international accounting standards (“IAS group accounts”).”;

(b) in subsections (2)(b) and (4), for “international accounting standards” substitute “UK-adopted international accounting standards”.

IAS group accounts

11. In section 406(2)(7), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Approval and signing of accounts

12. In section 414(4), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

Dormant subsidiaries exempt from obligation to file accounts

13. In section 448A(2)(c)(ii)(8), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Voluntary revision of accounts etc.

14. In section 454(1)(9) and (2)(a), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

Secretary of State’s notice in respect of accounts or reports

15. In section 455(1)(10) and (4)(b), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

Application to court in respect of defective accounts or reports

16. In section 456(1)(11), (5) and (6), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

(5) Section 401(2)(b) was substituted by [S.I. 2015/980](#).

(6) Section 403(4) was amended by [S.I. 2012/2301](#).

(7) Section 406 was substituted by [S.I. 2015/980](#).

(8) Section 448A was inserted by [S.I. 2012/2301](#). There are no relevant amendments.

(9) Section 454(1) was amended by [S.I. 2013/1970](#).

(10) Section 455(1) was amended by [S.I. 2013/1970](#).

(11) Section 456(1) was amended by [S.I. 2013/1970](#).

Other persons authorised to apply to the court

17. In section 457(1)(a)(12), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

Power of authorised person to require documents, information and explanations

18. In section 459(1)(13), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

Companies qualifying as medium-sized: parent companies

19. In section 466(6), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Notes to the accounts

20. In section 472(2), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Minor definitions

21. In section 474(1)(14)—

- (a) omit the definition of “IAS Regulation”;
- (b) in the definition of “international accounting standards”, for “the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation” substitute “Article 2 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards”;
- (c) in the definition of “profit and loss account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (d) after the definition of “UCITS management company” insert—

““UK-adopted international accounting standards” means the international accounting standards which are adopted for use within the United Kingdom by virtue of Chapter 2 or 3 of Part 2 of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.”.

Subsidiary companies: conditions for exemption from audit

22. In section 479A(2)(c)(ii)(15), for “international accounting standards” substitute “UK-adopted international accounting standards (within the meaning given by section 474(1))”.

Auditor’s report on company’s annual accounts

23. In section 495(3)(c), omit “(and, where applicable, Article 4 of the IAS Regulation)”.

Supplementary accounting statement (merger)

24. In section 910(3), omit “(and where relevant Article 4 of the IAS Regulation)”.

(12) Section 457(1)(a) was amended by [S.I. 2013/1970](#).

(13) Section 459(1) was amended by [S.I. 2013/1970](#).

(14) There are amendments to section 474(1) but none is relevant.

(15) Section 479A was inserted by [S.I. 2012/2301](#). There are no relevant amendments.

Supplementary accounting statement (division)

25. In section 925(3), omit “(and where relevant Article 4 of the IAS Regulation)”.

Index of defined expressions

26. In Schedule 8, in the index of defined expressions—

- (a) omit the entry for “IAS Regulation (in Part 15)”;
- (b) after the entry for “UCITS management company”, insert—

“UK-adopted standards (in Part 15)	international accounting		section 474(1)”.
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CHAPTER 2

Amendments to other primary legislation

Amendments to the Building Societies Act 1986

27. The Building Societies Act 1986(16) is amended in accordance with paragraphs 28 to 37.

28. In section 61 (directors: supplementary provisions as to elections, etc), in subsection (3A)(17), for “international accounting standards” substitute “UK-adopted international accounting standards”.

29. In section 71 (accounting records), in subsections (2)(c) and (d)(18), for “Article 4 of the IAS Regulation” substitute “section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)”.

30. In section 72A (duty to prepare individual accounts)(19)—

- (a) in subsection (2), for “international accounting standards”, substitute “UK-adopted international accounting standards”;
- (b) in subsection (3), for “international accounting standards”, substitute “UK-adopted international accounting standards”.

31. In section 72D (IAS individual accounts)(20), for “international accounting standards”, substitute “UK-adopted international accounting standards”.

32. In section 72E (duty to prepare group accounts)(21)—

- (a) in subsection (2)—
 - (i) for “Article 4 of the IAS Regulation”, substitute “section 403(1) of the Companies Act 2006”;
 - (ii) for “international accounting standards”, substitute “UK-adopted international accounting standards”;
- (b) in subsection (3), for “international accounting standards”, substitute “UK-adopted international accounting standards”;

(16) 1986 c.53.

(17) Subsection (3A), along with subsection (4), was substituted for section (4) as originally enacted by section 28 of the Building Societies Act 1997 (c. 32). Subsection (3A) was also amended by S.I. 2004/3380.

(18) Section 71(2)(c) and (d) were amended by S.I. 2004/3380.

(19) Section 72A, with sections 72B to 72I, was substituted for sections 72 and 73 as originally enacted by S.I. 2004/3380.

(20) Section 72D was substituted by S.I. 2004/3380.

(21) Section 72E was substituted by S.I. 2004/3380.

- (c) in subsection (4), for “international accounting standards”, substitute “UK-adopted international accounting standards”.
- 33.** In section 72H (IAS group accounts)(**22**), for “international accounting standards”, substitute “UK-adopted international accounting standards”.
- 34.** In section 78 (auditor’s report)(**23**), in subsection (4)(c), for “Article 4 of the IAS Regulation”, substitute “section 403(1) of the Companies Act 2006”.
- 35.** In section 81B (interpretation of Part 8)(**24**)—
- (a) in subsection (1)—
- (i) omit the definition of “IAS Regulation”;
- (ii) in the definition of “income and expenditure account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (iii) omit the definition of “international accounting standards”;
- (iv) after the definition of “income and expenditure account”, insert—
- ““UK-adopted international accounting standards” has the meaning given by section 474(1) of the Companies Act 2006;”;
- (b) in subsection (2), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 36.** In Schedule 2 (establishment, incorporation and constitution of building societies), in paragraph 31(2)(a) (members’ right to propose and circulate resolutions: the requisite number of members)(**25**), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 37.** In Schedule 10B (disclosures about related undertakings required in note to accounts)(**26**), in—
- (a) paragraph 3(3)(b) (financial information about subsidiary undertakings),
- (b) paragraphs 6(4)(b) and 7(4)(b) (significant holdings in undertakings other than subsidiary undertakings: information requirements),
- (c) paragraph 11(3)(b) (financial information about subsidiary undertakings not included in the consolidation) and
- (d) paragraphs 14(4)(b), 15(3)(b), 17(4)(b) and 18(3)(b) (other significant holdings of society or group: information requirements),
- for “international accounting standards” substitute “UK-adopted international accounting standards”.

Amendments to the Friendly Societies Act 1992

- 38.** The Friendly Societies Act 1992(**27**) is amended in accordance with paragraphs **39** to **46**.
- 39.** In section 68 (accounting records), in subsection (2)(b)(**28**) and (c)(**29**), for “Article 4 of the IAS Regulation” substitute “section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)”.

(22) Section 72H was substituted by [S.I. 2004/3380](#).

(23) The heading to section 78 was substituted by [S.I. 2008/1519](#), and subsection (4) was substituted by [S.I. 2017/516](#); there are other amendments but none is relevant.

(24) Section 81B was inserted by [S.I. 2004/3380](#); there are other amending instruments but none is relevant.

(25) Paragraph 31(2)(a)(i) was substituted by [S.I. 1997/2840](#), and amended by [S.I. 1999/3033](#) and [2004/3380](#).

(26) Schedule 10B was inserted by [S.I. 2004/3380](#); there are amending instruments but none is relevant.

(27) [1992 c. 40](#).

(28) Section 68(2)(b) was amended by [S.I. 2005/2211](#).

- 40.** In section 69A (duty to prepare individual accounts)(**30**)—
- (a) in subsection (2)(b), for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (b) in subsection (3), for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (c) in subsection (4)(a), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 41.** In section 69D (IAS individual accounts)(**31**), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 42.** In section 69E (duty to prepare group accounts)(**32**)—
- (a) in subsection (2)—
 - (i) for “Article 4 of the IAS Regulation” substitute “section 403(1) of the Companies Act 2006”;
 - (ii) for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (b) in subsection (3)(b), for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (c) in subsection (4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (d) in subsection (5)(a), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 43.** In section 69H (IAS group accounts)(**33**), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 44.** In section 73 (auditor’s report)(**34**), in subsection (5B)(c), for “Article 4 of the IAS Regulation” substitute “section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)”.
- 45.** In section 78A (interpretation of Part 6)(**35**)—
- (a) in subsection (1)—
 - (i) omit the definition of “IAS Regulation”;
 - (ii) in the definition of “income and expenditure account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (iii) omit the definition of “international accounting standards”;
 - (iv) after the definition of “senior statutory auditor” insert—

““UK-adopted international accounting standards” has the meaning given by section 474(1) of the Companies Act 2006;”;

(29) Section 68(2)(c) was amended by [S.I. 2005/2211](#).

(30) Section 69A was substituted, together with sections 69B to 69L, by [S.I. 2005/2211](#); there are amending instruments but none is relevant.

(31) Section 69D was substituted by [S.I. 2005/2211](#).

(32) Section 69E was substituted by [S.I. 2005/2211](#); there are amending instruments but none is relevant.

(33) Section 69H was substituted by [S.I. 2005/2211](#).

(34) The section heading of section 73 was substituted by [S.I. 2008/1140](#); subsection (5B) was substituted along with subsections (5A) to (5D) for subsection (5) as originally enacted by [S.I. 2005/2211](#); subsection (5B) was then substituted along with subsections (5A) to (5C) by [S.I. 2017/516](#). There are other amending instruments but none is relevant.

(35) Section 78A was inserted by [S.I. 2005/2211](#) and amended by [S.I. 2008/1140](#); there are other amending instruments but none is relevant.

- (b) in subsection (2)(c), for “international accounting standards” substitute “UK-adopted international accounting standards”.

46. In Schedule 13E (disclosures about related undertakings)(36)—

- (a) in paragraph 3(3)(b) (financial information about subsidiary undertakings),
(b) in paragraph 7(4)(b) (significant holdings in bodies corporate other than subsidiary undertakings: information requirements) and
(c) in paragraphs 14(4)(b), 15(3)(b) and 18(3)(b) (other significant holdings of society or group: information requirements),

for “international accounting standards” substitute “UK-adopted international accounting standards”.

Amendments to the Government Resources and Accounts Act 2000

47. The Government Resources and Accounts Act 2000(37) is amended in accordance with paragraphs 48 and 49.

48. In section 5(4)(a) (departmental resource accounts: preparation: relevant guidance)(38), for “the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with that Regulation” substitute “UK-adopted international accounting standards, within the meaning given by section 474(1) of the Companies Act 2006”.

49. In section 9(5)(a) (whole of government accounts: preparation: relevant guidance)(39), for “the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with that Regulation” substitute “UK-adopted international accounting standards, within the meaning given by section 474(1) of the Companies Act 2006”.

Amendments to the Government Resources and Accounts Act (Northern Ireland) 2001

50. The Government Resources and Accounts Act (Northern Ireland) 2001(40) is amended in accordance with paragraphs 51 and 52.

51. In section 9(4)(a) (departmental resource accounts: preparation: relevant guidance)(41), for “the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with that Regulation” substitute “UK-adopted international accounting standards, within the meaning given by section 474(1) of the Companies Act 2006”.

52. In section 14(5)(a) (whole of government accounts: preparation: relevant guidance)(42), for “the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with

(36) Schedule 13E was inserted by [S.I. 2005/2211](#); there are amending instruments but none is relevant.

(37) [2000 c. 20](#).

(38) Section 5(4)(a) was amended by [S.I. 2004/2497](#) and [2008/948](#).

(39) Section 9(5)(a) was amended by [S.I. 2004/2497](#) and [2008/948](#).

(40) [2001 c. 6](#) (N.I.).

(41) Section 9(4)(a) was amended by [S.R. 2004 No. 496](#).

(42) Section 14(5)(a) was amended by [S.R. 2004 No. 496](#).

that Regulation” substitute “UK-adopted international accounting standards, within the meaning given by section 474(1) of the Companies Act 2006”.

PART 2

Amendments to Subordinate Legislation

Amendment to the Friendly Societies (Accounts and Related Provisions) Regulations 1994

53. In the Friendly Societies (Accounts and Related Provisions) Regulations 1994⁽⁴³⁾, in Schedule 6 (accounting principles and rules), in paragraph 24A(3A)⁽⁴⁴⁾ (inclusion of financial instruments at fair value) for the words “international accounting standards adopted by the European Commission on or before 5th September 2006 in accordance with the IAS Regulation” substitute “UK-adopted international accounting standards within the meaning of section 474(1) of the Companies Act 2006”.

Amendment to the Building Societies (Accounts and Related Provisions) Regulations 1998

54. In the Building Societies (Accounts and Related Provisions) Regulations 1998⁽⁴⁵⁾, in Schedule 7 (accounting principles and rules), in paragraph 31A(3A)⁽⁴⁶⁾ (inclusion of financial instruments at fair value), for “international accounting standards adopted by the European Commission on or before 5th September 2006 in accordance with the IAS Regulation” substitute “UK-adopted international accounting standards within the meaning of section 474(1) of the Companies Act 2006”.

Amendments to the Companies (Revision of Defective Accounts and Reports) Regulations 2008

55.—(1) The Companies (Revision of Defective Accounts and Reports) Regulations 2008⁽⁴⁷⁾ are amended as follows.

- (2) In regulation 3 (content of revised accounts or revised report)—
 - (a) in paragraph (1), omit “and, where applicable, Article 4 of the IAS Regulation”;
 - (b) in paragraph (2)(b), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (3) In regulation 7 (auditor’s report on revised accounts and revised report)—
 - (a) in paragraph (1A)(b), omit “(and, where applicable, Article 4 of the IAS Regulation)”;
 - (b) in paragraph (3), omit “and, where applicable, Article 4 of the IAS Regulation”.

Amendments to the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008

56. In Schedule 1 (Companies Act individual accounts) to the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008⁽⁴⁸⁾—

⁽⁴³⁾ [S.I. 1994/1983](#).

⁽⁴⁴⁾ Paragraph 24A, together with paragraphs 24B to 24F, was inserted by [S.I. 2005/2210](#). Sub-paragraph (3A) was inserted by [S.I. 2008/1144](#). Other amendments have been made to paragraph 24A but none is relevant.

⁽⁴⁵⁾ [S.I. 1998/504](#).

⁽⁴⁶⁾ Paragraph 31A, together with paragraphs 31B to 31F, was inserted by [S.I. 2004/3199](#). Sub-paragraph (3A) was inserted by [S.I. 2008/1143](#). Other amendments have been made to paragraph 31A but none is relevant.

⁽⁴⁷⁾ [S.I. 2008/373](#), amended by [S.I. 2017/1164](#); there are other amending instruments but none is relevant.

⁽⁴⁸⁾ [S.I. 2008/409](#), amended by [S.I. 2015/980](#); there are other amending instruments but none is relevant.

- (a) in Part 2 (accounting principles and rules), in paragraph 36(4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 66(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Amendments to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

57.—(1) The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008⁽⁴⁹⁾ are amended as follows.

(2) In Schedule 1 (Companies Act individual accounts: companies which are not banking or insurance companies)—

- (a) in Part 2 (accounting principles and rules), in paragraph 36(4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 72(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

(3) In Schedule 2 (banking companies: Companies Act individual accounts)—

- (a) in Part 2 (accounting principles and rules), in paragraph 44(4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 92(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

(4) In Schedule 3 (insurance companies: Companies Act individual accounts)—

- (a) in Part 2 (accounting principles and rules), in paragraph 30(4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 90(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

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

58.—(1) The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008⁽⁵⁰⁾ are amended as follows.

(2) In regulation 5 (LLPs subject to the small LLPs regime)⁽⁵¹⁾, in the modified version of section 383 (LLPs qualifying as small: parent LLPs), in subsection (6), for “international accounting standards” substitute “UK-adopted international accounting standards”.

(3) In regulation 9 (individual accounts)⁽⁵²⁾—

- (a) in the modified version of section 394A (individual accounts: exemption for dormant subsidiaries), in subsection (2)(c)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in the modified version of section 395 (individual accounts: applicable accounting framework), in subsections (1)(b) and (2), for “international accounting standards” substitute “UK-adopted international accounting standards”;

⁽⁴⁹⁾ S.I. 2008/410, amended by S.I. 2015/980; there are other amending instruments but none is relevant.

⁽⁵⁰⁾ S.I. 2008/1911.

⁽⁵¹⁾ Relevant amendments were made to regulation 5 by S.I. 2016/575.

⁽⁵²⁾ Relevant amendments were made to regulation 9 by S.I. 2012/2301 and 2016/575.

- (c) in the modified version of section 397 (IAS individual accounts), in subsection (2), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (4) In regulation 10 (group accounts)(**53**)—
 - (a) in the modified version of section 400 (exemption for LLP included in EEA group accounts of larger group), in subsection (2)(b)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (b) in the modified version of section 401 (exemption for LLP included in non-EEA group accounts of larger group), in subsection (2)(b)(iii), for “international accounting standards adopted pursuant to the IAS Regulation” substitute “UK-adopted international accounting standards”;
 - (c) in the modified version of section 403 (group accounts: applicable accounting framework)—
 - (i) in subsections (1)(b) and (2), for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (d) in the modified version of section 406 (IAS group accounts), in subsection (2), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (5) In regulation 26 (medium-sized LLPs)(**54**), in the modified version of section 466 (LLPs qualifying as medium-sized: parent LLPs), in subsection (6), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (6) In regulation 30 (notes to the accounts)(**55**), in the modified version of section 472, in subsection (2), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (7) In regulation 32 (minor definitions)(**56**), in the modified version of section 474, in subsection (1)—
 - (a) omit the definition of “IAS Regulation”;
 - (b) in the definition of “international accounting standards”, for “the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation” substitute “Article 2 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards”;
 - (c) in the definition of “profit and loss account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
 - (d) after the definition of “UCITS management company”, insert—

““UK-adopted international accounting standards” means the international accounting standards which are adopted for use within the United Kingdom by virtue of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.”.
- (8) In regulation 34A (exemption from audit: qualifying subsidiaries)(**57**), in the modified version of section 479A (subsidiary LLPs: conditions for exemption from audit), in subsection (2)(c)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards (within the meaning given by section 474(1))”.

(53) Relevant amendments were made to regulation 10 by [S.I. 2012/2301](#) and [2016/575](#).

(54) There are amendments to regulation 26 but none is relevant.

(55) Regulation 30 was amended by [S.I. 2016/575](#).

(56) Regulation 32 was amended by [S.I. 2009/1342](#), [2009/1804](#), [2011/99](#), [2012/1439](#), [2013/472](#) and [2016/575](#).

(57) Regulation 34A was inserted by [S.I. 2012/2301](#). There are amendments but none is relevant.

Amendments to the Small Limited Liability Partnerships (Accounts) Regulations 2008

59. In the Small Limited Liability Partnerships (Accounts) Regulations 2008(**58**), in Schedule 1 (non-IAS individual accounts)—

- (a) in Part 2 (accounting principles and rules), in paragraph 36(4)(**59**), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 64(5)(**60**), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Amendments to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008

60. In the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008(**61**), in Schedule 1 (non-IAS individual accounts)—

- (a) in Part 2 (accounting principles and rules), in paragraph 36(4)(**62**), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 70(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Amendments to the Reports on Payments to Governments Regulations 2014

61. In the Reports on Payments to Governments Regulations 2014(**63**), in regulation 10 (exemption from duty to prepare a consolidated report), in paragraph (4), for “international accounting standards” substitute “UK-adopted international accounting standards”.

PART 3

Amendments to EU Regulation

Amendments to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards

62. In Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, omit all Articles other than Article 2.

Amendments to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

63.—(1) Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories is amended as follows.

(2) In Article 3 (intragroup transactions), for point (3)(a) substitute—

- “(a) included in a consolidation in accordance with:
 - (i) legislation of the United Kingdom that was relied upon immediately before exit day to implement [Directive 2013/34/EU](#) of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial

(58) [S.I. 2008/1912](#).

(59) Paragraph 36(4) was substituted by [S.I. 2016/575](#).

(60) Paragraph 64 was inserted by [S.I. 2016/575](#).

(61) [S.I. 2008/1913](#).

(62) Paragraph 36(4) was substituted by [S.I. 2016/575](#).

(63) [S.I. 2014/3209](#), to which there are amendments but none is relevant.

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: *The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 No. 685*

statements and related reports of certain types of undertakings, amending [Directive 2006/43/EC](#) of the European Parliament and of the Council and repealing Council Directives [78/660/EEC](#) and [83/349/EEC](#)([64](#));

- (ii) UK-adopted international accounting standards, having the meaning given by section 474(1) of the Companies Act 2006; or
- (iii) in relation to a group the parent undertaking of which has its head office in a third country, the generally accepted accounting principles of a third country determined to be equivalent to—
 - (aa) International Financial Reporting Standards by the Commission before exit day in accordance with 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([65](#)); or
 - (ab) UK-adopted international accounting standards (within the meaning of section 474(1) of the Companies Act 2006) in accordance with regulations made by the Treasury after exit day under 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;”.

PART 4

Transitional provision: IAS accounts and first IAS year

Companies

64.—(1) Where a company’s individual accounts are prepared in accordance with the pre-commencement version of section 395(1)(b) of the Companies Act 2006, the accounts are to continue to be treated as “IAS individual accounts” for the purposes of that Act.

(2) Where, in the last financial year of a company to begin before exit day, the company’s individual accounts are prepared in accordance with the pre-commencement version of section 395(1)(b) of that Act, section 395(3) and (4) of that Act have effect in relation to the company as if the references to the first IAS year were to that financial year.

(3) Where the group accounts of a company are prepared in accordance with the pre-commencement version of section 403(2)(b) of the Companies Act 2006, the accounts are to continue to be treated as “IAS group accounts” for the purposes of that Act.

(4) Where, in the last financial year of a company to begin before exit day, the group accounts of the company are prepared in accordance with the pre-commencement version of section 403(2)(b) of that Act, section 403(4) and (5) of that Act have effect in relation to the company as if the reference to the first IAS year were to that financial year.

(5) In this paragraph, references to the “pre-commencement version” of a provision of the Companies Act 2006 are to that provision as it had effect before exit day in relation to a financial year of a company that began before exit day.

(64) OJ L 182, 29.6.2013, p. 19.

(65) OJ L 340 22.12.2007, p. 66.

Limited Liability Partnerships

65.—(1) Where an LLP’s individual accounts are prepared in accordance with the pre-commencement version of section 395(1)(b) of the Companies Act 2006 as applied to LLPs, the accounts are to continue to be treated as “IAS individual accounts” for the purposes of that Act as applied to LLPs.

(2) Where, in the last financial year of an LLP to begin before exit day, the LLP’s individual accounts are prepared in accordance with the pre-commencement version of section 395(1)(b) of that Act as applied to LLPs, section 395(3) and (4) of that Act as applied to LLPs have effect in relation to the LLP as if the references to the first IAS year were to that financial year.

(3) Where the group accounts of an LLP are prepared in accordance with the pre-commencement version of section 403(1)(b) of the Companies Act 2006 as applied to LLPs, the accounts are to continue to be treated as “IAS group accounts” for the purposes of that Act as applied to LLPs.

(4) Where, in the last financial year of an LLP to begin before exit day, the group accounts of the LLP are prepared in accordance with the pre-commencement version of section 403(1)(b) of that Act as applied to LLPs, section 403(2) and (3) of that Act as applied to LLPs have effect in relation to the LLP as if the reference to the first IAS year were to that financial year.

(5) In this paragraph—

- (a) “LLP” means a limited liability partnership registered under the Limited Liability Partnerships Act 2000⁽⁶⁶⁾;
- (b) references to a provision of the Companies Act 2006 “as applied to LLPs” means to that provision as applied to LLPs by regulation 9 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008;
- (c) references to the “pre-commencement version” of a provision of the Companies Act 2006 as applied to LLPs are to that provision as applied to LLPs, as it had effect before exit day in relation to a financial year of an LLP that began before exit day.

IAS accounts and first IAS year: building societies

66.—(1) Where a building society’s individual accounts are prepared in accordance with the pre-commencement version of section 72A(2)(b) of the Building Societies Act 1986, the accounts are to continue to be treated as “IAS individual accounts” for the purposes of that Act.

(2) Where, in the last financial year of a building society to begin before exit day, the society’s individual accounts are prepared in accordance with the pre-commencement version of section 72A(2)(b) of that Act, section 72A(3) and (4) of that Act have effect in relation to the society as if the references to the first IAS year were to that financial year.

(3) Where the group accounts of a building society are prepared in accordance with the pre-commencement version of section 72E(3)(b) of the Building Societies Act 1986, the accounts are to continue to be treated as “IAS group accounts” for the purposes of that Act.

(4) Where, in the last financial year of a building society to begin before exit day, the group accounts of the society are prepared in accordance with the pre-commencement version of section 72E(3)(b) of that Act, section 72E(4) and (5) of that Act have effect in relation to the society as if the reference to the first IAS year were to that financial year.

(5) In this paragraph, references to the “pre-commencement version” of a provision of the Building Societies Act 1986 are to that provision as it had effect before exit day in relation to a financial year of a building society that began before exit day.

(66) 2000 c. 12.

IAS accounts and first IAS year: friendly societies

67.—(1) Where a friendly society’s individual accounts are prepared in accordance with the pre-commencement version of section 69A(2)(b) of the Friendly Societies Act 1992, the accounts are to continue to be treated as “IAS individual accounts” for the purposes of that Act.

(2) Where, in the last financial year of a friendly society to begin before exit day, the society’s individual accounts are prepared in accordance with the pre-commencement version of section 69A(2)(b) of that Act, section 69A(3) and (4) of that Act have effect in relation to the society as if the references to the first IAS year were to that financial year.

(3) Where the group accounts of a friendly society are prepared in accordance with the pre-commencement version of section 69E(3)(b) of the Friendly Societies Act 1992, the accounts are to continue to be treated as “IAS group accounts” for the purposes of that Act.

(4) Where, in the last financial year of a friendly society to begin before exit day, the group accounts of the society are prepared in accordance with the pre-commencement version of section 69E(3)(b) of that Act, section 69E(4) and (5) of that Act have effect in relation to the society as if the reference to the first IAS year were to that financial year.

(5) In this paragraph, references to the “pre-commencement version” of a provision of the Friendly Societies Act 1992 are to that provision as it had effect before exit day in relation to a financial year of a friendly society that began before exit day.