
STATUTORY INSTRUMENTS

2016 No. 649

**COMPANIES
AUDITORS**

**The Statutory Auditors and Third
Country Auditors Regulations 2016**

*Made - - - - 15th June 2016
Coming into force in accordance with
regulation 1(1)*

**THE STATUTORY AUDITORS AND THIRD
COUNTRY AUDITORS REGULATIONS 2016**

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Status: This is the original version (as it was originally made).

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SCHEDULE 1 — Requirements for professional ethics, independence, objectivity, confidentiality, auditing standards and audit reporting

1. In this Schedule— “A” means a person appointed as a...
2. (1) Standards must ensure that— (a) A is subject to...
3. (1) Standards must ensure that A takes all reasonable steps...
4. (1) Standards must ensure that A does not accept appointment...
5. (1) Standards must ensure that— (a) none of the persons...
6. Standards must ensure that if, during the period covered by...
7. (1) Standards must ensure that— (a) where A is an...
8. (1) Standards must ensure that, before accepting an appointment as...
9. (1) Standards must ensure adequate provision on confidentiality in relation...
10. (1) Standards must ensure that A— (a) has appropriate policies...
11. (1) Standards must ensure that, when A is a firm,...
12. (1) Standards must ensure that A— (a) keeps records of...
13. Standards must ensure that remuneration received or receivable by a...
14. Standards must ensure that the scope of statutory audit work...
15. (1) Standards must ensure that, in the case of a...
16. (1) In relation to the audit of public interest entities,...

SCHEDULE 2 — Investigation Powers

1. (1) The competent authority may for any purpose related to...
2. (1) If a person fails to comply with a notice...
3. (1) This paragraph applies if a person provides information (including...
4. (1) An officer of the competent authority may, for the...
5. (1) A person commits an offence if the person—

SCHEDULE 3 — Amendments to the Companies Act 2006

PART 1 — Introductory

1. The Act is amended as set out in Parts 2...
2. In this Schedule— (a) a reference to a numbered section...

PART 2 — Amendment to Part 15 of the Companies Act 2006

3. (1) Section 461 (permitted disclosure of information obtained under compulsory...

PART 3 — Amendments to Chapters 2 to 4 of Part 16 of the Companies Act 2006

4. After section 485 (appointment of auditors of private company: general)...
5. (1) Section 486 (appointment of auditors of private company: default)...
6. (1) Section 487 (term of office of auditors of private...
7. After section 487 insert— Maximum engagement period: transitional arrangements (1) In the case of an auditor who was first...
8. After section 489 (appointment of auditors of public company: general)...
9. (1) Section 490 (appointment of auditors of public company: default)...
10. (1) Section 491 (term of office of auditors of public...
11. After section 491 insert— Maximum engagement period: transitional arrangements (1) In the case of an auditor who was first...
12. After section 494 (disclosure of services provided by auditor or...
13. (1) Section 495 (auditor's report on company's annual accounts)is amended...
14. (1) Section 496 (auditor's report on strategic report and director's...
15. (1) Section 497A (auditor's report on separate corporate governance statement)...
16. (1) Section 498 (duties of auditor)is amended as follows.
17. (1) Section 503 (signature of auditor's report) is amended as...
18. (1) Section 505 (names to be stated in published copies...
19. (1) Section 508 (guidance for regulatory and prosecuting authorities: England,...
20. (1) Section 509 (guidance for regulatory authorities: Scotland) is amended...
21. (1) Section 510 (resolution removing auditors from office) is amended...
22. (1) After section 511 (special notice required for resolution removing...
23. (1) Section 513 (rights of auditor who has been removed...
24. (1) Section 514 (failure to re-appoint auditor: special procedure required...
25. (1) Section 515 (failure to re-appoint auditor: special notice required...
26. (1) Section 519A (meaning of “public interest company”, “non-public interest...

PART 4 — Amendments to Part 38 of the Companies Act 2006

27. (1) Section 1173 (minor definitions: general) is amended as follows....
28. (1) Schedule 8 (index of defined expressions) is amended as...

PART 5 — Amendments to Part 42 of the Companies Act 2006

29. (1) Section 1217 (supervisory bodies) is amended as follows.
30. (1) Section 1218 (exemption from liability for damages) is amended...
31. After section 1223 (matters to be notified to the Secretary...
32. (1) Section 1223A (notification of matters relevant to other EEA...
33. After section 1224 (Secretary of State's power to call for...
34. (1) Section 1224A (restrictions on disclosure) is amended as follows....
35. (1) Section 1225 (enforcement: general) is amended as follows.
36. (1) Section 1229 (supervision of Auditors General by the Independent...
37. (1) Section 1239 (register of auditors) is amended as follows....
38. (1) Section 1251A (duty of Secretary of State to report...

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39. (1) Section 1252 (delegation of Secretary of State's functions) is...
40. (1) Section 1253 (delegation of functions to an existing body)...
41. (1) Section 1253B (requests from EEA competent authorities) is amended...
42. (1) Section 1253C (notification to competent authorities of other EEA...
43. (1) Section 1253D (restriction on transfer of audit working papers...
44. (1) Section 1253DA (transfer by Secretary of State) is amended...
45. (1) Section 1253DB (transfer by statutory auditor with approval of...
46. In section 1253DC (transfer by statutory auditor for purposes of...
47. (1) Section 1253DD (agreement of EEA competent authority) is amended...
48. (1) Section 1253DE (transfer by means of inspection) is amended...
49. (1) Section 1253E (working arrangements for transfer of papers) is...
50. (1) Section 1254 (directions to comply with international obligations) is...
51. (1) Section 1261 (minor definitions) is amended as follows.
52. (1) Section 1262 (index of defined expressions) is amended as...
53. Schedule 10 (recognised supervisory bodies) is amended as follows.
54. (1) Paragraph 2 is amended as follows.
55. (1) Paragraph 3 is amended as follows.
56. In Part 2, before paragraph 6, insert— Delegation etc. of...
57. (1) Paragraph 6 is amended as follows.
58. (1) Paragraph 9 is amended as follows.
59. (1) Paragraph 10 is amended as follows.
60. (1) Paragraph 10A is amended as follows.
61. Omit paragraph 10B.
62. (1) Paragraph 10C is amended as follows.
63. For paragraph 11 substitute— The body must have rules and practices designed to ensure...
64. (1) Paragraph 12 is amended as follows.
65. For paragraphs 13 and 14 substitute— Monitoring of audits (1) The body must— (a) have adequate arrangements for enabling...
66. (1) Paragraph 15 is amended as follows.
67. For paragraph 16 substitute— Independent investigation for enforcement purposes (1) The body must have rules and practices designed to...
68. (1) Paragraph 16A is amended as follows.
69. (1) Paragraph 16AB is amended as follows.
70. After paragraph 20 insert— Supplementary: funding of arrangements (1) This paragraph applies where, under regulation 3 of the...
71. For paragraph 20A substitute— Interpretation In this Part of this Schedule — “audit reporting requirements” has...
72. Part 3 is repealed.
73. (1) Schedule 11A (specified persons, descriptions, disclosures etc for the...

SCHEDULE 4 — Amendments to Part 8 of the Building Societies Act 1986

PART 1 — Introductory

1. In this Schedule— (a) a reference to a numbered section...
- PART 2 — Amendments to Part 8 of the Building Societies Act 1986
2. Part 8 of the Building Societies Act 1986 is amended...
3. In section 78 (auditor's report)— (a) in subsection (1), before...
4. In section 78A (signature of auditor's report)—
5. After section 78C(1) (names to be stated in copies of...
6. At the beginning of section 78D(1) (circumstances in which names...
7. In subsection 79 (auditor's duties and powers)—
8. In Schedule 11— (a) after paragraph 3 insert— (1) Any term in a contract which, in relation to...

SCHEDULE 5 — Amendments to other enactments

1. Amendments to Part 1 of the Companies (Audit, Investigations and Community Enterprise) Act 2004
2. Amendments to Schedule 5 to the Local Audit and Accountability Act 2014

Explanatory Note