

SCHEDULE 4

Regulation 111

Transitional provisions

1. The amendments made by the following regulations do not apply in relation to audits of accounts for financial years that begin before exit day—
 - (a) regulations 8(a)(i), 53(a)(i) and 66(d)(i), in so far as they exempt public interest entities, whose transferable securities are admitted to trading on a regulated market situated or operating in an EEA State but not in the United Kingdom, from having to appoint auditors in accordance with—
 - (i) Articles 16 and 17 of the Audit Regulation;
 - (ii) sections 485A to 485C, 489A to 489C and 494ZA of the Companies Act 2006; and
 - (iii) in relation to limited liability partnerships, sections 485A to 485C and 494ZA of the Companies Act 2006 as applied with modifications by regulations 34A and 38A of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008;
 - (b) regulations 32(d)(i) and 66(d)(i), in so far as they exempt statutory auditors of public interest entities, whose transferable securities are admitted to trading on a regulated market situated or operating in an EEA State but not in the United Kingdom, from being subject to—
 - (i) regulations 5(1)(f) and 9(1) of the Statutory Auditors and Third Country Auditors Regulations 2016 and Articles 24(1)(a) and (c), and 26 of the Audit Regulation, on inspections of audits of public interest entities by the competent authority and any enforcement action taken following those inspections; and
 - (ii) paragraph 10C of Schedule 10 to the Companies Act 2006, regulations 13 and 13A of, and Schedule 1 to, the Statutory Auditors and Third Country Auditors Regulations 2016, and Articles 4 to 11, 17(7) and 18 of the Audit Regulation, on technical standards and of other standards of professional ethics and internal quality control of statutory audits of public interest entities;
 - (c) regulation 80(a)(iv) and (vi), and (d)(iv)—
 - (i) in relation to the provision of non-audit services to subsidiary undertakings in third countries which are not EEA States and parent undertakings in EEA States; and
 - (ii) where, for the purposes of Article 5(1) of the Audit Regulation, “within the Union” means in an EEA State or the United Kingdom.
2. In relation to audits of accounts for financial years that begin before exit day—
 - (a) Gibraltar, or a third country which immediately before exit day was an EEA State, is to be treated by the competent authority as if it is a transitional third country;
 - (b) a third country which was determined by the European Commission as having an equivalent system of audit inspections, investigations and sanctions to those in the European Union by virtue of an instrument adopted under Article 46(2) of [Directive 2006/43/EC](#) of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts, is to be treated by the competent authority as an equivalent third country for those financial years to which the instrument applied in relation to that country;
 - (c) a third country which was the subject of transitional arrangements in respect of its system of audit inspections, investigations and sanctions in the European Union by virtue of an instrument adopted under Article 46(2) of [Directive 2006/43/EC](#) of the European Parliament and of the Council on statutory audits of annual accounts and consolidated

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accounts, is to be treated by the competent authority as a transitional third country for those financial years to which the instrument applied in relation to that country.

3. For investigations under the Statutory Auditors and Third Country Auditors Regulations 2016 that begin before exit day, and any enforcement action taken under those Regulations following those investigations, the amendments made by regulations 32(d)(i) and 66(d)(i) do not apply in so far as they exempt statutory auditors of public interest entities, whose transferable securities are admitted to trading on a regulated market situated or operating in an EEA State but not in the United Kingdom, from being subject to regulation 5(1)(f) and Schedule 2 to the Statutory Auditors and Third Country Auditors Regulations 2016, and Article 24(1)(b) and (c) of the Audit Regulation, on investigations of audits of public interest entities by the competent authority.

4. For the purposes of this Schedule—

- (a) the definitions in Part 42 of the Companies Act 2006 apply; and
- (b) Gibraltar must be treated as if it were an EEA State.