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## STATUTORY INSTRUMENTS

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**2012 No. 1439**

### **COMPANIES**

#### **The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Directors' Reports) (Authorised Person) Order 2012**

<i>Made</i>	- - - -	<i>31st May 2012</i>
<i>Laid before Parliament</i>		<i>11th June 2012</i>
<i>Coming into force</i>	- -	<i>2nd July 2012</i>

It appears to the Secretary of State that the Conduct Committee of the Financial Reporting Council Limited <sup>F1</sup>—

- (a) is a body having an interest in, and having satisfactory procedures directed to, monitoring compliance by issuers of transferable securities with accounting requirements imposed by Part 6 rules <sup>F2</sup> in relation to periodic accounts and reports produced by such issuers;
- (b) is otherwise a fit and proper body to be appointed to exercise the functions mentioned at section 14(2) of the Companies (Audit, Investigations and Community Enterprise) Act 2004 <sup>F3</sup>;
- (c) will exercise its functions as a prescribed body in accordance with the requirements of this Order;
- (d) is a person having an interest in, and having satisfactory procedures directed to, securing compliance by companies with the requirements of the Companies Act 2006 <sup>F4</sup> (or, where applicable, Article 4 of the IAS Regulation <sup>F5</sup>) relating to accounts and directors' reports;
- (e) is a person having satisfactory procedures for receiving and investigating complaints about companies' annual accounts and directors' reports;
- (f) is otherwise a fit and proper person to be authorised for the purposes of section 456 of the Companies Act 2006; and
- (g) will exercise its functions as an authorised person in accordance with the requirements of this Order.

The Secretary of State makes the following Order in exercise of the powers conferred by sections 14(1), (5) and (8) and 15E of the Companies (Audit, Investigations and Community Enterprise) Act 2004 <sup>F6</sup> and by sections 457(1), (2), (5) and (6), 462 and 1292(1)(b) and (c) of the Companies Act 2006.

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**F1** A company registered in England and Wales with number 02486368.

*Status: Point in time view as at 06/05/2021.*

**Changes to legislation:** There are currently no known outstanding effects for the The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Directors' Reports) (Authorised Person) Order 2012. (See end of Document for details)

- F2** Defined in section 103(1) of the [Financial Services and Markets Act 2000 \(c.8\)](#); section 103 was substituted by [S.I. 2005/1433](#).
- F3** [2004 c.27](#). Section 14(2) was amended by section 1272 of, and paragraphs 13 and 14 of Schedule 15 to the [Companies Act 2006 \(c.46\)](#).
- F4** [2006 c.46](#).
- F5** Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19.7.2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p.1).
- F6** [Section 14\(3\)](#) was amended by section 1272 of, and paragraphs 13 and 14 of Schedule 15 to, the Companies Act 2006. Section 15E was inserted by article 3(1) and paragraph 232(2) of Schedule 1 to [S.I. 2008/948](#).

### Citation, coming into force and interpretation

1.—(1) This Order may be cited as the Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Directors' Reports) (Authorised Person) Order 2012.

(2) This Order comes into force on 2nd July 2012.

(3) In this Order—

“the 2004 Act” means the Companies (Audit, Investigation and Community Enterprise) Act 2004;

“the 2005 Order” means the Supervision of Accounts and Reports (Prescribed Body) Order 2005 <sup>F7</sup>;

“the 2006 Act” means the Companies Act 2006;

“the 2007 Order” means the Supervision of Accounts and Reports (Prescribed Body) Order 2007 <sup>F8</sup>;

“the 2008 Order” means the Companies (Defective Accounts and Directors' Reports) (Authorised Person) and Supervision of Accounts and Reports (Prescribed Body) Order 2008 <sup>F9</sup>;

“the 2008 Regulations” means the Limited Liability Partnerships (Accounts and Audits) (Application of Companies Act 2006) Regulations 2008 <sup>F10</sup>;

“coming into force” means the coming into force of this Order;

“the Conduct Committee” means the body of that name established under the articles of association of The Financial Reporting Council Limited;

“<sup>F11</sup>DGTR sourcebook ” means the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 , as it has effect on IP completion day;]

“LLPs” means limited liability partnerships;

“<sup>F12</sup>UK regulated market ” has the meaning given in Article 2.1.13A of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012.]

<sup>F13</sup> ...

<sup>F13</sup> ...

**F7** [S.I. 2005/715](#), revoked with savings by [S.I. 2007/2583](#).

**F8** [S.I. 2007/2583](#), revoked with savings by [S.I. 2008/623](#).

**F9** [S.I. 2008/623](#).

**F10** [S.I. 2008/1911](#), amended by [S.I. 2009/1804](#); there are other amending instruments but none is relevant.

**Changes to legislation:** There are currently no known outstanding effects for the *The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Directors' Reports) (Authorised Person) Order 2012*. (See end of Document for details)

- F11** Words in art. 1(3) inserted (31.12.2020) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), reg. 1(2)(c), **Sch. 3 para. 31(b)** (as amended by The Companies and Statutory Auditors etc. (Consequential Amendments) (EU Exit) Regulations 2020 (S.I. 2020/523), regs. 1(2), **12(a)**); 2020 c. 1, Sch. 5 para. 1(1)
- F12** Words in art. 1(3) inserted (31.12.2020) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), reg. 1(2)(c), **Sch. 3 para. 31(c)**; 2020 c. 1, Sch. 5 para. 1(1)
- F13** Words in art. 1(3) omitted (31.12.2020) by virtue of The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), reg. 1(2)(c), **Sch. 3 para. 31(a)**; 2020 c. 1, Sch. 5 para. 1(1)

## Appointment in relation to issuers

**F14** **2.** . . . . .

- F14** Arts. 2-5 omitted (6.5.2021) by virtue of The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Reports) (Authorised Person) Order 2021 (S.I. 2021/465), arts. 1(2), **7** (with art. 9)

## Appointment in relation to accounts

**F14** **3.** . . . . .

- F14** Arts. 2-5 omitted (6.5.2021) by virtue of The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Reports) (Authorised Person) Order 2021 (S.I. 2021/465), arts. 1(2), **7** (with art. 9)

## Authorisation

**F14** **4.** . . . . .

- F14** Arts. 2-5 omitted (6.5.2021) by virtue of The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Reports) (Authorised Person) Order 2021 (S.I. 2021/465), arts. 1(2), **7** (with art. 9)

## Decision recording etc requirements

**F14** **5.** . . . . .

- F14** Arts. 2-5 omitted (6.5.2021) by virtue of The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Reports) (Authorised Person) Order 2021 (S.I. 2021/465), arts. 1(2), **7** (with art. 9)

## Amendments to categories of permitted disclosure

6.—(1) After section 15D(4)(a) of the 2004 Act insert—

“(aa) for the purpose of facilitating the carrying out of inspections under any of the following—

(i) paragraph 23 of Schedule 10 to the Companies Act 2006 (arrangements for independent monitoring of audits of listed companies and other major bodies);

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- (ii) paragraph 23A of that Schedule to that Act (arrangements for independent monitoring of third country audits); and
  - (iii) paragraph 1 of Schedule 12 to that Act (arrangements for independent monitoring of audits of UK-traded non-EEA companies);”.
- (2) After section 461(4)(a) of the 2006 Act insert—
- “(aa) for the purpose of facilitating the carrying out of inspections under paragraph 23 of Schedule 10 (arrangements for independent monitoring of audits of listed companies and other major bodies);”.

### Application, revocations and transitional provisions

**F15**7. ....

**F15** Art. 7 omitted (6.5.2021) by virtue of [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Reports\) \(Authorised Person\) Order 2021 \(S.I. 2021/465\)](#), arts. 1(2), 7 (with art. 9)

### Consequential amendments

**F16**8. ....

**F16** Art. 8 omitted (6.5.2021) by virtue of [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Reports\) \(Authorised Person\) Order 2021 \(S.I. 2021/465\)](#), arts. 1(2), 7 (with art. 9)

Department Business, Innovation and Skills

*Norman Lamb*  
Parliamentary Under Secretary of State for  
Employment Relations, Consumer and Postal  
Affairs

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order appoints and authorises the Conduct Committee established under the articles of association of the Financial Reporting Council Limited for certain purposes under the Companies (Audit, Investigations and Community Enterprise) Act 2004 (“the 2004 Act”) and the Companies Act 2006 (“the 2006 Act”). It extends to the whole of the United Kingdom.

Article 2 appoints the Conduct Committee to exercise the functions described in section 14(2) of the 2004 Act. These functions are keeping certain periodic accounts and reports under review, and informing the Financial Services Authority of any conclusions the Committee reaches as regards those accounts and reports. Article 2 limits the appointment to accounts and reports produced by relevant corporate bodies issuing transferable securities which are admitted to trading on a regulated market. The relevant corporate bodies are those whose home Member State is the United Kingdom for the purposes of Directive [2004/109/EC](#) of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (“the Directive”). Under article 3 the appointment only relates to periodic accounts and reports which must be produced under Articles 4 and 5 of the Directive i.e. to annual and half-yearly reports.

Article 4 authorises the Conduct Committee for the purposes of section 456 of the 2006 Act i.e. authorises the Committee to apply to the court for a declaration (or declarator in Scotland) etc in respect of defective accounts or directors' reports.

Article 5 imposes a record keeping requirement in relation to the functions conferred by this Order.

Article 6(1) amends the 2004 Act to permit certain information obtained by the body exercising the functions described at section 14(2) of that Act to be shared more widely. Article 6(2) amends the 2006 Act to permit certain information obtained by the person authorised for the purposes of section 456 of that Act to be shared more widely.

Subject to transitional provision, Article 7 revokes the Companies (Defective Accounts and Directors' Reports) (Authorised Person) and Supervision of Accounts and Reports (Prescribed Body) Order 2008 (S.I. 2008/623) whereby a body known as the Financial Reporting Review Panel performed the roles now conferred upon the Conduct Committee. Article 8 contains consequential amendments in respect of limited liability partnerships.

A full regulatory impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from Business Environment Directorate, Department for Business, Innovation and Skills, 1 Victoria Street, London SW1H 0ET or at [www.bis.gov.uk](http://www.bis.gov.uk) and is annexed to the Explanatory Memorandum which is available alongside the instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).

**Status:**

Point in time view as at 06/05/2021.

**Changes to legislation:**

There are currently no known outstanding effects for the The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Directors' Reports) (Authorised Person) Order 2012.