
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations correct errors in the Statutory Auditors and Third Country Auditors Regulations 2007 (“SATCAR”).

Regulation 1(3) of SATCAR purports to bring regulation 38(2)(b) to (d) of SATCAR into force on 29th June 2008. There is no paragraph (2)(b) to (d) of regulation 38: and it is paragraph (2)(b) to (d) of regulation 40 which should have been brought into force on 29th June 2008. Regulation 2(2) of these Regulations corrects that error.

Regulation 7(2) of SATCAR provides that new section 1223A of the Companies Act 2006, inserted by regulation 7(1) of SATCAR, applies only to “EEA auditors” (ie, auditors qualified elsewhere in the European Economic Area) appointed as statutory auditors for financial years beginning on or after 6th April 2008. Regulation 2(3) of these Regulations deletes regulation 7(2) of SATCAR, so that new section 1223A also applies to EEA auditors who have not been appointed as statutory auditors at all.

Regulation 15(1) of SATCAR introduces three new sections into the Companies Act 2006, about the transfer of audit working papers to countries outside the European Economic Area. Regulation 15(2) provides that one of those new sections, 1253E, applies only to working papers for audits for financial years beginning on or after 6th April 2008. Regulation 2(4) of these Regulations provides that another of those new sections, 1253D, also applies only to working papers for audits for financial years beginning on or after 6th April 2008.

The opening words of regulation 34(2) and (3) of SATCAR are expressed so as to make provision for information in relation to third country auditors. Regulation 2(5) of these Regulations limits that provision to information in relation to registered third country auditors (ie, third country auditors registered under regulation 34 of SATCAR).

Regulation 36 of SATCAR incorrectly refers to application for registration as a third country auditor under regulation 33. The reference should have been to application under regulation 35. Regulation 2(6) of these Regulations corrects that error.