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STATUTORY INSTRUMENTS

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**2008 No. 1911**

**The Limited Liability Partnerships (Accounts and Audit)  
(Application of Companies Act 2006) Regulations 2008**

**PART 13**

**REMOVAL, RESIGNATION, ETC OF AUDITORS**

**Auditor statements**

**46.** Sections 519 to 526 <sup>M1</sup> apply to LLPs, modified so that they read as follows—

**“519 Statement by auditor to be [<sup>F1</sup>sent to] LLP**

[<sup>F2</sup>(1) An auditor of a public interest LLP who is ceasing to hold office (at any time and for any reason) must send to the LLP a statement of the reasons for doing so.

(2) An auditor (“A”) of a non-public interest LLP who is ceasing to hold office must send to the LLP a statement of the reasons for doing so unless A satisfies the first or second condition.

(2A) The first condition is that A is ceasing to hold office at the end of a period for appointing auditors.

(2B) The second condition is that—

- (a) A’s reasons for ceasing to hold office are all exempt reasons (as to which see section 519A(3)), and
- (b) there are no matters connected with A’s ceasing to hold office that A considers need to be brought to the attention of members or creditors of the LLP.

(2C) A statement under this section must include—

- (a) the auditor’s name and address;
- (b) the number allocated to the auditor on being entered in the register of auditors kept under section 1239;
- (c) the LLP’s name and registered number.

(2D) Where there are matters connected with an auditor’s ceasing to hold office that the auditor considers need to be brought to the attention of members or creditors of the LLP, the statement under this section must include details of those matters.

(2E) Where—

- (a) an auditor (“A”) of a non-public interest LLP is required by subsection (2) to send a statement, and
- (b) A considers that none of the reasons for A’s ceasing to hold office, and no matters (if any) connected with A’s ceasing to hold office, need to be brought to the attention of members or creditors of the LLP,

A’s statement under this section must include a statement to that effect.]

- (3) [<sup>F3</sup>A statement under this section] must be [<sup>F4</sup>sent]—
  - (a) in the case of resignation, along with the notice of resignation;
  - (b) in the case of failure to seek re-appointment, not less than 14 days before the end of the time allowed for next appointing an auditor;
  - (c) in any other case, not later than the end of the period of 14 days beginning with the date on which he ceases to hold office.

(4) A person ceasing to hold office as auditor who fails to comply with this section commits an offence.

(5) In proceedings for such an offence it is a defence for the person charged to show that he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

- (6) A person guilty of an offence under this section is liable—
  - (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

(7) Where an offence under this section is committed by a body corporate, every officer of the body who is in default also commits the offence. For this purpose—

- (a) any person who acts as director, manager or secretary of the body is treated as an officer of the body, and
- (b) if the body is a company, any shadow director is treated as an officer of the company.

**[<sup>F5</sup>Meaning of “public interest LLP”, “non-public interest LLP” and “exempt reasons”**

- (1) In this Chapter—
  - “public interest LLP” means an LLP—
    - (a) an issuer whose transferable securities are admitted to trading on a [<sup>F6</sup>UK regulated market]; or
    - (b) a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, [<sup>F7</sup>which is a CRR firm within the meaning of Article 4(1)(2A) of the same Regulation];
  - “non-public interest LLP” means an LLP that is not a public interest LLP.

- (2) For the purposes of the definition of “public interest LLP”—
  - “issuer” has the same meaning as in Part 6 of the Financial Services and Markets Act 2000 (see section 102A(6));

<sup>F8</sup> .....

<sup>F8</sup> .....

(3) In the application of this Chapter to an auditor (“A”) of an LLP ceasing to hold office, the following are “exempt reasons”—

- (a) A is no longer to carry out statutory audit work within the meaning of Part 42 (see section 1210(1));

- (b) the LLP is, or is to become, exempt from audit under section 477, 479A or 480, and intends to include in its balance sheet a statement of the type described in section 475(2);
- (c) the LLP is a subsidiary undertaking of a parent undertaking that is incorporated in the United Kingdom and—
  - (i) the parent undertaking prepares group accounts, and
  - (ii) A is being replaced as auditor of the LLP by the auditor who is conducting, or is to conduct, an audit of the group accounts;
- (d) the LLP is being wound up under Part 4 of the Insolvency Act 1986 or Part 5 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)), whether voluntarily or by the court, or a petition under Part 4 of that Act or Part 5 of that Order (as applied to LLPs) for the winding up of the LLP has been presented and not finally dealt with or withdrawn.

In this paragraph the references—

- (i) to Part 4 of the Insolvency Act 1986 are to that Part as applied to LLPs by the Limited Liability Partnerships Regulations 2001 (S.I. 2001/1090), and
- (ii) to Part 5 of the Insolvency (Northern Ireland) Order 1989 are to that Part as applied to LLPs by the Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. (NI) 2004 No 307).

(4) But the reason described in subsection (3)(c) is only an exempt reason if the auditor who is conducting, or is to conduct, an audit of the group accounts is also conducting, or is also to conduct, the audit (if any) of the accounts of each of the subsidiary undertakings (of the parent undertaking) that is incorporated in the United Kingdom and included in the consolidation.]

## 520 LLP's duties in relation to statement

[<sup>F9</sup>(1) This section applies where an LLP receives from an auditor (“A”) who is ceasing to hold office a statement under section 519 except where—

- (a) the LLP is a non-public interest LLP, and
- (b) the statement includes a statement to the effect that A considers that none of the reasons for A’s ceasing to hold office, and no matters (if any) connected with A’s ceasing to hold office, need to be brought to the attention of members or creditors of the LLP (as required by section 519(2E)).]

(2) [<sup>F10</sup>Where this section applies, the] LLP must within 14 days of the [<sup>F11</sup>receipt] of the statement either—

- (a) send a copy of it to every person who under section 423 is entitled to be sent copies of the accounts, or
- (b) apply to the court.

(3) If it applies to the court, the LLP must notify the auditor of the application.

(4) If the court is satisfied that the auditor is using the provisions of section 519 to secure needless publicity for defamatory matter—

- (a) it shall direct that copies of the statement need not be sent out, and
- (b) it may further order the LLP's costs (in Scotland, expenses) on the application to be paid in whole or in part by the auditor, even if he is not a party to the application.

The LLP must within 14 days of the court's decision send to the persons mentioned in subsection (2)(a) a statement setting out the effect of the order.

(5) If no such direction is made the LLP must send copies of the statement to the persons mentioned in subsection (2)(a) within 14 days of the court's decision or, as the case may be, of the discontinuance of the proceedings.

(6) In the event of default in complying with this section an offence is committed by every designated member of the LLP who is in default.

(7) In proceedings for such an offence it is a defence for the person charged to show that he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

(8) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

### **521 Copy of statement to be sent to registrar**

[<sup>F12</sup>(A1) This section applies where an auditor (“A”) of an LLP sends a statement to the LLP under section 519 except where—

- (a) the LLP is a non-public interest LLP, and
- (b) the statement includes a statement to the effect that A considers that none of the reasons for A’s ceasing to hold office, and no matters (if any) connected with A’s ceasing to hold office, need to be brought to the attention of members or creditors of the LLP (as required by section 519(2E)).]

(1) [<sup>F13</sup>Where this section applies, unless] within 21 days beginning with the day on which he [<sup>F14</sup>sent] the statement under section 519 the auditor receives notice of an application to the court under section 520, he must within a further seven days send a copy of the statement to the registrar.

(2) If an application to the court is made under section 520 and the auditor subsequently receives notice under subsection (5) of that section, he must within seven days of receiving the notice send a copy of the statement to the registrar.

(3) An auditor who fails to comply with subsection (1) or (2) commits an offence.

(4) In proceedings for such an offence it is a defence for the person charged to show that he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

(5) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

(6) Where an offence under this section is committed by a body corporate, every officer of the body who is in default also commits the offence. For this purpose—

- (a) any person who acts as director, manager or secretary of the body is treated as an officer of the body, and
- (b) if the body is a company, any shadow director is treated as an officer of the company.

### **522 Duty of auditor to [<sup>F15</sup>send statement to] appropriate audit authority**

[<sup>F16</sup>(1) Where an auditor of an LLP sends a statement under section 519, the auditor must at the same time send a copy of the statement to the appropriate audit authority.]

(5) A person ceasing to hold office as auditor who fails to comply with this section commits an offence.

(6) If that person is a firm an offence is committed by—

- (a) the firm, and
- (b) every officer of the firm who is in default.

(7) In proceedings for an offence under this section it is a defence for the person charged to show that he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

(8) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

### **523 Duty of LLP to notify appropriate audit authority**

[<sup>F17</sup>(1) This section applies if an auditor is ceasing to hold office at any time other than at the end of a period for appointing auditors.

(1A) But this section does not apply if the LLP reasonably believes that the only reasons for the auditor's ceasing to hold office are exempt reasons (as to which see section 519A(3)).

(2) Where this section applies, the LLP must give notice to the appropriate audit authority that the auditor is ceasing to hold office.

(2A) The notice is to take the form of a statement by the LLP of what the LLP believes to be the reasons for the auditor's ceasing to hold office and must include the information listed in section 519(2C).

This is subject to subsection (2C).

(2B) Subsection (2C) applies where—

- (a) the LLP receives a statement from the auditor under section 519,
- (b) the statement is sent at the time required by section 519(3), and
- (c) the LLP agrees with the contents of the statement.

(2C) Where this subsection applies, the notice may instead take the form of a copy of the statement endorsed by the LLP to the effect that it agrees with the contents of the statement.

(3) A notice under this section must be given within the period of 28 days beginning with the day on which the auditor ceases to hold office.]

(4) If an LLP fails to comply with this section, an offence is committed by—

- (a) the LLP, and
- (b) every designated member of the LLP who is in default.

(5) In proceedings for such an offence it is a defence for the person charged to show that he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

(6) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

**[<sup>F18</sup>Provision of information] to accounting authorities**

[<sup>F19</sup>(1) Where the appropriate audit authority receives a statement under section 522 or a notice under section 523, the authority may forward to the accounting authorities—

- (a) a copy of the statement or notice, and
- (b) any other information the authority has received from the auditor or the LLP concerned in connection with the auditor’s ceasing to hold office.]

(2) The accounting authorities are—

- (a) the Secretary of State, and
- (b) [<sup>F20</sup>the [<sup>F21</sup>Financial Reporting Council Limited]].

(3) If either of the accounting authorities is also the appropriate audit authority it is only necessary to comply with this section as regards any other accounting authority.

(4) If the court has made an order under section 520(4) directing that copies of the statement need not be sent out by the LLP, sections 460 and 461 (restriction on further disclosure) apply in relation to the copies sent to the accounting authorities as they apply to information obtained under section 459 (power to require documents etc).

**525 Meaning of “appropriate audit authority”<sup>F22</sup>...**

(1) In sections 522, 523 and 524 “appropriate audit authority” means—

- (a) [<sup>F23</sup>in relation to an auditor of a public interest LLP (other than an Auditor General)], the body known as the Professional Oversight Board established under the articles of association of the Financial Reporting Council Limited (registered number 02486368);
- (b) [<sup>F24</sup>in relation to an auditor of a non-public interest LLP (other than an Auditor General)], the relevant supervisory body;
- (c) [<sup>F25</sup>in relation to] an Auditor General, the Independent Supervisor.

“Supervisory body” and “Independent Supervisor” have the same meaning as in Part 42 (statutory auditors) (see sections 1217 and 1228).

<sup>F26</sup>(2) .....

<sup>F26</sup>(3) .....

**526 Effect of casual vacancies**

**526.** If an auditor ceases to hold office for any reason, any surviving or continuing auditor or auditors may continue to act.”

**Textual Amendments**

- F1** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 19(a)(i)** (with reg. 2(6)(7))
- F2** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 19(a)(ii)** (with reg. 2(6)(7))
- F3** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 19(a)(iii)(aa)** (with reg. 2(6)(7))

- F4** Word in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(a)(iii)(bb)** (with reg. 2(6)(7))
- F5** Words in reg. 46 inserted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(b)** (with reg. 2(6)(7))
- F6** Words in reg. 46 substituted (31.12.2020) by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/177), regs. 2, **53(a)(i)** (with Sch. 4 para. 1(a)) (as amended by S.I. 2020/523, regs. 1(2), 19); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in reg. 46 substituted (31.12.2020) by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/177), regs. 2, **53(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)
- F8** Words in reg. 46 omitted (31.12.2020) by virtue of The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/177), regs. 2, **53(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F9** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(c)(i)** (with reg. 2(6)(7))
- F10** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(c)(ii)(aa)** (with reg. 2(6)(7))
- F11** Word in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(c)(ii)(bb)** (with reg. 2(6)(7))
- F12** Words in reg. 46 inserted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(d)(i)** (with reg. 2(6)(7))
- F13** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(d)(ii)(aa)** (with reg. 2(6)(7))
- F14** Word in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(d)(ii)(bb)** (with reg. 2(6)(7))
- F15** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(e)(i)** (with reg. 2(6)(7))
- F16** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(e)(ii)** (with reg. 2(6)(7))
- F17** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(f)** (with reg. 2(6)(7))
- F18** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(g)(i)** (with reg. 2(6)(7))
- F19** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(g)(ii)** (with reg. 2(6)(7))
- F20** Words in reg. 46 substituted (2.7.2012) by The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Directors' Reports) (Authorised Person) Order 2012 (S.I. 2012/1439), arts. 1(2), **8(5)**
- F21** Words in reg. 46 substituted (6.5.2021) by 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), **6(5)** (with art. 9)

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**Changes to legislation:** *There are currently no known outstanding effects for the The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, Section 46. (See end of Document for details)*

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- F22** Words in reg. 46 omitted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by virtue of The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(h)(i)** (with reg. 2(6)(7))
- F23** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(h)(ii)** (with reg. 2(6)(7))
- F24** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(h)(iii)** (with reg. 2(6)(7))
- F25** Words in reg. 46 substituted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(h)(iv)** (with reg. 2(6)(7))
- F26** Words in reg. 46 omitted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by virtue of The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 19(h)(v)** (with reg. 2(6)(7))

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**Marginal Citations**

- M1** Sections 519 and 521 were amended by paragraphs 247 and 248 of Schedule 1 to S.I. 2008/948.



**Changes to legislation:**

There are currently no known outstanding effects for the The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, Section 46.