

## SCHEDULE 3

### Amendments to the Companies Act 2006

## PART 3

### Amendments to Chapters 2 to 4 of Part 16 of the Companies Act 2006

12. After section 494 (disclosure of services provided by auditor or associates and related remuneration) insert—

#### “494A Interpretation

**494A** In this Chapter—

“audit committee” means a body which performs the functions referred to in Article 39(6) of the Audit Directive or equivalent functions;

“Audit Directive” means Directive 2006/43/EC of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC<sup>M1</sup>;

“Auditor General” means—

- (a) the Comptroller and Auditor General,
- (b) the Auditor General for Scotland,
- (c) the Auditor General for Wales, or
- (d) the Comptroller and Auditor General for Northern Ireland;

“issuer” has the same meaning as in Part 6 of the Financial Services and Markets Act 2000<sup>M2</sup> (see section 102A(6)<sup>M3</sup>);

“network” means an association of persons other than a firm co-operating in audit work by way of—

- (a) profit-sharing;
- (b) cost sharing;
- (c) common ownership, control or management;
- (d) common quality control policies and procedures;
- (e) common business strategy; or
- (f) use of a common name;

“public interest company” means—

- (a) an issuer whose transferable securities are admitted to trading on a regulated market;
- (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>M4</sup>, 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<sup>M5</sup>;

**Changes to legislation:** There are currently no known outstanding effects for the The Statutory Auditors and Third Country Auditors Regulations 2016, Paragraph 12. (See end of Document for details)

- (c) an insurance undertaking within the meaning given by Article 2(1) of Council Directive [1991/674/EEC](#) of the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertakings <sup>M6</sup>;
- “regulated market” has the same meaning as in Part 6 of the Financial Services and Markets Act 2000 (see section 103(1) <sup>M7</sup>);
- “transferable securities” means anything which is a transferable security for the purposes of Directive [2004/39/EC](#) of the European Parliament and of the Council on markets in financial instruments <sup>M8</sup>.”.

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#### Marginal Citations

- M1** OJL 157/87 09.06.06. This Directive was amended by Directives 2008/30/EC, 2013/34/EU and 2014/56/EU.
- M2** [2000 c. 8](#).
- M3** [Section 102A](#) was inserted by [S.I. 2005/1433](#) and amended by [S.I. 2015/1755](#).
- M4** O.J. L176 27.06.2013, p.1-337.
- M5** O.J. L176 27.06.2013, p. 338-436.
- M6** O.J. L374 31.12.1991 p. 7-31.
- M7** [Section 103](#) was substituted by [S.I. 2005/1433](#) and amended by paragraphs 1 and 11 of Schedule 15 to the [Companies Act 2006 \(c. 46\)](#). There are other amendments but none is relevant.
- M8** O.J. L145 30.04.2004, p. 1-44.

**Changes to legislation:**

There are currently no known outstanding effects for the The Statutory Auditors and Third Country Auditors Regulations 2016, Paragraph 12.