
STATUTORY INSTRUMENTS

2007 No. 3494

The Statutory Auditors and Third
Country Auditors Regulations 2007

PART 3

COMPETENT AUTHORITIES

Cooperation with foreign competent authorities

14.—(1) After section 1253 of the Companies Act 2006 (delegation of functions to an existing body) insert—

“Cooperation with foreign competent authorities

Requests to foreign competent authorities

1253A. The Secretary of State may request from an EEA competent authority or a third country competent authority such assistance, information or investigation as he may reasonably require in connection with the exercise of his functions under this Part.

Requests from EEA competent authorities

1253B.—(1) The Secretary of State must take all necessary steps to—

- (a) ensure that an investigation is carried out, or
- (b) provide any other assistance or information,

if requested to do so by an EEA competent authority in accordance with Article 36 of the Audit Directive (cooperation between Member State authorities).

(2) Within 28 days following the date on which he receives the request, the Secretary of State must—

- (a) provide the assistance or information required by the EEA competent authority under subsection (1)(b), or
- (b) notify the EEA competent authority which made the request of the reasons why he has not done so.

(3) But the Secretary of State need not take steps to comply with a request under subsection (1) if—

- (a) he considers that complying with the request may prejudice the sovereignty, security or public order of the United Kingdom;
- (b) legal proceedings have been brought in the United Kingdom (whether continuing or not) in relation to the persons and matters to which the request relates; or

- (c) disciplinary action has been taken by a recognised supervisory body in relation to the persons and matters to which the request relates.

Notification to competent authorities of other EEA States

1253C.—(1) The Secretary of State must notify the relevant EEA competent authority if he receives notice from a recognised supervisory body under section 1223A(1) (notification of withdrawal of eligibility for appointment) of the withdrawal of a person’s eligibility for appointment as a statutory auditor.

(2) In subsection (1) “the relevant EEA competent authority” means the EEA competent authority which has approved the person concerned in accordance with the Audit Directive to carry out audits of annual accounts or consolidated accounts required by Community law.

(3) The notification under subsection (1) must include the name of the person concerned and the reasons for the withdrawal of his eligibility for appointment as statutory auditor.

(4) The Secretary of State must notify the relevant EEA competent authority if he has reasonable grounds for suspecting that—

- (a) a person has contravened the law of the United Kingdom, or any other EEA State or part of an EEA State, implementing the Audit Directive, and
- (b) the act or omission constituting that contravention took place on the territory of an EEA State other than the United Kingdom.,

(5) In subsection (4) “the relevant EEA competent authority” means the EEA competent authority for the EEA State in which the suspected contravention took place.

(6) The notification under subsection (4) must include the name of the person concerned and the grounds for the Secretary of State’s suspicion.”.

(2) Section 1253B of the Companies Act 2006 (requests from EEA competent authorities) applies only to investigations, assistance or information relating to auditors appointed for financial years beginning on or after 6th April 2008.