
STATUTORY INSTRUMENTS

2016 No. 1245

The Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016

Group accounts

3.—(1) In section 384B (companies excluded from being treated as micro-entities)⁽¹⁾, in subsection (2)(a), for “398” substitute “399(4)”.

(2) Omit—

- (a) section 398 (option to prepare group accounts), and
- (b) the heading preceding section 398.

(3) In the heading preceding section 399 (duty to prepare group accounts)⁽²⁾, omit “: other companies”.

(4) In section 399—

- (a) omit subsection (1);
- (b) in subsection (2), for the first occurrence of “the company” substitute “a company”;
- (c) for subsection (2A), substitute—

“(2A) A company is exempt from the requirement to prepare group accounts if—

- (a) at the end of the financial year, the company—
 - (i) is subject to the small companies regime, or
 - (ii) would be subject to the small companies regime but for being a public company, and
- (b) is not a member of a group which, at any time during the financial year, has an undertaking falling within subsection (2B) as a member.

(2B) An undertaking falls within this subsection if—

- (a) it is established under the law of an EEA State,
- (b) it has to prepare accounts in accordance with [Directive 2013/34/EU](#) of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings⁽³⁾, and
- (c) it is—
 - (i) an undertaking which has been designated by an EEA State as a public-interest entity under that Directive,

(1) Section 384B was inserted by [S.I. 2013/3008](#).

(2) Section 399 was amended by [S.I. 2015/980](#).

(3) OJ No L 182, 29.06.13, p19, amended by [Directive 2014/95/EU](#) of the European Parliament and of the Council amending [Directive 2013/34/EU](#) as regards disclosure of non-financial and diversity information by certain large undertakings and groups (OJ No L 330, 15.11.14, p1) and Council [Directive 2014/102/EU](#) adapting [Directive 2013/34/EU](#) by reason of the accession of the Republic of Croatia (OJ No L 334, 21.11.14, p86).

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- (ii) an undertaking whose transferable securities are admitted to trading on a regulated market in an EEA State,
 - (iii) 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⁽⁴⁾, 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⁽⁵⁾, or
 - (iv) an insurance undertaking within the meaning given by Article 2(1) of Council [Directive 91/674/EEC](#) of the European Parliament and of the Council on the annual accounts of insurance undertakings⁽⁶⁾.”; and
- (d) in subsection (4), omit “to which this section applies but”.
- (5) In section 471 (meaning of “annual accounts” and related expressions)⁽⁷⁾, in subsection (1) (b), for “sections 398 and” substitute “section”.

(4) OJ No L 176, 27.06.13, p1, last amended by Regulation (EU) 2016/1014 of the European Parliament and of the Council (OJ No L 171, 29.06.16, p153).

(5) OJ No L 176, 27.06.13, p338, last amended by [Directive 2014/59/EU](#) of the European Parliament and of the Council (OJ No L 173, 12.06.14, p190).

(6) OJ No L 374, 31.12.91, p7, last amended by [Directive 2006/46/EC](#) of the European Parliament and of the Council (OJ No L224, 16.08.06, p1).

(7) There are amendments to section 471 but none is relevant to these Regulations.