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STATUTORY INSTRUMENTS

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**2019 No. 685**

**EXITING THE EUROPEAN UNION  
COMPANIES  
LIMITED LIABILITY PARTNERSHIPS**

The International Accounting Standards and  
European Public Limited-Liability Company  
(Amendment etc.) (EU Exit) Regulations 2019

*Made - - - - 26th March 2019*

*Coming into force in accordance with regulation 1(2)*

The Secretary of State makes these Regulations in exercise of the powers conferred by section 8(1) of, paragraph 1 of Schedule 4 and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018<sup>(1)</sup>.

In accordance with paragraph 3 of Schedule 4 to that Act, the Secretary of State has obtained the consent of the Treasury.

In accordance with paragraph 1(1) of Schedule 7 to that Act, a draft of this instrument has been laid before Parliament and approved by a resolution of each House of Parliament.

**PART 1**

Introductory

**Citation, commencement and application**

1.—(1) These Regulations may be cited as the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.

(2) These Regulations come into force on exit day<sup>(2)</sup>.

(3) Parts 1 to 3 of Schedule 1 have effect in relation to accounts for financial years beginning on or after exit day.

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(1) 2018 c. 16.

(2) See section 20(1) of the European Union (Withdrawal) Act 2018 for the meaning of “exit day”.

(4) In relation to accounts for financial years which begin before but end on or after exit day, the enactments amended by Parts 1 to 3 of Schedule 1 have effect as if the United Kingdom were a member State until the end of the financial year in question.

## **Interpretation**

2. In these Regulations, “financial year” is to be construed in relation to any amendment to an enactment made by these Regulations, as having the same meaning as in that enactment.

## **PART 2**

### **Adoption of international accounting standards**

#### **CHAPTER 1**

##### **Interpretation**

### **Interpretation of this Part**

3. In this Part—

“international accounting standards” has the meaning given by Article 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards;

“publish” means to make available free of charge on a publicly accessible website;

“UK-adopted international accounting standards” has the meaning given by section 474(1) of the Companies Act 2006;

“undertaking” has the same meaning as in section 1161(1) of the Companies Act 2006<sup>(3)</sup>.

#### **CHAPTER 2**

##### **International accounting standards on exit day**

### **International accounting standards in the UK on exit day**

4. The international accounting standards adopted for use within the United Kingdom on exit day are those which were contained in Commission Regulation (EC) No. 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards<sup>(4)</sup>, as it had effect immediately before exit day.

#### **CHAPTER 3**

##### **The functions of the Secretary of State**

### **Responsibility for adoption of international accounting standards**

5. The Secretary of State is responsible for—

(a) the adoption of international accounting standards for use within the United Kingdom, with a view to harmonising the financial information presented by the companies required by section 403(1) of the Companies Act 2006 to prepare their accounts in accordance with UK-adopted international accounting standards, in order to ensure—

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<sup>(3)</sup> 2006 c. 46.

<sup>(4)</sup> OJ No. L 320, 29.11.2008, p.1, last amended by OJ No. L 87, 03.04.2018, p.3.

- (i) a high degree of transparency and international comparability of financial statements; and
  - (ii) the efficient allocation of capital, including the smooth functioning of capital markets in the United Kingdom; and
- (b) participating in and contributing to the development of a single set of international accounting standards.

### **Power of the Secretary of State to adopt international accounting standards**

6.—(1) The Secretary of State may adopt international accounting standards for use within the United Kingdom, in accordance with regulations 7 and 8.

(2) In exceptional circumstances, the Secretary of State may exercise the power to adopt international accounting standards in accordance with paragraph (3) or (4).

(3) Where the effect of regulation 7 is that an international accounting standard taken as a whole cannot be adopted, the Secretary of State may adopt an international accounting standard in part only, provided that—

- (a) those parts of the standard which are not adopted are—
    - (i) severable from the standard so that the rest of the standard is operational;
    - (ii) severed only to the extent necessary to enable adoption of the rest of the standard for use within the United Kingdom; and
  - (b) adoption of that part of the standard would be in compliance with regulation 7.
- (4) Where there is an option available as part of the standard, the Secretary of State may—
- (a) make provision in the standard to extend the scope of undertakings eligible to use that option; and
  - (b) make such extension of scope subject to an undertaking meeting criteria specified by the Secretary of State.

### **Basis for adoption of international accounting standards**

7.—(1) The Secretary of State may only adopt an international accounting standard under regulation 6 if the Secretary of State is of the view that, in relation to the form of the standard the Secretary of State intends to adopt—

- (a) the standard is not contrary to either of the following principles—
    - (i) an undertaking's accounts must give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss;
    - (ii) consolidated accounts must give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the accounts taken as a whole, so far as concerns members of the undertaking;
  - (b) the use of the standard is likely to be conducive to the long term public good in the United Kingdom; and
  - (c) the standard meets the criteria of understandability, relevance, reliability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management.
- (2) In deciding whether the use of a standard is likely to be conducive to the long term public good in the United Kingdom, the Secretary of State must have regard, in particular, to the following matters—
- (a) whether the use of the standard is likely to improve the quality of financial reporting;

- (b) the costs and benefits that are likely to result from the use of the standard; and
  - (c) whether the use of the standard is likely to have an adverse effect on the economy of the United Kingdom, including on economic growth.
- (3) The Secretary of State may, by regulations made by statutory instrument, amend paragraph (2).
- (4) Regulations made under paragraph (3) are subject to annulment in pursuance of a resolution of either House of Parliament.

### **Adoption of standards: consultation**

**8.** Before adopting an international accounting standard under regulation 6, the Secretary of State must consult such persons as the Secretary of State considers to be representative of those with an interest in the quality and availability of accounts, including users and preparers of accounts.

### **Consideration of standards: publication requirements**

**9.—(1)** The Secretary of State must publish the final decision in relation to any standard which the Secretary of State has considered for adoption under regulation 6, giving reasons for any decision to—

- (a) adopt the standard in whole;
- (b) adopt the standard in part;
- (c) extend the scope of undertakings eligible to use an option in the standard; or
- (d) not adopt the standard.

(2) Where the Secretary of State adopts a standard under regulation 6, the Secretary of State must publish within 3 working days, beginning with the day after the day that the standard is adopted—

- (a) a statement that the standard has been adopted;
- (b) the wording of the adopted standard;
- (c) where the scope of undertakings eligible to use an option in the standard has been extended, a statement that that this has been done, setting out the full details; and
- (d) a description of the financial years in respect of which that standard must be used.

(3) The Secretary of State must maintain and publish a consolidated text of UK-adopted international accounting standards, which must be kept up to date.

(4) Information required to be published under paragraphs (1), (2) and (3) must be published on the same website.

(5) In this regulation, “working day” means any day other than—

- (a) Saturday or Sunday;
- (b) Christmas Day or Good Friday; or
- (c) a day which is a bank holiday under the Banking and Financial Dealings Act 1971(5) in any part of the United Kingdom.

### **Certification**

**10.—(1)** The production of a printed copy of an international accounting standard purported to have been adopted by the Secretary of State on which is endorsed a certificate signed by the Secretary of State and stating—

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(5) 1971 c. 80. See section 1 and Schedule 1 for the definition of “bank holiday”. Schedule 1 was amended by section 1 of the St Andrew’s Day Bank Holiday (Scotland) Act 2007 (asp. 2). There are other amendments but none is relevant.

(a) that the international accounting standard was adopted by the Secretary of State,  
(b) that the copy is a true copy of the adopted standard,  
is evidence (or, in Scotland, sufficient evidence) of the facts stated in the certificate.

(2) A certificate purporting to be signed as mentioned in paragraph (1) is to be deemed to have been duly signed unless the contrary is shown.

(3) Any person wishing in any legal proceedings to cite an international accounting standard adopted by the Secretary of State may require the Secretary of State to cause a copy of it to be endorsed with such a certificate as is mentioned in this regulation.

#### **Periodic review by Secretary of State of impact of adopted standard**

**11.**—(1) The Secretary of State must publish a statement setting out the Secretary of State’s policy on what amounts to a significant change in accounting practice, and must keep this policy statement under review.

(2) Paragraphs (3) and (4) apply in relation to the adoption of any standard by the Secretary of State under regulation 6 which the Secretary of State considers likely to lead to a significant change in accounting practice.

(3) The Secretary of State must—

- (a) carry out a review of the impact of the adoption of the standard; and
- (b) publish a report setting out the conclusions of the review no later than 5 years after the date on which the standard takes effect (being the first day of the first financial year in respect of which it must be used).

(4) The Secretary of State may carry out subsequent reviews from time to time, and in the event of doing so the Secretary of State must publish a report setting out the conclusions of any review conducted.

#### **Secretary of State’s duty to report to Parliament**

**12.** The Secretary of State must lay a report before Parliament reporting on the carrying out of the Secretary of State’s responsibilities under these Regulations within one year of the coming into force of these Regulations, and lay a further report for every subsequent year.

### **CHAPTER 4**

#### **Power for Secretary of State to delegate adoption function**

#### **Delegation of the Secretary of State’s functions**

**13.**—(1) The Secretary of State may make regulations under this regulation (“delegation regulations”) for the purpose of enabling functions of the Secretary of State under Chapter 3 of this Part to be exercised by a body designated by the regulations.

(2) The body designated may be a body corporate or an unincorporated association, and must already be in existence at the time the delegation regulations are made.

(3) Delegation regulations have the effect of making the body designated by the regulations designated under section 5 of the Freedom of Information Act 2000<sup>(6)</sup> (further powers to designate public authorities).

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(6) 2000 c. 36. Section 5 was amended by S.I. 2003/1887, 2015/1897 and 2016/997.

(4) Delegation regulations have the effect of transferring to the body designated by them all functions of the Secretary of State under Chapter 3 of this Part subject to such exceptions and reservations as may be specified in the regulations.

(5) Delegation regulations may confer on the body designated by them such other functions supplementary or incidental to those transferred as appear to the Secretary of State to be appropriate.

(6) Delegation regulations may be amended or, if it appears to the Secretary of State that it is no longer in the public interest that the regulations should remain in force, revoked by further regulations under this regulation.

(7) Where functions are transferred or resumed, the Secretary of State may by regulations confer or, as the case may be, take away such other functions supplementary or incidental to those transferred or resumed as appear to him to be appropriate.

(8) Regulations under this regulation which have the effect of transferring or resuming any functions must not be made unless a draft has been laid before Parliament and approved by a resolution of each House of Parliament.

(9) Any other regulations made under this regulation are subject to annulment in pursuance of a resolution of either House of Parliament.

**14.**—(1) The Secretary of State’s power to make delegation regulations under regulation 13 is exercisable in accordance with this regulation.

(2) The Secretary of State may make delegation regulations designating a body only if it appears to him that—

- (a) the body is able and willing to exercise the functions that would be transferred by the regulations, and
- (b) the body has arrangements in place relating to the exercise of those functions which are such as to be likely to ensure that the conditions in paragraph (3) are met.

(3) The conditions are—

- (a) that the functions in question will be exercised effectively, and
- (b) where the delegation regulations are to contain any requirements or other provision specified under paragraph (4), that those functions will be exercised in accordance with any such requirements or provisions.

(4) The delegation regulations may contain such requirements or other provision relating to the exercise of the functions by the designated body as appear to the Secretary of State to be appropriate.

## CHAPTER 5

### Supplementary provisions with respect to delegation

#### Operation of this Chapter

**15.**—(1) This Chapter has effect in relation to a body designated by delegation regulations under regulation 13.

(2) Any power conferred by this Chapter to make provision by regulations is a power to make provision by regulations under regulation 13.

#### Status

**16.** The body is not to be regarded as acting on behalf of the Crown and its members, officers and employees are not to be regarded as Crown servants.

### **Reporting by the body**

17.—(1) The body must, at least once in each calendar year for which the delegation regulations are in force, make a report to the Secretary of State on—

- (a) the discharge of the functions transferred to it, and
- (b) such other matters as the Secretary of State may by regulations require.

(2) Delegation regulations may modify paragraph (1) as it has effect in relation to the calendar year in which the regulations come into force or are revoked.

(3) The Secretary of State must lay before Parliament copies of each report received under this paragraph.

### **Other supplementary provisions**

18.—(1) The transfer of a function to a body designated by delegation regulations does not affect anything previously done in the exercise of the function transferred; and the resumption of a function so transferred does not affect anything previously done in exercise of the function resumed.

(2) The Secretary of State may by regulations make such transitional and other supplementary provision as the Secretary of State thinks necessary or expedient in relation to the transfer or resumption of a function.

(3) The provision that may be made in connection with the transfer of a function includes, in particular, provision—

- (a) for applying to the body designated by the delegation regulations, in connection with the function transferred, any provision applying to the Secretary of State which is contained in or made under any other enactment;
- (b) for the transfer of any property, rights or liabilities from the Secretary of State to that body;
- (c) for the carrying on and completion by that body of anything in the process of being done by the Secretary of State when the regulations take effect;
- (d) for the substitution of that body for the Secretary of State in any instrument, contract or legal proceedings.

(4) The provision that may be made in connection with the resumption of a function includes, in particular, provision—

- (a) for the transfer of any property, rights or liabilities from that body to the Secretary of State;
- (b) for the carrying on and completion by the Secretary of State of anything in the process of being done by that body when the regulations takes effect;
- (c) for the substitution of the Secretary of State for that body in any instrument, contract or legal proceedings.

## **CHAPTER 6**

### **Consequential amendments, revocations and transitional provision relating to the adoption of international accounting standards**

#### **Consequential amendments and transitional provision relating to the adoption of international accounting standards**

19. Schedule 1 has effect.

### **Revocations and transitional provision**

**20.**—(1) Schedule 2 has effect and the instruments listed in that Schedule are revoked, subject to paragraph (2).

(2) Any provisions in the instruments listed in Schedule 2 concerning the application of international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards<sup>(7)</sup> before exit day, apply to the international accounting standards adopted by virtue of regulation 3 as they applied to the international accounting standards adopted by the Commission.

## **PART 3**

### **Transitional and consequential amendments relating to European Public Limited-Liability Companies**

#### **Transitional and consequential amendments relating to European Public Limited-Liability Companies**

**21.** Schedule 3 has effect.

## **PART 4**

### **Miscellaneous amendments**

#### **Amendments to the Competition (Amendment etc.) (EU Exit) Regulations 2019**

**22.** In the Competition (Amendment etc.) (EU Exit) Regulations 2019<sup>(8)</sup>, in Schedule 4 (saving and transitional provision), in paragraph 8 (cases in which CMA relieved of competence by EU law)

- (a) in sub-paragraph (1)(b)—
  - (i) for “a decision” substitute “an infringement decision”;
  - (ii) for “Chapter III” substitute “Article 7”;
- (b) in sub-paragraph (2), for “that case” substitute “the infringement decision”.

#### **Amendments to the Accounts and Reports (Amendment) (EU Exit) Regulations 2019**

**23.** In the Accounts and Reports (Amendment) (EU Exit) Regulations 2019<sup>(9)</sup>, in Schedule 3 (Amendments made under the European Union (Withdrawal) Act 2018: secondary legislation)—

- (a) for paragraph 32(a)(ii) substitute—
  - “(ii) after “which is” insert “a body corporate.”;”;
- (b) in paragraph 32(b)(i), for ““rules 4.1 (annual financial report) and 4.2 (half-yearly financial reports) of the DGTR sourcebook”” substitute ““Section 1 of Chapter 4 (annual financial report) and Section 2 of Chapter 4 (half-yearly financial reports) of the DGTR sourcebook””;
- (c) for paragraph 32(b)(ii), substitute—

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<sup>(7)</sup> OJ No. L 320, 29.11.2008, p.1, last amended by OJ No. L 87, 03.04.2018, p.3.

<sup>(8)</sup> S.I. 2019/93.

<sup>(9)</sup> S.I. 2019/145.



- “(ii) for sub-paragraph (a), substitute—
  - “(a) rule 4.4.1, rule 4.4.2 (exemptions) and TP 1.19 (exemption for certain large debt securities issuers) of the DGTR sourcebook, or”;
- (d) for paragraph 32(b)(iii), substitute—
  - “(iii) in sub-paragraph (b)—
    - (aa) for “Disclosure Rules and Transparency Rules Sourcebooks” substitute “DGTR sourcebook”;
    - (bb) at the end insert “(where the Listing Rules and the Prospectus Rules means those Rules as they had effect on exit day)”;
- (e) in paragraph 33, for ““rules 4.1 (annual financial report) and 4.2 (half-yearly financial reports) of the DGTR sourcebook”” substitute ““Section 1 of Chapter 4 (annual financial report) and Section 2 of Chapter 4 (half-yearly financial reports) of the DGTR sourcebook””.

26th March 2019

26th March 2019

*Kelly Tolhurst*  
Minister for Small Business, Consumers and  
Corporate Responsibility  
Department for Business, Energy and Industrial  
Strategy  
*Rebecca Harris*  
*Paul Maynard*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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## SCHEDULE 1

Regulation 19

Consequential amendments and transitional provision relating to the adoption of international accounting standards in the United Kingdom

### PART 1

#### Amendments to Primary Legislation

##### CHAPTER 1

##### Amendments to the Companies Act 2006

###### **Amendments to the Companies Act 2006**

1. The Companies Act 2006(10) is amended in accordance with this Chapter.

###### **Companies qualifying as small: parent companies**

2. In section 383(6), for “international accounting standards” substitute “UK-adopted international accounting standards”.

###### **Duty to keep accounting records**

3. In section 386(2)(c) and (5), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

###### **Where and for how long records to be kept**

4. In section 388(3)(b), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

###### **Individual accounts: exemption for dormant subsidiaries**

5. In section 394A(2)(c)(ii)(11), for “international accounting standards” substitute “UK-adopted international accounting standards”.

###### **Individual accounts: applicable accounting framework**

6. In section 395(1)(b) and (3)(12), for “international accounting standards” substitute “UK-adopted international accounting standards”.

###### **IAS individual accounts**

7. In section 397(2)(13), for “international accounting standards” substitute “UK-adopted international accounting standards”.

###### **Exemption for company included in EEA group accounts of larger group**

8. In section 400(2)(b)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards”.

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(10) 2006 c.46.

(11) Section 394A was inserted by S.I. 2012/2301.

(12) Section 395(3) was amended by S.I. 2012/2301.

(13) Section 397 was substituted by S.I. 2015/980.

### **Exemption for company included in non-EEA group accounts of larger group**

9. In section 401(2)(b)(iii)(14), for “international accounting standards adopted pursuant to the IAS Regulation” substitute “UK-adopted international accounting standards”.

### **Group accounts: applicable accounting framework**

10. In section 403(15)—

(a) for subsection (1) substitute—

“(1) The group accounts of a parent company whose securities are, on its balance sheet date, admitted to trading on a UK regulated market must be prepared in accordance with UK-adopted international accounting standards (“IAS group accounts”).”;

(b) in subsections (2)(b) and (4), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **IAS group accounts**

11. In section 406(2)(16), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Approval and signing of accounts**

12. In section 414(4), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

### **Dormant subsidiaries exempt from obligation to file accounts**

13. In section 448A(2)(c)(ii)(17), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Voluntary revision of accounts etc.**

14. In section 454(1)(18) and (2)(a), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

### **Secretary of State’s notice in respect of accounts or reports**

15. In section 455(1)(19) and (4)(b), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

### **Application to court in respect of defective accounts or reports**

16. In section 456(1)(20), (5) and (6), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

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(14) Section 401(2)(b) was substituted by [S.I. 2015/980](#).

(15) Section 403(4) was amended by [S.I. 2012/2301](#).

(16) Section 406 was substituted by [S.I. 2015/980](#).

(17) Section 448A was inserted by [S.I. 2012/2301](#). There are no relevant amendments.

(18) Section 454(1) was amended by [S.I. 2013/1970](#).

(19) Section 455(1) was amended by [S.I. 2013/1970](#).

(20) Section 456(1) was amended by [S.I. 2013/1970](#).

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### **Other persons authorised to apply to the court**

17. In section 457(1)(a)(21), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

### **Power of authorised person to require documents, information and explanations**

18. In section 459(1)(22), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

### **Companies qualifying as medium-sized: parent companies**

19. In section 466(6), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Notes to the accounts**

20. In section 472(2), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Minor definitions**

21. In section 474(1)(23)—

- (a) omit the definition of “IAS Regulation”;
- (b) in the definition of “international accounting standards”, for “the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation” substitute “Article 2 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards”;
- (c) in the definition of “profit and loss account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (d) after the definition of “UCITS management company” insert—

““UK-adopted international accounting standards” means the international accounting standards which are adopted for use within the United Kingdom by virtue of Chapter 2 or 3 of Part 2 of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.”.

### **Subsidiary companies: conditions for exemption from audit**

22. In section 479A(2)(c)(ii)(24), for “international accounting standards” substitute “UK-adopted international accounting standards (within the meaning given by section 474(1))”.

### **Auditor’s report on company’s annual accounts**

23. In section 495(3)(c), omit “(and, where applicable, Article 4 of the IAS Regulation)”.

### **Supplementary accounting statement (merger)**

24. In section 910(3), omit “(and where relevant Article 4 of the IAS Regulation)”.

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(21) Section 457(1)(a) was amended by [S.I. 2013/1970](#).

(22) Section 459(1) was amended by [S.I. 2013/1970](#).

(23) There are amendments to section 474(1) but none is relevant.

(24) Section 479A was inserted by [S.I. 2012/2301](#). There are no relevant amendments.

### Supplementary accounting statement (division)

25. In section 925(3), omit “(and where relevant Article 4 of the IAS Regulation)”.

### Index of defined expressions

26. In Schedule 8, in the index of defined expressions—
- (a) omit the entry for “IAS Regulation (in Part 15)”;
  - (b) after the entry for “UCITS management company”, insert—
- “UK-adopted international accounting standards (in Part 15) | section 474(1)”.

## CHAPTER 2

### Amendments to other primary legislation

#### Amendments to the Building Societies Act 1986

27. The Building Societies Act 1986(25) is amended in accordance with paragraphs 28 to 37.
28. In section 61 (directors: supplementary provisions as to elections, etc), in subsection (3A)(26), for “international accounting standards” substitute “UK-adopted international accounting standards”.
29. In section 71 (accounting records), in subsections (2)(c) and (d)(27), for “Article 4 of the IAS Regulation” substitute “section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)”.
30. In section 72A (duty to prepare individual accounts)(28)—
- (a) in subsection (2), for “international accounting standards”, substitute “UK-adopted international accounting standards”;
  - (b) in subsection (3), for “international accounting standards”, substitute “UK-adopted international accounting standards”.
31. In section 72D (IAS individual accounts)(29), for “international accounting standards”, substitute “UK-adopted international accounting standards”.
32. In section 72E (duty to prepare group accounts)(30)—
- (a) in subsection (2)—
    - (i) for “Article 4 of the IAS Regulation”, substitute “section 403(1) of the Companies Act 2006”;
    - (ii) for “international accounting standards”, substitute “UK-adopted international accounting standards”;
  - (b) in subsection (3), for “international accounting standards”, substitute “UK-adopted international accounting standards”;

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(25) 1986 c.53.

(26) Subsection (3A), along with subsection (4), was substituted for section (4) as originally enacted by section 28 of the Building Societies Act 1997 (c. 32). Subsection (3A) was also amended by S.I. 2004/3380.

(27) Section 71(2)(c) and (d) were amended by S.I. 2004/3380.

(28) Section 72A, with sections 72B to 72I, was substituted for sections 72 and 73 as originally enacted by S.I. 2004/3380.

(29) Section 72D was substituted by S.I. 2004/3380.

(30) Section 72E was substituted by S.I. 2004/3380.

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- (c) in subsection (4), for “international accounting standards”, substitute “UK-adopted international accounting standards”.
- 33.** In section 72H (IAS group accounts)(**31**), for “international accounting standards”, substitute “UK-adopted international accounting standards”.
- 34.** In section 78 (auditor’s report)(**32**), in subsection (4)(c), for “Article 4 of the IAS Regulation”, substitute “section 403(1) of the Companies Act 2006”.
- 35.** In section 81B (interpretation of Part 8)(**33**)—
- (a) in subsection (1)—
- (i) omit the definition of “IAS Regulation”;
- (ii) in the definition of “income and expenditure account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (iii) omit the definition of “international accounting standards”;
- (iv) after the definition of “income and expenditure account”, insert—
- ““UK-adopted international accounting standards” has the meaning given by section 474(1) of the Companies Act 2006;”;
- (b) in subsection (2), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 36.** In Schedule 2 (establishment, incorporation and constitution of building societies), in paragraph 31(2)(a) (members’ right to propose and circulate resolutions: the requisite number of members)(**34**), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 37.** In Schedule 10B (disclosures about related undertakings required in note to accounts)(**35**), in—
- (a) paragraph 3(3)(b) (financial information about subsidiary undertakings),
- (b) paragraphs 6(4)(b) and 7(4)(b) (significant holdings in undertakings other than subsidiary undertakings: information requirements),
- (c) paragraph 11(3)(b) (financial information about subsidiary undertakings not included in the consolidation) and
- (d) paragraphs 14(4)(b), 15(3)(b), 17(4)(b) and 18(3)(b) (other significant holdings of society or group: information requirements),
- for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Amendments to the Friendly Societies Act 1992**

- 38.** The Friendly Societies Act 1992(**36**) is amended in accordance with paragraphs **39** to **46**.
- 39.** In section 68 (accounting records), in subsection (2)(b)(**37**) and (c)(**38**), for “Article 4 of the IAS Regulation” substitute “section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)”.

(31) Section 72H was substituted by [S.I. 2004/3380](#).

(32) The heading to section 78 was substituted by [S.I. 2008/1519](#), and subsection (4) was substituted by [S.I. 2017/516](#); there are other amendments but none is relevant.

(33) Section 81B was inserted by [S.I. 2004/3380](#); there are other amending instruments but none is relevant.

(34) Paragraph 31(2)(a)(i) was substituted by [S.I. 1997/2840](#), and amended by [S.I. 1999/3033](#) and [2004/3380](#).

(35) Schedule 10B was inserted by [S.I. 2004/3380](#); there are amending instruments but none is relevant.

(36) [1992 c. 40](#).

(37) Section 68(2)(b) was amended by [S.I. 2005/2211](#).

- 40.** In section 69A (duty to prepare individual accounts)(**39**)—
- (a) in subsection (2)(b), for “international accounting standards” substitute “UK-adopted international accounting standards”;
  - (b) in subsection (3), for “international accounting standards” substitute “UK-adopted international accounting standards”;
  - (c) in subsection (4)(a), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 41.** In section 69D (IAS individual accounts)(**40**), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 42.** In section 69E (duty to prepare group accounts)(**41**)—
- (a) in subsection (2)—
    - (i) for “Article 4 of the IAS Regulation” substitute “section 403(1) of the Companies Act 2006”;
    - (ii) for “international accounting standards” substitute “UK-adopted international accounting standards”;
  - (b) in subsection (3)(b), for “international accounting standards” substitute “UK-adopted international accounting standards”;
  - (c) in subsection (4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
  - (d) in subsection (5)(a), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 43.** In section 69H (IAS group accounts)(**42**), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- 44.** In section 73 (auditor’s report)(**43**), in subsection (5B)(c), for “Article 4 of the IAS Regulation” substitute “section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)”.
- 45.** In section 78A (interpretation of Part 6)(**44**)—
- (a) in subsection (1)—
    - (i) omit the definition of “IAS Regulation”;
    - (ii) in the definition of “income and expenditure account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
    - (iii) omit the definition of “international accounting standards”;
    - (iv) after the definition of “senior statutory auditor” insert—
      - ““UK-adopted international accounting standards” has the meaning given by section 474(1) of the Companies Act 2006;”;

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(38) Section 68(2)(c) was amended by [S.I. 2005/2211](#).

(39) Section 69A was substituted, together with sections 69B to 69I, by [S.I. 2005/2211](#); there are amending instruments but none is relevant.

(40) Section 69D was substituted by [S.I. 2005/2211](#).

(41) Section 69E was substituted by [S.I. 2005/2211](#); there are amending instruments but none is relevant.

(42) Section 69H was substituted by [S.I. 2005/2211](#).

(43) The section heading of section 73 was substituted by [S.I. 2008/1140](#); subsection (5B) was substituted along with subsections (5A) to (5D) for subsection (5) as originally enacted by [S.I. 2005/2211](#); subsection (5B) was then substituted along with subsections (5A) to (5C) by [S.I. 2017/516](#). There are other amending instruments but none is relevant.

(44) Section 78A was inserted by [S.I. 2005/2211](#) and amended by [S.I. 2008/1140](#); there are other amending instruments but none is relevant.

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(b) in subsection (2)(c), for “international accounting standards” substitute “UK-adopted international accounting standards”.

**46.** In Schedule 13E (disclosures about related undertakings)(**45**)—

(a) in paragraph 3(3)(b) (financial information about subsidiary undertakings),

(b) in paragraph 7(4)(b) (significant holdings in bodies corporate other than subsidiary undertakings: information requirements) and

(c) in paragraphs 14(4)(b), 15(3)(b) and 18(3)(b) (other significant holdings of society or group: information requirements),

for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Amendments to the Government Resources and Accounts Act 2000**

**47.** The Government Resources and Accounts Act 2000(**46**) is amended in accordance with paragraphs **48** and **49**.

**48.** In section 5(4)(a) (departmental resource accounts: preparation: relevant guidance)(**47**), for “the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with that Regulation” substitute “UK-adopted international accounting standards, within the meaning given by section 474(1) of the Companies Act 2006”.

**49.** In section 9(5)(a) (whole of government accounts: preparation: relevant guidance)(**48**), for “the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with that Regulation” substitute “UK-adopted international accounting standards, within the meaning given by section 474(1) of the Companies Act 2006”.

### **Amendments to the Government Resources and Accounts Act (Northern Ireland) 2001**

**50.** The Government Resources and Accounts Act (Northern Ireland) 2001(**49**) is amended in accordance with paragraphs **51** and **52**.

**51.** In section 9(4)(a) (departmental resource accounts: preparation: relevant guidance)(**50**), for “the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with that Regulation” substitute “UK-adopted international accounting standards, within the meaning given by section 474(1) of the Companies Act 2006”.

**52.** In section 14(5)(a) (whole of government accounts: preparation: relevant guidance)(**51**), for “the international accounting standards, within the meaning of EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, adopted from time to time by the European Commission in accordance with

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(**45**) Schedule 13E was inserted by [S.I. 2005/2211](#); there are amending instruments but none is relevant.

(**46**) [2000 c. 20](#).

(**47**) Section 5(4)(a) was amended by [S.I. 2004/2497](#) and [2008/948](#).

(**48**) Section 9(5)(a) was amended by [S.I. 2004/2497](#) and [2008/948](#).

(**49**) [2001 c. 6](#) (N.I.).

(**50**) Section 9(4)(a) was amended by [S.R. 2004 No. 496](#).

(**51**) Section 14(5)(a) was amended by [S.R. 2004 No. 496](#).



that Regulation” substitute “UK-adopted international accounting standards, within the meaning given by section 474(1) of the Companies Act 2006”.

## PART 2

### Amendments to Subordinate Legislation

#### **Amendment to the Friendly Societies (Accounts and Related Provisions) Regulations 1994**

**53.** In the Friendly Societies (Accounts and Related Provisions) Regulations 1994(**52**), in Schedule 6 (accounting principles and rules), in paragraph 24A(3A)(**53**) (inclusion of financial instruments at fair value) for the words “international accounting standards adopted by the European Commission on or before 5th September 2006 in accordance with the IAS Regulation” substitute “UK-adopted international accounting standards within the meaning of section 474(1) of the Companies Act 2006”.

#### **Amendment to the Building Societies (Accounts and Related Provisions) Regulations 1998**

**54.** In the Building Societies (Accounts and Related Provisions) Regulations 1998(**54**), in Schedule 7 (accounting principles and rules), in paragraph 31A(3A)(**55**) (inclusion of financial instruments at fair value), for “international accounting standards adopted by the European Commission on or before 5th September 2006 in accordance with the IAS Regulation” substitute “UK-adopted international accounting standards within the meaning of section 474(1) of the Companies Act 2006”.

#### **Amendments to the Companies (Revision of Defective Accounts and Reports) Regulations 2008**

**55.**—(1) The Companies (Revision of Defective Accounts and Reports) Regulations 2008(**56**) are amended as follows.

- (2) In regulation 3 (content of revised accounts or revised report)—
  - (a) in paragraph (1), omit “and, where applicable, Article 4 of the IAS Regulation”;
  - (b) in paragraph (2)(b), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (3) In regulation 7 (auditor’s report on revised accounts and revised report)—
  - (a) in paragraph (1A)(b), omit “(and, where applicable, Article 4 of the IAS Regulation)”;
  - (b) in paragraph (3), omit “and, where applicable, Article 4 of the IAS Regulation”.

#### **Amendments to the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008**

**56.** In Schedule 1 (Companies Act individual accounts) to the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008(**57**)—

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(52) [S.I. 1994/1983](#).

(53) Paragraph 24A, together with paragraphs 24B to 24F, was inserted by [S.I. 2005/2210](#). Sub-paragraph (3A) was inserted by [S.I. 2008/1144](#). Other amendments have been made to paragraph 24A but none is relevant.

(54) [S.I. 1998/504](#).

(55) Paragraph 31A, together with paragraphs 31B to 31F, was inserted by [S.I. 2004/3199](#). Sub-paragraph (3A) was inserted by [S.I. 2008/1143](#). Other amendments have been made to paragraph 31A but none is relevant.

(56) [S.I. 2008/373](#), amended by [S.I. 2017/1164](#); there are other amending instruments but none is relevant.

(57) [S.I. 2008/409](#), amended by [S.I. 2015/980](#); there are other amending instruments but none is relevant.

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- (a) in Part 2 (accounting principles and rules), in paragraph 36(4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 66(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Amendments to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008**

**57.**—(1) The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008(**58**) are amended as follows.

(2) In Schedule 1 (Companies Act individual accounts: companies which are not banking or insurance companies)—

- (a) in Part 2 (accounting principles and rules), in paragraph 36(4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 72(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

(3) In Schedule 2 (banking companies: Companies Act individual accounts)—

- (a) in Part 2 (accounting principles and rules), in paragraph 44(4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 92(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

(4) In Schedule 3 (insurance companies: Companies Act individual accounts)—

- (a) in Part 2 (accounting principles and rules), in paragraph 30(4), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 90(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Amendments to the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008**

**58.**—(1) The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008(**59**) are amended as follows.

(2) In regulation 5 (LLPs subject to the small LLPs regime)(**60**), in the modified version of section 383 (LLPs qualifying as small: parent LLPs), in subsection (6), for “international accounting standards” substitute “UK-adopted international accounting standards”.

(3) In regulation 9 (individual accounts)(**61**)—

- (a) in the modified version of section 394A (individual accounts: exemption for dormant subsidiaries), in subsection (2)(c)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in the modified version of section 395 (individual accounts: applicable accounting framework), in subsections (1)(b) and (2), for “international accounting standards” substitute “UK-adopted international accounting standards”;

(58) S.I. 2008/410, amended by S.I. 2015/980; there are other amending instruments but none is relevant.

(59) S.I. 2008/1911.

(60) Relevant amendments were made to regulation 5 by S.I. 2016/575.

(61) Relevant amendments were made to regulation 9 by S.I. 2012/2301 and 2016/575.

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- (c) in the modified version of section 397 (IAS individual accounts), in subsection (2), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (4) In regulation 10 (group accounts)(**62**)—
- (a) in the modified version of section 400 (exemption for LLP included in EEA group accounts of larger group), in subsection (2)(b)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in the modified version of section 401 (exemption for LLP included in non-EEA group accounts of larger group), in subsection (2)(b)(iii), for “international accounting standards adopted pursuant to the IAS Regulation” substitute “UK-adopted international accounting standards”;
- (c) in the modified version of section 403 (group accounts: applicable accounting framework)—
- (i) in subsections (1)(b) and (2), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (d) in the modified version of section 406 (IAS group accounts), in subsection (2), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (5) In regulation 26 (medium-sized LLPs)(**63**), in the modified version of section 466 (LLPs qualifying as medium-sized: parent LLPs), in subsection (6), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (6) In regulation 30 (notes to the accounts)(**64**), in the modified version of section 472, in subsection (2), for “international accounting standards” substitute “UK-adopted international accounting standards”.
- (7) In regulation 32 (minor definitions)(**65**), in the modified version of section 474, in subsection (1)—
- (a) omit the definition of “IAS Regulation”;
- (b) in the definition of “international accounting standards”, for “the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation” substitute “Article 2 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards”;
- (c) in the definition of “profit and loss account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (d) after the definition of “UCITS management company”, insert—
- ““UK-adopted international accounting standards” means the international accounting standards which are adopted for use within the United Kingdom by virtue of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.”.
- (8) In regulation 34A (exemption from audit: qualifying subsidiaries)(**66**), in the modified version of section 479A (subsidiary LLPs: conditions for exemption from audit), in subsection (2)(c)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards (within the meaning given by section 474(1))”.

(62) Relevant amendments were made to regulation 10 by S.I. 2012/2301 and 2016/575.

(63) There are amendments to regulation 26 but none is relevant.

(64) Regulation 30 was amended by S.I. 2016/575.

(65) Regulation 32 was amended by S.I. 2009/1342, 2009/1804, 2011/99, 2012/1439, 2013/472 and 2016/575.

(66) Regulation 34A was inserted by S.I. 2012/2301. There are amendments but none is relevant.

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### **Amendments to the Small Limited Liability Partnerships (Accounts) Regulations 2008**

**59.** In the Small Limited Liability Partnerships (Accounts) Regulations 2008(**67**), in Schedule 1 (non-IAS individual accounts)—

- (a) in Part 2 (accounting principles and rules), in paragraph 36(4)(**68**), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 64(5)(**69**), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Amendments to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008**

**60.** In the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008(**70**), in Schedule 1 (non-IAS individual accounts)—

- (a) in Part 2 (accounting principles and rules), in paragraph 36(4)(**71**), for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (b) in Part 3 (notes to the accounts), in paragraph 70(5), for “international accounting standards” substitute “UK-adopted international accounting standards”.

### **Amendments to the Reports on Payments to Governments Regulations 2014**

**61.** In the Reports on Payments to Governments Regulations 2014(**72**), in regulation 10 (exemption from duty to prepare a consolidated report), in paragraph (4), for “international accounting standards” substitute “UK-adopted international accounting standards”.

## **PART 3**

### **Amendments to EU Regulation**

#### **Amendments to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards**

**62.** In Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, omit all Articles other than Article 2.

#### **Amendments to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories**

**63.**—(1) Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories is amended as follows.

(2) In Article 3 (intragroup transactions), for point (3)(a) substitute—

“(a) included in a consolidation in accordance with:

- (i) legislation of the United Kingdom that was relied upon immediately before exit day to implement [Directive 2013/34/EU](#) of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial

(67) [S.I. 2008/1912](#).

(68) Paragraph 36(4) was substituted by [S.I. 2016/575](#).

(69) Paragraph 64 was inserted by [S.I. 2016/575](#).

(70) [S.I. 2008/1913](#).

(71) Paragraph 36(4) was substituted by [S.I. 2016/575](#).

(72) [S.I. 2014/3209](#), to which there are amendments but none is relevant.

statements and related reports of certain types of undertakings, amending [Directive 2006/43/EC](#) of the European Parliament and of the Council and repealing Council Directives [78/660/EEC](#) and [83/349/EEC](#)(73);

- (ii) UK-adopted international accounting standards, having the meaning given by section 474(1) of the Companies Act 2006; or
- (iii) in relation to a group the parent undertaking of which has its head office in a third country, the generally accepted accounting principles of a third country determined to be equivalent to—
  - (aa) International Financial Reporting Standards by the Commission before exit day in accordance with Regulation (EC) No. 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives [2003/71/EC](#) and [2004/109/EC](#) of the European Parliament and of the Council(74); or
  - (ab) UK-adopted international accounting standards (within the meaning of section 474(1) of the Companies Act 2006) in accordance with regulations made by the Treasury after exit day under Regulation (EC) No. 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives [2003/71/EC](#) and [2004/109/EC](#) of the European Parliament and of the Council;”.

## PART 4

### Transitional provision: IAS accounts and first IAS year

#### Companies

**64.**—(1) Where a company’s individual accounts are prepared in accordance with the pre-commencement version of section 395(1)(b) of the Companies Act 2006, the accounts are to continue to be treated as “IAS individual accounts” for the purposes of that Act.

(2) Where, in the last financial year of a company to begin before exit day, the company’s individual accounts are prepared in accordance with the pre-commencement version of section 395(1)(b) of that Act, section 395(3) and (4) of that Act have effect in relation to the company as if the references to the first IAS year were to that financial year.

(3) Where the group accounts of a company are prepared in accordance with the pre-commencement version of section 403(2)(b) of the Companies Act 2006, the accounts are to continue to be treated as “IAS group accounts” for the purposes of that Act.

(4) Where, in the last financial year of a company to begin before exit day, the group accounts of the company are prepared in accordance with the pre-commencement version of section 403(2)(b) of that Act, section 403(4) and (5) of that Act have effect in relation to the company as if the reference to the first IAS year were to that financial year.

(5) In this paragraph, references to the “pre-commencement version” of a provision of the Companies Act 2006 are to that provision as it had effect before exit day in relation to a financial year of a company that began before exit day.

(73) OJ L 182, 29.6.2013, p. 19.

(74) OJ L 340 22.12.2007, p. 66.

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## Limited Liability Partnerships

**65.**—(1) Where an LLP’s individual accounts are prepared in accordance with the pre-commencement version of section 395(1)(b) of the Companies Act 2006 as applied to LLPs, the accounts are to continue to be treated as “IAS individual accounts” for the purposes of that Act as applied to LLPs.

(2) Where, in the last financial year of an LLP to begin before exit day, the LLP’s individual accounts are prepared in accordance with the pre-commencement version of section 395(1)(b) of that Act as applied to LLPs, section 395(3) and (4) of that Act as applied to LLPs have effect in relation to the LLP as if the references to the first IAS year were to that financial year.

(3) Where the group accounts of an LLP are prepared in accordance with the pre-commencement version of section 403(1)(b) of the Companies Act 2006 as applied to LLPs, the accounts are to continue to be treated as “IAS group accounts” for the purposes of that Act as applied to LLPs.

(4) Where, in the last financial year of an LLP to begin before exit day, the group accounts of the LLP are prepared in accordance with the pre-commencement version of section 403(1)(b) of that Act as applied to LLPs, section 403(2) and (3) of that Act as applied to LLPs have effect in relation to the LLP as if the reference to the first IAS year were to that financial year.

(5) In this paragraph—

- (a) “LLP” means a limited liability partnership registered under the Limited Liability Partnerships Act 2000<sup>(75)</sup>;
- (b) references to a provision of the Companies Act 2006 “as applied to LLPs” means to that provision as applied to LLPs by regulation 9 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008;
- (c) references to the “pre-commencement version” of a provision of the Companies Act 2006 as applied to LLPs are to that provision as applied to LLPs, as it had effect before exit day in relation to a financial year of an LLP that began before exit day.

## IAS accounts and first IAS year: building societies

**66.**—(1) Where a building society’s individual accounts are prepared in accordance with the pre-commencement version of section 72A(2)(b) of the Building Societies Act 1986, the accounts are to continue to be treated as “IAS individual accounts” for the purposes of that Act.

(2) Where, in the last financial year of a building society to begin before exit day, the society’s individual accounts are prepared in accordance with the pre-commencement version of section 72A(2)(b) of that Act, section 72A(3) and (4) of that Act have effect in relation to the society as if the references to the first IAS year were to that financial year.

(3) Where the group accounts of a building society are prepared in accordance with the pre-commencement version of section 72E(3)(b) of the Building Societies Act 1986, the accounts are to continue to be treated as “IAS group accounts” for the purposes of that Act.

(4) Where, in the last financial year of a building society to begin before exit day, the group accounts of the society are prepared in accordance with the pre-commencement version of section 72E(3)(b) of that Act, section 72E(4) and (5) of that Act have effect in relation to the society as if the reference to the first IAS year were to that financial year.

(5) In this paragraph, references to the “pre-commencement version” of a provision of the Building Societies Act 1986 are to that provision as it had effect before exit day in relation to a financial year of a building society that began before exit day.

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(75) 2000 c. 12.

## IAS accounts and first IAS year: friendly societies

67.—(1) Where a friendly society’s individual accounts are prepared in accordance with the pre-commencement version of section 69A(2)(b) of the Friendly Societies Act 1992, the accounts are to continue to be treated as “IAS individual accounts” for the purposes of that Act.

(2) Where, in the last financial year of a friendly society to begin before exit day, the society’s individual accounts are prepared in accordance with the pre-commencement version of section 69A(2)(b) of that Act, section 69A(3) and (4) of that Act have effect in relation to the society as if the references to the first IAS year were to that financial year.

(3) Where the group accounts of a friendly society are prepared in accordance with the pre-commencement version of section 69E(3)(b) of the Friendly Societies Act 1992, the accounts are to continue to be treated as “IAS group accounts” for the purposes of that Act.

(4) Where, in the last financial year of a friendly society to begin before exit day, the group accounts of the society are prepared in accordance with the pre-commencement version of section 69E(3)(b) of that Act, section 69E(4) and (5) of that Act have effect in relation to the society as if the reference to the first IAS year were to that financial year.

(5) In this paragraph, references to the “pre-commencement version” of a provision of the Friendly Societies Act 1992 are to that provision as it had effect before exit day in relation to a financial year of a friendly society that began before exit day.

## SCHEDULE 2

Regulation 20

### Revocations

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#### *Instrument revoked*

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1. [Commission Regulation \(EC\) No. 1126/2008](#) of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council
2. [Commission Regulation \(EC\) No. 1260/2008](#) of 10 December 2008 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 23
3. [Commission Regulation \(EC\) No. 1261/2008](#) of 16 December 2008 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 2
4. [Commission Regulation \(EC\) No. 1262/2008](#) of 16 December 2008 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee’s (IFRIC) Interpretation 13
5. [Commission Regulation \(EC\) No. 1263/2008](#) of 16 December 2008 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretation Committee’s (IFRIC) Interpretation 14

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*Instrument revoked*

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6. [Commission Regulation \(EC\) No. 1274/2008](#) of 17 December 2008 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 1
7. [Commission Regulation \(EC\) No. 53/2009](#) of 21 January 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 32 and IAS 1
8. [Commission Regulation \(EC\) No. 69/2009](#) of 23 January 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards amendments to International Financial Reporting Standard (IFRS) 1 and International Accounting Standard (IAS) 27
9. [Commission Regulation \(EC\) No. 70/2009](#) of 23 January 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards Improvements to International Financial Reporting Standards (IFRSs)
10. [Commission Regulation \(EC\) No. 254/2009](#) of 25 March 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 12
11. [Commission Regulation \(EC\) No. 460/2009](#) of 4 June 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 16
12. [Commission Regulation \(EC\) No. 494/2009](#) of 3 June 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 27
13. [Commission Regulation \(EC\) No. 495/2009](#) of 3 June 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 3
14. [Commission Regulation \(EC\) No. 636/2009](#) of 22 July 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 15
15. [Commission Regulation \(EC\) No. 824/2009](#) of 9 September 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 7



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16. [Commission Regulation \(EC\) No. 839/2009](#) of 15 September 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 39
17. [Commission Regulation \(EC\) No. 1136/2009](#) of 25 November 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 1
18. [Commission Regulation \(EC\) No. 1142/2009](#) of 26 November 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 17
19. [Commission Regulation \(EC\) No. 1164/2009](#) of 27 November 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 18
20. [Commission Regulation \(EC\) No. 1165/2009](#) of 27 November 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 4 and IFRS 7
21. [Commission Regulation \(EC\) No. 1171/2009](#) of 30 November 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 9 and International Accounting Standard (IAS) 39
22. [Commission Regulation \(EU\) No. 1293/2009](#) of 23 December 2009 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 32
23. [Commission Regulation \(EU\) No. 243/2010](#) of 23 March 2010 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards Improvements to International Financial Reporting Standards (IFRSs)
24. [Commission Regulation \(EU\) No. 244/2010](#) of 23 March 2010 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 2
25. [Commission Regulation \(EU\) No. 550/2010](#) of 23 June 2010 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 1
26. [Commission Regulation \(EU\) No. 574/2010](#) of 30 June 2010 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance

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- with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 1 and IFRS 7
27. [Commission Regulation \(EU\) No. 632/2010](#) of 19 July 2010 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 24 and International Financial Reporting Standard (IFRS) 8
  28. [Commission Regulation \(EU\) No. 633/2010](#) of 19 July 2010 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 14
  29. [Commission Regulation \(EU\) No. 662/2010](#) of 23 July 2010 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 19 and International Financial Reporting Standard (IFRS) 1
  30. [Commission Regulation \(EU\) No. 149/2011](#) of 18 February 2011 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards Improvements to International Financial Reporting Standards (IFRSs)
  31. [Commission Regulation \(EU\) No. 1205/2011](#) of 22 November 2011 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 7
  32. [Commission Regulation \(EU\) No. 475/2012](#) of 5 June 2012 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 1 and International Accounting Standard (IAS) 19
  33. [Commission Regulation \(EU\) No. 1254/2012](#) of 11 December 2012 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 10, International Financial Reporting Standard 11, International Financial Reporting Standard 12, International Accounting Standard 27 (2011), and International Accounting Standard 28 (2011)
  34. [Commission Regulation \(EU\) No. 1255/2012](#) of 11 December 2012 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 12, International Financial Reporting Standards 1 and 13, and Interpretation 20 of the International Financial Reporting Interpretations Committee
  35. [Commission Regulation \(EU\) No. 1256/2012](#) of 13 December 2012 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of

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- the Council as regards International Financial Reporting Standard 7 and International Accounting Standard 32
36. [Commission Regulation \(EU\) No. 183/2013](#) of 4 March 2013 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 1
37. [Commission Regulation \(EU\) No. 301/2013](#) of 27 March 2013 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards Annual Improvements to International Financial Reporting Standards, 2009-2011 Cycle
38. [Commission Regulation \(EU\) No. 313/2013](#) of 4 April 2013 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance (Amendments to International Financial Reporting Standards 10, 11, and 12)
39. [Commission Regulation \(EU\) No. 1174/2013](#) of 20 November 2013 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standards 10 and 12 and International Accounting Standard 27
40. [Commission Regulation \(EU\) No. 1374/2013](#) of 19 December 2013 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 36
41. [Commission Regulation \(EU\) No. 1375/2013](#) of 19 December 2013 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 39
42. [Commission Regulation \(EU\) No. 634/2014](#) of 13 June 2014 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards Interpretation 21 of the International Financial Reporting Interpretations Committee
43. [Commission Regulation \(EU\) No. 1361/2014](#) of 18 December 2014 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standards 3 and 13 and International Accounting Standard 40
44. [Commission Regulation \(EU\) 2015/28](#) of 17 December 2014 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standards 2, 3 and 8 and International Accounting Standards 16, 24 and 38
45. [Commission Regulation \(EU\) 2015/29](#) of 17 December 2014 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance

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- with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 19
46. Commission Regulation (EU) 2015/2113 of 23 November 2015 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 16 and 41
47. Commission Regulation (EU) 2015/2173 of 24 November 2015 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 11
48. Commission Regulation (EU) 2015/2231 of 2 December 2015 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 16 and 38
49. Commission Regulation (EU) 2015/2343 of 15 December 2015 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standards 5 and 7 and International Accounting Standards 19 and 34
50. Commission Regulation (EU) 2015/2406 of 18 December 2015 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 1
51. Commission Regulation (EU) 2015/2441 of 18 December 2015 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 27
52. Commission Regulation (EU) 2016/1703 of 22 September 2016 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standards 10 and 12 and International Accounting Standard 28
53. Commission Regulation (EU) 2016/1905 of 22 September 2016 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 15
54. Commission Regulation (EU) 2016/2067 of 22 November 2016 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 9
55. Commission Regulation (EU) 2017/1987 of 31 October 2017 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 15
56. Commission Regulation (EU) 2017/1988 of 3 November 2017 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance

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	with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 4
57.	Commission Regulation (EU) 2017/1989 of 6 November 2017 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 12
58.	Commission Regulation (EU) 2017/1990 of 6 November 2017 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 7
59.	Commission Regulation (EU) 2018/182 of 7 February 2018 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 28 and International Financial Reporting Standards 1 and 12
60.	Commission Regulation (EU) 2018/289 of 26 February 2018 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 2 ‘Share-based Payment’
61.	Commission Regulation (EU) 2018/400 of 14 March 2018 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 40
62.	Commission Regulation (EU) 2018/519 of 28 March 2018 amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards Interpretation 22 of the International Financial Reporting Interpretations Committee

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## SCHEDULE 3

Regulation 21

### Amendments relating to European Public Limited-Liability Companies

## PART 1

Application of the Companies Act 2006, the Overseas Companies Regulations 2009 and the Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009 to European Public Limited-Liability Companies

### Interpretation

1. In this Part—

“the Overseas Companies Regulations” means the Overseas Companies Regulations 2009<sup>(76)</sup>;

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(76) S.I. 2009/1801, to which there are amendments not relevant to these provisions.

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“SE” means a European Public Limited-Liability Company (or Societas Europaea), within the meaning of Council Regulation 2157/2001/EC of 8 October 2001 on the Statute for a European Company(77), as it has effect in EU law as amended from time to time.

### **Application of the Companies Act 2006**

2. An SE which subsists on exit day is regarded—
  - (a) for the purpose of section 1044 (overseas companies) of the Companies Act 2006 as having been incorporated outside the United Kingdom, and
  - (b) for the purpose of section 1050 (accounts and reports: credit or financial institutions) of the Companies Act 2006 as having been incorporated outside the United Kingdom and Gibraltar.
3. In the application of Part 35 of the Companies Act (the registrar of companies) to an SE, references to “director” or “board of directors” are to be read as if they were references—
  - (a) in a one-tier system, to the members of the administrative organ of an SE;
  - (b) in a two-tier system, to the members of the supervisory and management organs of an SE.

### **Application of the Overseas Companies Regulations**

4. Paragraphs 5 to 10 apply in the application of the Overseas Companies Regulations to an SE.
5. References to “directors” or “board of directors” are to be read as if they were references—
  - (a) in a one-tier system, to the members of the administrative organ of an SE;
  - (b) in a two-tier system, to the members of the supervisory and management organs of an SE.
6. In regulation 6 (particulars of the company), paragraph (1)(c) is to be read as if “if it is registered in the country of its incorporation,” were omitted.
7. In regulation 31 (application and interpretation of Chapter), the definition of “parent law” in paragraph (2) is to be read as if for “incorporated” there were substituted “registered”.
8. In regulation 60 (requirement to display name etc at business location), the words in paragraph (1) before sub-paragraph (a) are to be read as if for “incorporation” there were substituted “registration”.
9. Regulation 61 (manner of display of name etc) is to be read as if for “incorporation” there were substituted “registration”.
10. In regulation 63 (particulars to appear in business letters, order forms and websites)—
  - (a) paragraph (4)(a) is to be read as if for “incorporation” there were substituted “registration”;
  - (b) paragraph (4)(b) is to be read as if—
    - (i) “, if any,” were omitted; and
    - (ii) for “incorporation” there were substituted “registration”.

### **Transitional provision for the application of the Overseas Companies Regulations 2009 to existing establishments of SEs**

- 11.—(1) Where—
  - (a) an SE has a UK establishment, within the meaning of the Overseas Companies Regulations, on exit day, or

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(77) OJ No. L 294, 10.11.2001, p. 1, last amended by OJ No. L 158, 10.6.2013, p.1.

- (b) an SE which is a credit or financial institution has a branch in the United Kingdom, within the meaning of Part 6 of the Overseas Companies Regulations, on exit day,

the SE is treated for the purposes of the Overseas Companies Regulations as if it had opened its UK establishment or branch on exit day.

(2) Sub-paragraph (1) does not apply in respect of regulation 7(1)(b) (particulars of the establishment) of the Overseas Companies Regulations.

(3) Where sub-paragraph (1) applies—

- (a) regulations 4(1) and 45 are to be read as if for “one month” there were substituted “three months”;
- (b) the SE must comply with its obligations in Part 7 (trading disclosures) of the Overseas Companies Regulations within three months of exit day.

### **Transitional provision for the application of the Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009**

**12.** In the application of the Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009(**78**) to an SE—

- (a) a charge subsisting on the day on which Part 3 of those Regulations applies to the SE (“the relevant day”) is to be treated for the purpose of regulation 24 of those Regulations as if that charge had been created on the relevant day;
- (b) where sub-paragraph (a) applies, regulation 24(1) of those Regulations is to be read as if for “21 days” there were substituted “three months”.

## **PART 2**

### **Amendment to the European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2018: transitional arrangements for employee engagement**

**13.** Part 4 of the European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2018(**79**) is amended as follows.

**14.** In regulation 147, for “152” substitute “152A”.

**15.** After regulation 152 insert—

“**152A.**—(1) Despite the amendments and revocations made by these Regulations, paragraph 5(1) of the Schedule to the pre-exit 2009 GB Regulations applies to a UK Societas whose representative body was established less than four years before exit day.

(2) Where paragraph 5(1) applies—

- (a) regulations 14 to 16 and 18 of the pre-exit 2009 GB Regulations apply, to the representative body as they apply to the special negotiating body, and the date referred to in regulation 14(3) is the date of the decision;
- (b) Parts 2 and 3 of the Schedule to the pre-exit 2009 GB Regulations apply, where appropriate, and
- (c) the following modifications to the pre-exit 2009 GB Regulations have effect—

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(78) S.I. 2009/1917, amended by S.I. 2011/2194.

(79) S.I. 2018/1298.

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- (i) references to “EEA State” are to be read as though they were references to “Relevant State”;
- (ii) references to “SE” are to be read as if they were references to “UK Societas”.

**16.** In regulation 154, for “159” substitute “159A”.

**17.** After regulation 159 insert—

“**159A.**—(1) Despite the amendments and revocations made by these Regulations, paragraph 5(1) of the Schedule to the pre-exit 2009 NI Regulations applies to a UK Societas whose representative body was established less than four years before exit day.

(2) Where paragraph 5(1) applies—

- (a) regulations 14 to 16 and 18 of the pre-exit 2009 NI Regulations apply, to the representative body as they apply to the special negotiating body, and the date referred to in regulation 14(3) is the date of the decision;
- (b) Parts 2 and 3 of the Schedule to the pre-exit 2009 NI Regulations apply, where appropriate, and
- (c) the following modifications to the pre-exit 2009 NI Regulations have effect—
  - (i) references to “EEA State” are to be read as though they were references to “Relevant State”;
  - (ii) references to “SE” are to be read as if they were references to “UK Societas”.

## PART 3

### Consequential amendments in relation to the European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2018

#### **Amendment of the Employment Rights Act 1996**

**18.** In section 205A of the Employment Rights Act 1996<sup>(80)</sup> (employee shareholders), in subsection (13), in the definition of “company”, for paragraph (b) substitute—

- “(b) a United Kingdom Societas (or UK Societas) within the meaning of Council Regulation 2157/2001/EC of 8 October 2001 on the Statute for a European company;”.

#### **Amendment of the Transnational Information and Consultation of Employees Regulations 1999**

**19.** In regulation 46A of the Transnational Information and Consultation of Employees Regulations 1999<sup>(81)</sup>—

- (a) in paragraph (1), for “an SE” substitute “a UK Societas”;
- (b) for paragraph (2) substitute—

“(2) In this regulation “UK Societas” means a United Kingdom Societas within the meaning of Council Regulation 2157/2001/EC of 8 October 2001 on the Statute for a European Company.”.

<sup>(80)</sup> 1996 c.18. Section 205A was inserted by section 31 of the Growth and Infrastructure Act 2013 c.27.

<sup>(81)</sup> S.I. 1999/3323, substituted S.I. 2009/2401, and in respect of Northern Ireland, S.I. 2009/2402.



### **Amendment of the Companies Act 2006**

**20.** In section 1285 of the Companies Act 2006<sup>(82)</sup> (extension of GB enactments relating to SEs)

- (a) in the heading and in subsection (1), for “SEs” substitute “UK Societas”;
- (b) for subsection (3) substitute—

“(3) In this section “UK Societas” means a United Kingdom Societas within the meaning of Council Regulation 2157/2001/EC of 8 October 2001 on the Statute for a European Company.”.

### **Amendment of the Companies (Disclosure of Address) Regulations 2009**

**21.** The Companies (Disclosure of Address) Regulations 2009<sup>(83)</sup> are amended as follows—

- (a) in regulation 1 (citation, commencement and interpretation), in paragraph (2)—
  - (i) at the end of the definition of “the Northern Ireland SEs Regulations” insert “as they had effect at the time the address was filed”;
  - (ii) at the end of the definition of “the SEs Regulations” insert “as they had effect at the time the address was filed”;
- (b) in regulation 9 (application under section 1088 to make an address unavailable for public inspection by an individual), in paragraph (1)(d), after “Societas Europaea” insert “or a member of a United Kingdom Societas”.

### **Amendment of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017**

**22.** In regulation 28 (customer due diligence measures) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017<sup>(84)</sup>, in paragraph (9) (a)(iii)—

- (a) for “European Public Limited-Liability Company” substitute “UK Societas”;
- (b) omit the words “which is to be, or is, registered in the United Kingdom”.

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## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations are made in exercise of the powers conferred by section 8 of the European Union (Withdrawal) Act 2018 (c. 16) in order to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union. In particular, these Regulations address deficiencies under paragraphs (b), (d) and (g) of section 8(2)

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<sup>(82)</sup> 2006 c.46.

<sup>(83)</sup> S.I. 2009/214; regulation 1 was amended by S.I. 2009/2400. Regulation 9 was substituted by S.I. 2018/528. There are other amending instruments but none is relevant.

<sup>(84)</sup> S.I. 2017/692.

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of the Act and transfer functions under section 8(6) of the Act. The Regulations make provision in the field of the adoption and use of international accounting standards.

Part 2 of these Regulations makes provision for a new domestic regime for the adoption of international accounting standards for use within the United Kingdom. Regulation 4 sets out what the international accounting standards adopted for use within the United Kingdom are on exit day. Regulation 6 gives power to the Secretary of State to adopt international accounting standards for use within the United Kingdom after exit day, in whole or in part, and also where there is an option available as part of the standard, to make provision in the standard to extend the scope of undertakings eligible to use that option, subject to an undertaking meeting criteria specified by the Secretary of State. Chapter 4 of Part 2 enables the Secretary of State to sub-delegate the function to adopt international accounting standards (and other functions under Chapter 3 of Part 2) to an existing body.

Schedule 1 to these Regulations amends domestic primary legislation (see Chapter 1), subordinate legislation (see Chapter 2) and EU Regulations (see Chapter 3), in consequence of Part 2 of the instrument. In particular, paragraph 63 repeals all but Article 2 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (which contains the definition of “international accounting standard”). Paragraph 10(a) inserts into section 403(1) of the Companies Act 2006 (c. 46) an obligation on certain UK parent companies to prepare their group accounts in accordance with UK-adopted international accounting standards (which is now defined in section 474(1) of that Act, see paragraph 21), which is a restatement with appropriate amendments of the obligation in Article 4 of Regulation (EC) No. 1606/2002.

Schedule 2 contains revocations of EU tertiary legislation. Regulation 20(2) contains transitional provision relating to the international accounting standards adopted under regulation 4, and applies any application provisions in the legislation that Schedule 2 has revoked to those standards.

Part 3 introduces Schedule 3. From exit day, a European Public Limited-Liability Company or Societas Europaea (SE) is an overseas company within the meaning of the Companies Act 2006 and is subject to the Overseas Companies Regulations 2009. Part 1 of the Schedule makes provision in relation to the application of the Overseas Companies Regulations 2009 to SEs which establish, before exit day or subsequently, a branch in the UK.

Fees are payable in accordance with the Registrar of Companies (Fees) (Companies, Overseas Companies and Limited Liability Partnerships) Regulations 2012 (S.I. 2012/1907), pursuant to regulation 3 and Schedule 1 in respect of registration under the Overseas Companies Regulations 2009 and a change of name under section 1048 Companies Act 2006, and pursuant to regulation 6 and Schedule 3 in relation to the protected information regime.

Part 2 of Schedule 3 makes transitional arrangements to apply paragraph 5 of the Schedule to the European Public Limited-Liability Company (Employee Involvement) (Great Britain) Regulations 2009 (S.I. 2009/2401) and the European Public Limited-Liability Company (Employee Involvement) (Northern Ireland) Regulations 2009 (S.I. 2009/2402). These arrangements preserve the provision in paragraph 5 of the Schedule so that UK Societates have the benefit of those provisions in order to determine whether to open negotiations for an employee involvement agreement.

Part 3 of Schedule 3 makes consequential amendments following changes to the formation and operation of European Public Limited-Liability Companies, or “Societas Europaea” (made by the European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2018, S.I. 2018/1298). On exit day, European Public Limited-Liability Companies that are registered in the United Kingdom immediately before that day are to be converted into “United Kingdom Societas” or “UK Societas”. These amendments remove references to Societas Europaea which are no longer required; and where appropriate, apply existing legislation to the new entity, UK Societas.

Part 4 of these Regulations makes various corrections to two earlier instruments made in exercise of the powers conferred by section 8 of the European Union (Withdrawal) Act 2018. Regulation 22 amends the Competition (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/93) to ensure that the Competition and Markets Authority is only prevented from opening investigations into infringements of UK competition law after exit where the EU Commission has made an infringement decision in relation to the matter before exit. Regulation 23 makes amendments to the Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145) to correct the terminology used to refer to parts of the Financial Conduct Authority's Disclosure Rules and Transparency Rules Sourcebooks.

The Disclosure Rules and Transparency Rules Sourcebooks made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 are available on <https://www.handbook.fca.org.uk/handbook> and copies of the rules referred to can be obtained from the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, where they are also available for inspection.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.