

SCHEDULE 3

Amendments to the Companies Act 2006

PART 5

Amendments to Part 42 of the Companies Act 2006

- 57.**—(1) Paragraph 6 is amended as follows.
- (2) In sub-paragraph (1) for paragraph (aa)(iii), substitute—
“(iii) he meets the requirements of sub-paragraph (1A).”.
- (3) In sub-paragraph (1)(b), after “case of a firm” insert “ which is not an EEA auditor ”.
- (4) After sub-paragraph (1)(b) insert—
“(c) in the case of a firm which is an EEA auditor—
(i) each individual responsible for statutory audit work on behalf of the firm is eligible for appointment as a statutory auditor,
(ii) the firm would be eligible for appointment as a statutory auditor if it were not an EEA auditor or is eligible for a corresponding appointment as an auditor under the law of an EEA State or part of an EEA State, other than the United Kingdom, and
(iii) if the firm is eligible for a corresponding appointment as an auditor under the law of an EEA State or part of an EEA State other than the United Kingdom, the firm provides proof of its eligibility in the form of a certificate, dated not more than three months before it is provided by the firm, from the competent authority of the EEA State concerned.”.
- (5) After sub-paragraph (1) insert—
“(1A) The requirements of this sub-paragraph are that the individual—
(a) already holds a professional qualification which covers all the subjects which are covered by a recognised professional qualification and which are subjects of which knowledge is essential for the pursuit of the profession of statutory auditor, or
(b) holds a professional qualification which does not cover all those subjects and has met whichever of the requirements of sub-paragraph (1B) is specified in the body's rules.
(1B) The body's rules must specify that the condition in sub-paragraph (1A)(b) is satisfied in one of the following ways—
(a) only by passing an aptitude test in accordance with sub-paragraph (2),
(b) only by completing an adaptation period in accordance with sub-paragraphs (2B) and (2C), or
(c) either by passing an aptitude test in accordance with sub-paragraph (2) or by completing an adaptation period in accordance with sub-paragraphs (2B) and (2C), according to the choice of the individual.”.
- (6) Omit sub-paragraph (2A).
- (7) Before sub-paragraph (3) insert—
“(2B) An adaptation period is a period, not exceeding three years, in which the individual (“the applicant”) pursues the profession of statutory auditor under the supervision of an

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individual who holds an appropriate qualification, subject to an assessment (“the ability assessment”) of the applicant's ability to pursue the profession of statutory auditor in the United Kingdom.

(2C) Where the body's rules specify that the condition in sub-paragraph (1B)(b) can be satisfied by completing an adaptation period—

- (a) the body must have rules governing the adaptation period and the ability assessment, having regard to the circumstances of each applicant and, in particular, to the fact that each applicant is a qualified professional in another EEA State,
- (b) the applicant may be required to undergo further training during the adaptation period,
- (c) the applicant's performance during the adaptation period must be assessed by the body, and
- (d) the body must determine the applicant's professional status during the adaptation period.”.

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