
STATUTORY INSTRUMENTS

2019 No. 177

**The Statutory Auditors and Third Country Auditors
(Amendment) (EU Exit) Regulations 2019**

PART 3

Amendment of subordinate legislation

Amendment of the Statutory Auditors and Third Country Auditors Regulations 2016

66. In regulation 2 (interpretation)—

- (a) in the second definition paragraph beginning with “appropriate qualification”—
 - (i) omit “EEA auditor” and “EEA competent authority”;
 - (ii) after ““audited person”,” insert ““equivalent third country”,”;
 - (iii) after ““parent undertaking”,” insert ““regulated market”,”;
 - (iv) for ““third country” and “third country auditor”” substitute ““third country”, “third country auditor”, “transferable securities”, “transitional third country” and “UK regulated market””;
- (b) in the definition of “audit reporting requirements”, in paragraph (h), for “to which the Audit Directive applies (“friendly society to which the Audit Directive applies” has the meaning given by section 78A(3) of that Act)” substitute “which is subject to special requirements under that Act(1) (see section 78A(3) of that Act)”;
- (c) after the definition of “group auditor”, insert—

““international auditing standards” means International Standards on Auditing(2), International Standard on Quality Control(3) and other related Standards issued from time to time by the International Federation of Accountants(4) through the International Auditing and Assurance Standards Board(5), in so far as they are relevant to the statutory audit.”;
- (d) in the definition of “public interest entity”—

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- (1) 1992 c. 40. Section 78A was inserted by paragraph 3 of the Schedule to S.I. 2005/2211. Subsection (3) was inserted by paragraph 15(3) of Schedule 1 to S.I. 2008/948, substituted by regulation 9 of S.I. 2017/516 and amended regulation 7(b) of S.I. 2018/1039.
 - (2) The International Standards on Auditing (“ISAs”) are found in the 2016-2017 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements made by the International Auditing and Assurance Standards Board (“IAASB”) and available on <https://www.ifac.org/publications-resources/2016-2017-handbook-international-quality-control-auditing-review-other>.
 - (3) The International Standards on Quality Control (“ISQC 1”) are found in the 2016-2017 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements made by the International Auditing and Assurance Standards Board (“IAASB”) and available on <https://www.ifac.org/publications-resources/2016-2017-handbook-international-quality-control-auditing-review-other>.
 - (4) The International Federation of Accountants (“IFAC”) is an international membership organisation for the accountancy profession, based in New York, which supports the development, adoption and implementation of international standards in auditing and other relevant sectors (see <https://www.ifac.org>).
 - (5) The International Auditing and Assurance Standards Board (“IAASB”) is an independent standard-setting board, supported by the IFAC, that sets standards for auditing, assurance and other relevant areas (see <https://www.iaasb.org>).

- (i) in paragraph (a), for “regulated market” substitute “UK regulated market”;
- (ii) in paragraph (b), for “other than one listed in Article 2 of [Directive 2013/36/EU](#) of the European Parliament and of the Council on access to the activity of credit institutions and investment firms” substitute “which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation⁽⁶⁾”;
- (iii) for paragraph (c), substitute—
 - “(c) a person who would be an insurance undertaking as defined in Article 2(1) of Council [Directive 91/674/EEC](#) of 19 December 1991 of the European Parliament and of the Council on the annual accounts of insurance undertakings⁽⁷⁾ as that Article had effect immediately before exit day, were the United Kingdom a member State;”;
- (e) in the definition of “issuer”—
 - (i) omit “and “regulated market””;
 - (ii) for “have” substitute “has”;
- (f) omit the definition of “transferable securities”;
- (g) after the definition of “sanction”, insert—
 - ““third country competent authority” means a body established in a third country exercising functions related to the regulation or oversight of auditors;
 - “UK-adopted international standards” means the international auditing standards adopted by the competent authority in accordance with regulation 4(3)(za).”.

(6) Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, OJ No. L 176, 27.6.2013, p. 1.

(7) OJ No. L 374, 31.12.1991, p. 7.