

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make consequential provisions in exercise of the power in section 41(1) of the European Union (Withdrawal Agreement) Act 2020 (c. 1) (“the 2020 Act”).

Regulations 2 to 29 amend a number of references to exit day in legislation made as a consequence of exiting the European Union, which were related to the regulation of companies and other legal entities, and in particular auditing and accounts. Those provisions being amended here will come into force on IP completion day by operation of paragraph 1 of Schedule 5 to the 2020 Act. The amendments made by this instrument ensure that their effects begin from IP completion day rather than from exit day.

Paragraphs (e) and (f) of regulation 14 make amendments to the Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/177), which amend Schedule 10 to the Companies Act 2006 (c. 46). The changes made by this instrument provide that from IP completion day, auditors from EEA States will cease to count automatically towards the requisite majority ownership of audit firms, and will be eligible for appointment as a statutory auditor under the same conditions as those of other countries.

A full impact assessment has not been produced for this instrument, as no, or no significant, impact on the private, voluntary or public sector is foreseen.

Changes to legislation:

There are currently no known outstanding effects for the The Companies and Statutory Auditors etc. (Consequential Amendments) (EU Exit) Regulations 2020.