Draft Regulations laid before Parliament under paragraph 2 of Schedule 2 to the European Communities Act 1972 and paragraphs 1(1) and 15(1) of Schedule 7 to the European Union (Withdrawal) Act 2018, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2018 No. XXXX

EXITING THE EUROPEAN UNION

COMPANIES

LIMITED LIABILITY PARTNERSHIPS

The Accounts and Reports (Amendment) (EU Exit) Regulations 2018

Made - - - - ***

Coming into force in accordance with regulation 1(2)

The Secretary of State is a Minister designated(**a**) for the purposes of section 2(2) of the European Communities Act 1972(**b**) in relation to the creation, operation, regulation or dissolution of companies and other forms of business organisation.

The Secretary of State makes these Regulations in exercise of the powers conferred by section 2(2) of that Act, and sections 8(1) and 23(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018(**c**).

In accordance with paragraph 2 of Schedule 2 to the European Communities Act 1972 and paragraphs 1(1) and 15(1) of Schedule 7 to the European Union (Withdrawal) Act 2018 Act, a draft of this instrument has been laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Accounts and Reports (Amendment) (EU Exit) Regulations 2018.

(2) These Regulations come into force as follows—

(a) this regulation and Schedule 1 come into force on the seventh day after the day on which these Regulations are made;

(**a**) S.I. 2007/193; there are no relevant amending instruments.
(**b**) 1972 c. 68. Section 2(2) was amended by section 27 of the Legislation and Regulatory Reform Act 2006 (c. 51) and by section 3 of, and Part 1 of the Schedule to, the European Union (Amendment) Act 2008 (c. 7).
(**c**) 2018 c. 16.

(b) the provisions to which regulation 2 applies have effect in relation to financial years beginning on or after exit day;

(c) the rest of these Regulations come into force on exit day(**a**).

2. The provisions to which this regulation applies are—

(a) Part 1 of Schedule 2, except—

(i) paragraphs 1, 4, 15 and 18(b);

(ii) paragraph 18(a), in so far as the new definitions do not apply to enactments which operate by reference to financial years;

(b) Part 2 of Schedule 2;

(c) Schedule 3, except paragraphs 2, 3, 6, 8 to 11, 14, 18, 22 to 35, 37 and 41.

Interpretation

3. 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.

Amendments made under section 2(2) of the European Communities Act 1972

4. Schedule 1 contains amendments to primary and secondary legislation which are made under section 2(2) of the European Communities Act 1972.

Amendments made under the European Union (Withdrawal) Act 2018: primary legislation

5. Schedule 2 contains amendments to primary legislation made under the European Union (Withdrawal) Act 2018.

Amendments made under the European Union (Withdrawal) Act 2018: secondary legislation

6. Schedule 3 contains amendments to secondary legislation made under the European Union (Withdrawal) Act 2018.

Transitional provision

7.—(1) This regulation applies in relation to financial years that begin before, but end on or after exit day.

(2) The enactments amended by the provisions to which regulation 2 applies, so far as they operate by reference to financial years, as specified in regulation 2, have effect as if the United Kingdom were a member State until the end of the financial year in question.

(3) The enactments amended by paragraph 5(a) of Schedule 3 have effect as if Part 14 of the Companies Act 2006 had effect as it had effect immediately before exit day until the end of the financial year in question.

Name
Parliamentary Under Secretary of State
Department

Date

(**a**) See section 20(1) of the European Union (Withdrawal) Act 2018 for the meaning of "exit day".

SCHEDULE 1

Regulation 4

Amendments made under section 2(2) of the European Communities Act 1972

The Companies Act 2006

1. In the Companies Act 2006(**a**), for section 384B(1)(d)(**b**) (companies excluded from being treated as micro entities) substitute—

> "(d) a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council(**c**), other than one listed in Article 2 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and investment firms(**d**),".

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

2. In the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008(**e**), in paragraph 6(3) of Schedule 7 (matters to be dealt with in directors' report: financial instruments), for the words from "Council Directive 78/660/EEC" to the end substitute "Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings(**f**)".

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

3. In the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008(**g**), in regulation 5A (LLPs qualifying as micro-entities)(**h**), in the modified version of section 384B (LLPs excluded from being treated as micro-entities), for subsection (1)(d) substitute—

> "(d) a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council(**i**), other than one listed in Article 2 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and investment firms(**j**),".

(**a**) 2006 c. 46.
(**b**) Section 384B was inserted by S.I. 2013/3008.
(**c**) OJ L 176, 27.6.2013, p. 1.
(**d**) OJ L 176, 27.6.2013, p.338.
(**e**) S.I. 2008/410; there are no relevant amending instruments.
(**f**) OJ L 182, 29.6.2013, p. 19.
(**g**) S.I. 2008/1911; relevant amending instruments are S.I. 2011/1043, 2012/2301, 2013/3008, 2016/575 and 2017/1164.
(**h**) Regulation 5A was inserted by S.I. 2016/575.
(**i**) OJ L 176, 27.6.2013, p. 1–337.
(**j**) OJ No. L 176, 27.6.2013, p.338-436.

SCHEDULE 2

Regulation 5

Amendments made under the European Union (Withdrawal) Act 2018: primary legislation

PART 1

Amendments to the Companies Act 2006

1. The Companies Act 2006 is amended in accordance with this Part of this Schedule.

2. In section 384(2)(b) (companies excluded from the small companies regime), for "regulated market in an EEA State" substitute "UK regulated market".

3. In section 384B(1) (companies excluded from being treated as micro entities)(**a**)—

(a) in the opening words omit "was";

(b) at the beginning of paragraph (a) insert "was";

(c) in paragraph (b)—

(i) at the beginning insert "would have been";

(ii) at the end before the comma insert "were the United Kingdom a member State";

(d) in paragraph (c)—

(i) at the beginning insert "would have been";

(ii) at the end before the comma insert "were the United Kingdom a member State";

(e) in paragraph (d), for the words from "other than one" to the end substitute "which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation,";

(f) in paragraph (e)—

(i) at the beginning insert "would have been";

(ii) at the end insert "were the United Kingdom a member State"; and

(g) at the beginning of paragraph (f) insert "was".

4. In section 392 (alteration of accounting reference date)—

(a) in subsection (3)(a), in both places it occurs, for "EEA" substitute "UK"; and

(b) in subsection (6)—

(i) for "EEA undertaking" substitute "UK undertaking"; and

(ii) omit "or the law of any other EEA State".

5. In section 394A (individual accounts: exemption for dormant subsidiaries)(**b**)—

(a) in subsection(1)(c), for "an EEA State" substitute "any part of the United Kingdom"; and

(b) for subsection (2)(c)(i), substitute—

"(i) if the undertaking is a company, the requirements of this Part of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or".

6. In section 394C(2) (dormant subsidiaries exemption: parent undertaking declaration of guarantee)(**c**)—

(a) for paragraph (b), substitute—

(**a**) Section 384B(1)(d) is amended by paragraph 1 of Schedule 1 to these Regulations.
(**b**) Section 394A was inserted by S.I. 2012/2301, and amended by S.I. 2015/980.
(**c**) Section 394C was inserted by S.I. 2012/2301.

"(b) the registered number of the parent undertaking (if any),"; and

(b) omit paragraph (c).

7. In section 395(4) (individual accounts: applicable accounting framework)(**a**)—

(a) in paragraph (b), for "regulated market in an EEA State" substitute "UK regulated market"; and

(b) in paragraph (c), for "regulated market in an EEA State" substitute "UK regulated market".

8. In section 399 (duty to prepare group accounts)(**b**)—

(a) in subsection (2B)—

(i) in paragraph (a), for "an EEA State" substitute "any part of the United Kingdom";

(ii) in paragraph (b), for the words from "Directive 2013/34/EU" to the end substitute "the requirements of this Part of this Act, and"; and

(iii) for paragraph (c) substitute—

"(c) it—

(i) is an undertaking whose transferable securities are admitted to trading on a UK regulated market,

(ii) is a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation, or

(iii) would be an insurance undertaking within the meaning given by Article 2(1) of Council Directive 91/674/EEC of the European Parliament and of the Council on the annual accounts of insurance undertakings(**c**) were the United Kingdom a member State."; and

(b) in subsection (3)—

(i) in the descriptive text in brackets after "section 400", for "EEA" substitute "UK"; and

(ii) in the descriptive text in brackets after "section 401", for "non-EEA" substitute "non-UK".

9. In section 400 (exemption for company included in EEA accounts of a larger group)(**d**)—

(a) in the heading, for "EEA" substitute "UK";

(b) in subsection (1), for "an EEA State" substitute "any part of the United Kingdom"; and

(c) in subsection (2)—

(i) in paragraph (a), for "an EEA State" substitute "any part of the United Kingdom";

(ii) in the opening words of paragraph (b), omit ", according to that law";

(iii) for paragraph (b)(i) substitute—

"(i) if the undertaking is a company, in accordance with the requirements of this Part of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or"; and

(iv) in paragraph (d)(i), omit "(whether in or outside the United Kingdom)".

(**a**) Section 395 was amended by S.I. 2008/393 and 2012/2301.
(**b**) Section 399 was amended by S.I. 2015/980 and 2016/1245.
(**c**) OJ L 374, 31.12.1991, p. 7.
(**d**) Section 400 was amended by S.I. 2015/980.

10. In section 401 (exemption for company included in non-EEA accounts of larger group)(**a**)—

(a) in the heading, for "non-EEA" substitute "non-UK";

(b) in subsection (1), for "an EEA State" substitute "any part of the United Kingdom"; and

(c) in subsection (2)(b)—

(i) omit sub-paragraph (i); and

(ii) in sub-paragraph (ii), for "so drawn up" substitute "drawn up in accordance with the requirements of this Part of this Act".

11. In section 403(5) (group accounts: relevant change of circumstances in relation to applicable accounting framework)(**b**)—

(a) in paragraph (b), for "regulated market in an EEA State" substitute "UK regulated market"; and

(b) in paragraph (c), for "regulated market in an EEA State" substitute "UK regulated market".

12. In section 414CA (non-financial information statement)(**c**)—

(a) in subsection (7), omit paragraph (b) and the "or" preceding it; and

(b) omit subsection (9).

13. In section 448A (dormant subsidiaries exempt from obligation to file accounts)(**d**)—

(a) in subsection (1)(c), for "an EEA State" substitute "any part of the United Kingdom"; and

(b) for subsection (2)(c)(i) substitute—

"(i) if the undertaking is a company, the requirements of this Part of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or".

14. In section 448C(2) (dormant subsidiaries filing exemption: parent undertaking declaration of guarantee)(**e**)—

(a) for paragraph (b), substitute—

"(b) the registered number of the parent undertaking (if any),"; and

(b) omit paragraph (c).

15. In section 461(4)(h) (permitted disclosure of information obtained under compulsory powers)(**f**), before "EU obligation" insert "retained".

16. In section 467(2)(b) (companies excluded from being treated as medium-sized), before "regulated market" insert "UK".

17. In section 474(1) (minor definitions)(**g**)—

(a) in the definition of "MiFID investment firm"—

(i) in the opening words, for "Article 4.1.1 of Directive 2014/65/EU" substitute "Article 2.1A of Regulation (EU) No. 600/2014"; and

(ii) in paragraph (a), for the words from "to which that Directive" to the end substitute "which is exempted from the definition of "investment firm" by Schedule 3 to the

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(**a**) Section 401 was amended by S.I. 2015/980.
(**b**) Section 403 was amended by S.I. 2012/2301.
(**c**) Section 414CA was inserted by S.I. 2016/1245.
(**d**) Section 448A was inserted by S.I. 2012/2301 and amended by S.I. 2015/980.
(**e**) Section 448C was inserted by S.I. 2012/2301.
(**f**) Section 461(4)(h) was amended by S.I. 2011/1043. There are other amending instruments to section 461, but none is relevant.
(**g**) Section 474(1) was amended by S.I. 2915/980; there are other amending instruments but none is relevant.

Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)(**a**),"; and

(b) in the definition of "traded company", before "regulated market" insert "UK".

18. In section 1173(**b**) (minor definitions: general)—

(a) in subsection (1)—

(i) after the definition of "the data protection legislation" insert—

""EU regulated market" has the meaning given in Article 2.1.13B of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012;";

(ii) for the definition of "regulated market" substitute—

""regulated market" has the meaning given in Article 2.1.13 of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012;";

(iii) after the definition of "transferable securities" insert—

""UK regulated market" has the meaning given in Article 2.1.13A of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012;";

(b) omit subsection (2).

19. In Schedule 8 (index of defined expressions), at the appropriate places insert—

"EU regulated market	section 1173(1)"
"UK regulated market	section 1173(1)"

PART 2

Amendments to other primary legislation

Amendment to the Building Societies Act 1986

20. In the Building Societies Act 1986(**c**)—

(a) in section 72A(4) (duty to prepare individual accounts)(**d**), before "regulated market" insert "UK";

(b) in section 72E(5) (duty to prepare group accounts)(**e**), before "regulated market" insert "UK"; and

(c) in section 81B(1) (interpretation of Part 8)(**f**), for the definition of "regulated market" substitute—

""UK regulated market" has the meaning given in Article 2.1.13A of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012.".

(**a**) S.I. 2001/544, amended by S.I. 2017/488 and XXXX/XXX; there are other amending instruments but none is relevant.
(**b**) Section 1173 was amended by paragraph 124 of Schedule 19 to the Data Protection Act 1998 (c. 12) and S.I. 2013/3115, 2015/980, 2016/649 and 2017/701.
(**c**) 1986 c. 53.
(**d**) Sections 72A to 72I were substituted for sections 72 and 73 by S.I. 2004/3380.
(**e**) Sections 72A to 72I were substituted for sections 72 and 73 by S.I. 2004/3380.
(**f**) Section 81B was inserted by S.I. 2004/3380 and was amended by S.I. 2007/126 and 2017/701.

Amendments to the Friendly Societies Act 1992

21. In the Friendly Societies Act 1992(**a**)—

(a) in section 69A(4) (duty to prepare individual accounts)(**b**)—

(i) in paragraph (b), before "regulated market" insert "UK";

(ii) in paragraph (c)—

(aa) before "regulated market" insert "UK";

(bb) for the second sentence substitute ""UK regulated market" has the meaning given in Article 2.1.13A of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012";

(b) in section 69E (duty to prepare group accounts)(**c**)—

(i) in subsection (5)—

(aa) in paragraph (b), before "regulated market" insert "UK";

(bb) in paragraph (c), before "regulated market" insert "UK";

(cc) omit the second sentence of paragraph (c);

(ii) after subsection (8) insert—

"(9) In this subsection "UK regulated market" has the meaning given in Article 2.1.13A of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012.".

SCHEDULE 3

Regulation 6

Amendments made under the European Union (Withdrawal) Act 2018: secondary legislation

The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008

1. In the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008(**d**), in paragraph 3 of Schedule 5 (matters to be dealt with in directors' report)—

(a) in sub-paragraph (1), for "non-EU" substitute "non-UK";

(b) in sub-paragraph (4)—

(i) for "non-EU" substitute "non-UK";

(ii) for "member States" substitute "United Kingdom".

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

2. The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008(**e**) are amended in accordance with paragraphs 3 to 5.

3. Omit regulation 14(3) (review).

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

(**a**) 1992 c. 40.
(**b**) Sections 69A to 69I were substituted for sections 69 and 70 by S.I. 2005/2211. Section 69A was amended by S.I. 2007/126 and 2017/701.
(**c**) Sections 69A to 69I were substituted for sections 69 and 70 by S.I. 2005/2211. Section 69E was amended by S.I. 2007/126 and 2017/701.
(**d**) S.I. 2008/409; there are amending instruments but none is relevant.
(**e**) S.I. 2008/410; regulation 14 was inserted by S.I 2016/575. There are other amending instruments but none is relevant.

(a) in paragraph 52(3) (long-term business provision)—

(i) after "Faculty of Actuaries" insert "with due regard to generally accepted actuarial principles and";

(ii) omit the words from ", with due regard" to the end;

(b) in paragraph 87(1) (particulars of tax)—

(i) for paragraph (a), substitute—

"(a) in the country in which its head office is located, and";

(ii) omit paragraph (b).

5. In Schedule 7 (matters to be dealt with in directors' report)—

(a) in paragraph 4 (political donations and expenditure)—

(i) in sub-paragraph (1), for "non-EU" substitute "non-UK";

(ii) in sub-paragraph (4)—

(aa) for "non EU" substitute "non-UK";

(bb) for "member States" substitute "United Kingdom";

(b) in paragraph 13(1) (disclosure required by certain publicly-traded companies) before "regulated market" insert "UK".

The Partnerships (Accounts) Regulations 2008

6. The Partnerships (Accounts) Regulations 2008(**a**) are amended in accordance with paragraphs 7 to 10.

7. In regulation 2(1) (interpretation), omit the definition of "the Accounting Directive".

8. In regulation 5(2) (delivery of accounts of qualifying partnerships to registrar etc.), omit sub-paragraph (b) and the "and" preceding it.

9. In regulation 6 (publication of accounts of qualifying partnerships at head office)—

(a) in paragraph (1), at the beginning insert "Subject to regulation 7,";

(b) omit paragraph (2).

10. In regulation 7 (exemption from regulations 4 to 6 where accounts consolidated)—

(a) in paragraph (1)(a), for "a member State" substitute "any part of the United Kingdom";

(b) for paragraph (2)(a), substitute—

"(a) that the group accounts are prepared and audited, if the undertaking is a company, in accordance with the requirements of the Companies Act 2006, or, if the undertaking is not a company, the legal requirements which apply to the preparation and audit of consolidated accounts for that undertaking, and".

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

11. The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008(**b**) are amended in accordance with paragraphs 12 to 22.

12. In regulation 5 (LLPs subject to the small LLPs regime), in the modified version of section 384(2)(b) applied by that regulation (LLPs excluded from the small LLPs regime), for "regulated market in an EEA State" substitute "UK regulated market".

(**a**) S.I. 2008/569; relevant amending instruments are S.I. 2013/2005 and 2015/980.
(**b**) S.I. 2008/1911; relevant amending instruments are S.I. 2011/1043, 2012/2301, 2013/3008, 2016/575 and 2017/1164.

13. In regulation 5A (LLPs qualifying as micro-entities)(**a**), in the modified version of section 384B(1) applied by that regulation (LLPs excluded from being treated as micro-entities)—

(a) in the opening words omit "was";

(b) at the beginning of paragraph (a) insert "was";

(c) in paragraph (b)—

(i) at the beginning insert "would have been";

(ii) at the end before the comma insert "were the United Kingdom a member State";

(d) in paragraph (c)—

(i) at the beginning insert "would have been";

(ii) at the end before the comma insert "were the United Kingdom a member State";

(e) in paragraph (d), for the words from "other than one" to the end substitute "which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation,";

(f) in paragraph (e)—

(i) at the beginning insert "would have been"; and

(ii) at the end insert "were the United Kingdom a member State".

14. In regulation 7 (an LLP's financial year), in the modified version of section 392 applied by that regulation (alteration of accounting reference date)—

(a) in subsection (3)(a), in both places it occurs, for "EEA" substitute "UK";

(b) in subsection (6)—

(i) for "EEA undertaking" substitute "UK undertaking";

(ii) omit "or the law of any other EEA State".

15. In regulation 9 (individual accounts)—

(a) in the modified version of section 394A applied by that regulation (individual accounts: exemption for dormant subsidiaries)(**b**)—

(i) in subsection (1)(c), for "an EEA State" substitute "any part of the United Kingdom";

(ii) for subsection (2)(c)(i), substitute—

"(i) if the undertaking is a company, the requirements of this Part of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or";

(b) in the modified version of section 394C(2) applied by that regulation (dormant subsidiaries exemption: parent undertaking declaration of guarantee)(**c**)—

(i) for paragraph (b), substitute—

"(b) the registered number of the parent undertaking (if any),";

(ii) omit paragraph (c);

(c) in the modified version of section 395(3) applied by that regulation (individual accounts: applicable accounting framework)—

(i) in paragraph (c), for "regulated market in an EEA State" substitute "UK regulated market";

(ii) in paragraph (d), for "regulated market in an EEA State" substitute "UK regulated market".

16. In regulation 10 (group accounts)—

(**a**) Regulation 5A was inserted by S.I. 2016/575.
(**b**) Section 394A was inserted by S.I. 2012/2301 and amended by S.I 2016/575.
(**c**) Section 394C was inserted by S.I. 2012/2301.

(a) in the modified version of section 399 applied by that regulation (duty to prepare group accounts)(**a**)—

(i) in subsection (2B)—

(aa) in paragraph (a), for "an EEA State" substitute "any part of the United Kingdom";

(bb) in paragraph (b), for the words from "Directive 2013/34/EU" to the end substitute "the requirements of this Part of this Act";

(cc) for paragraph (c), substitute—

"(c) it—

(i) is an undertaking whose transferable securities are admitted to trading on a UK regulated market,

(ii) is a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation, or

(iii) would be an insurance undertaking within the meaning given by Article 2(1) of Council Directive 91/674/EEC of the European Parliament and of the Council on the annual accounts of insurance undertakings(**b**) were the United Kingdom a member State.";

(ii) in subsection (3)—

(aa) in the descriptive text in brackets after "section 400" for "EEA" substitute "UK";

(bb) in the descriptive text in brackets after "section 401" for "non-EEA" substitute "non-UK";

(b) in the modified version of section 400 applied by that regulation (exemption for LLP included in EEA group accounts of larger group)(**c**)—

(i) in the heading, for "EEA" substitute "UK";

(ii) in subsection (1), for "an EEA State" substitute "any part of the United Kingdom";

(iii) in subsection (2)—

(aa) in paragraph (a), for "an EEA State" substitute "any part of the United Kingdom";

(bb) in the opening words of paragraph (b), omit ", according to that law";

(cc) for paragraph (b)(i) substitute—

"(i) if the undertaking is a company, in accordance with the requirements of this Part of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or";

(dd) in paragraph (d)(i), omit "(whether in or outside the United Kingdom)";

(c) in the modified version of section 401 applied by that regulation (exemption for LLP included in non-EEA group accounts of larger group)(**d**)—

(i) in the heading, for "non-EEA" substitute "non-UK";

(ii) in subsection (1), for "an EEA State" substitute "any part of the United Kingdom";

(iii) in subsection (2)(b)—

(aa) omit sub-paragraph (i);

(**a**) Section 399 was amended by S.I. 2017/1164.
(**b**) OJ L 374, 31.12.1991, p. 7.
(**c**) Section 400 was amended by S.I. 2016/575.
(**d**) Section 401 was amended by S.I. 2016/575.

(bb) in sub-paragraph (ii), for "so drawn up" substitute "drawn up in accordance with the requirements of this Part of this Act";

(d) in the modified version of section 403(3) applied by that regulation (group accounts: applicable accounting framework)—

(i) in paragraph (b), for "regulated market in an EEA State" substitute "UK regulated market";

(ii) in paragraph (c), for "regulated market in an EEA State" substitute "UK regulated market".

17. In regulation 19A (exemption for dormant subsidiary LLPs)(**a**)—

(a) in the modified version of section 448A applied by that regulation (dormant subsidiary LLPs exempt from obligation to file accounts)—

(i) in subsection (1)(c), for "an EEA State" substitute "any part of the United Kingdom";

(ii) for subsection (2)(c)(i) substitute—

"(i) if the undertaking is a company, the requirements of this Part of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or";

(b) in the modified version of section 448C(2) applied by that regulation (dormant subsidiaries exemption: parent undertaking declaration of guarantee)—

(i) for paragraph (b) substitute—

"(b) the registered number of the parent undertaking (if any),";

(ii) omit paragraph (c).

18. In regulation 24 (disclosure of information), in the modified version of section 461(4)(h) applied by that regulation (permitted disclosure of information obtained under compulsory powers)(**b**), before "EU obligation" insert "retained".

19. In regulation 26 (medium-sized LLPs), in the modified version of section 467(2)(b) applied by that regulation (LLPs excluded from being treated as medium-sized), before "regulated market" insert "UK".

20. In regulation 32 (minor definitions), in the modified version of section 474(1) applied by that regulation (minor definitions)—

(a) in the definition of "MiFID investment firm"—

(i) in the opening words, for "Article 4.1.1 of Directive 2014/65/EU" substitute "Article 2.1A of Regulation (EU) No. 600/2014";

(ii) in paragraph (a), for the words from "to which that Directive" to the end substitute "which is exempted from the definition of "investment firm" by Schedule 3 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(**c**),";

(b) in the definition of "traded company", for "regulated market" substitute "UK regulated market".

21. In regulation 55 (minor definitions), in the modified version of section 1173 applied by that regulation (minor definitions: general)—

(a) in subsection (1)—

(i) omit the definition of "EEA undertaking";

(ii) for the definition of "regulated market" substitute—

(**a**) Regulation 19A was inserted by S.I. 2012/2301 and amended by S.I. 2016/575.
(**b**) Section 461(4)(h) was amended by S.I. 2011/1043.
(**c**) S.I. 2001/544.

""regulated market" has the meaning given in Article 2.1.13 of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012;";

(iii) after the definition of "the competent authority" insert—

""EU regulated market" has the meaning given in Article 2.1.13B of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012;";

(iv) after the definition of "transferable securities" insert—

""UK regulated market" has the meaning given in Article 2.1.13A of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012;";

(b) omit subsection (2).

22. Omit regulation 59(1A) (review)(**a**).

The Overseas Companies Regulations 2009

23. The Overseas Companies Regulations 2009(**b**) are amended in accordance with paragraphs 24 to 29.

24. In regulation 31 (application and interpretation of Chapter), omit paragraph (1)(b) and the "or" preceding it.

25. In regulation 32 (duty to file copies of accounting documents disclosed under parent law), omit paragraph (3).

26. In regulation 33(2) (statement of details of parent law and other information)—

(a) in sub-paragraph (a), omit ", if applicable,";

(b) in sub-paragraph (b), at the end insert "and";

(c) omit sub-paragraph (c);

(d) for sub-paragraph (d) substitute—

"(d) whether those accounts have been audited in accordance with a set of generally accepted auditing standards and, if so, the name of the organisation or other body which issued those standards.";

(e) omit sub-paragraph (e).

27. In regulation 44 (application and interpretation of Chapter) omit paragraph (1)(b) and the "or" preceding it.

28. In regulation 47(2) (statement of details of parent law and other information)—

(a) in sub-paragraph (a), omit ", if applicable,";

(b) in sub-paragraph (b), at the end insert "and";

(c) omit sub-paragraph (c);

(d) for sub-paragraph (d) substitute—

"(d) whether those accounts have been audited in accordance with a set of generally accepted auditing standards, and if so, the name of the organisation or other body which issued those standards.";

(e) omit sub-paragraph (e).

(**a**) Regulation 59 was inserted by S.I. 2016/575 and amended by S.I. 2017/1164.
(**b**) S.I. 2009/1801. There are amending instruments but none is relevant.

29. In regulation 48 (supplementary provisions as to obligation to file copies of accounting documents) omit paragraph (2).

The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Directors' Reports) (Authorised Person) Order 2012

30. The Supervision of Accounts and Reports (Prescribed Body) and Companies (Defective Accounts and Directors' Reports) (Authorised Person) Order 2012(**a**) is amended in accordance with paragraphs 31 to 33.

31. In article 1(3) (interpretation)—

(a) omit the definitions of "regulated market" and "the transparency obligations directive";

(b) after the definition of "the Conduct Committee" insert—

""DGTR sourcebook" means the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority(**b**) under the Financial Services and Markets Act 2000(**c**), as it has effect on exit day;";

(c) after the definition of "LLPs" insert—

""UK regulated market" has the meaning given in Article 2.1.13A of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012.".

32. In article 2 (appointment in relation to issuers)—

(a) in paragraph (1)—

(i) in the opening words, before "regulated market" insert "UK";

(ii) after "regulated market" insert "a body corporate";

(iii) omit paragraphs (a) and (b).

(b) in paragraph (2)—

(i) for "provisions implementing Articles 4 and 5 of the transparency obligations directive (annual financial reports and half-yearly financial reports)" substitute "rules 4.1 (annual financial report) and 4.2 (half-yearly financial reports) of the DGTR sourcebook";

(ii) for sub-paragraph (a), substitute—

"(a) rules 4.4.1R, 4.4.2R (exemptions) and TP 19 (exclusions from rules 4.1 and 4.2 for large debt issuers) of the DGTR sourcebook";

(iii) in sub-paragraph (b), for ", Prospectus Rules and Disclosure Rules and Transparency Rules" substitute "and Prospectus Rules".

33. In article 3 (appointment in relation to accounts), for the words from "Articles 4 and 5" to the end substitute "rules 4.1 (annual financial report) and 4.2 (half-yearly financial reports) of the DGTR sourcebook".

The Companies (Receipt of Accounts and Reports) Regulations 2013

34. In regulation 9(4) of the Companies (Receipt of Accounts and Reports) Regulations 2013(**d**) (supplementary provisions), before "an EEA State", in each place it occurs, insert "the United Kingdom or".

(**a**) S.I. 2012/1439; relevant amending instruments are S.I. 2013/472 and 2017/701.

(**b**) An electronic copy of the relevant chapter, Chapter 4 (periodic financial reporting), of the sourcebook can be found at https://www.handbook.fca.org.uk/handbook/DTR/4/?view=chapter. A printed copy of the modules or the sourcebook can also be obtained from The Stationary Office (https://www.tsoshop.co.uk/bookstore.asp?FO=1350564).

(**c**) 2000 c. 8.

(**d**) S.I. 2013/1973.

The Reports on Payments to Governments Regulations 2014

35. The Reports on Payments to Governments Regulations 2014(**a**) are amended in accordance with paragraphs 36 to 42.

36. In regulation 2(1) (interpretation)—

(a) omit the definition of "the Directive";

(b) for the definition of "equivalent reporting requirements" substitute—

""equivalent reporting requirements" are reporting requirements in any country or territory outside the United Kingdom that—

(a) are equivalent to the reporting requirements in these Regulations, by virtue of regulation 12ZA(1); or

(b) are determined by the Secretary of State to be equivalent to the reporting requirements in these Regulations, in accordance with regulation 12ZA;";

(c) for the definition of "logging undertaking" substitute—

""logging undertaking" means an undertaking which undertakes in primary forests the activity referred to in the UK Standard Industrial Classification (SIC) by Economic Activity, as set out in Table 1 in the Schedule to these Regulations, issued under section 9 of the Statistics and Registration Services Act 2007(**b**) as updated from time to time;" ;

(d) for the definition of "mining or quarrying undertaking" substitute—

""mining or quarrying undertaking" means an undertaking which performs any activity involving the exploration, prospection, discovery, development, and extraction of minerals, oil, natural gas deposits or other materials within the activities referred to in the UK Standard Industrial Classification (SIC) by Economic Activity, as set out in Table 2 in the Schedule to these Regulations, issued under section 9 of the Statistics and Registration Services Act 2007 as updated from time to time;";

(e) for the definition of "public interest entity" substitute—

""public interest entity" means an undertaking—

(a) whose transferable securities are admitted to trading on a UK regulated market;

(b) which is a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, and a CRR firm within the meaning of Article 4(1)(2A) of that Regulation;

(c) which would be an insurance undertaking within the meaning of Article 2(1) of Council Directive 91/674/EEC of 19th December 1991 on the annual accounts of insurance undertakings(**c**) were the United Kingdom a member State;";

(f) after the definition of "subsidiary undertaking" insert—

""transferable securities" has the meaning given by section 1173 of the Act;

"UK regulated market" has the meaning given by section 1173 of the Act;".

37. Before regulation 12 insert—

"**12ZA.**—(1) Reporting requirements in any country or territory regarding the reporting of payments to governments that have been assessed by the European Commission as being equivalent to the requirements of Chapter 10 of Directive 2013/34/EU of the European Parliament and of the Council of 26th June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings(**d**),

(**a**) S.I. 2014/3209, amended by S.I. 2015/1928 and 2017/701.
(**b**) 2007 c. 18.
(**c**) OJ L 374, 31.12.1991, p. 7.
(**d**) OJ L 182, 29.6.2013, p. 19.

and were identified in an implementing act adopted before exit day by the European Commission in accordance with Article 47 of that Directive, are equivalent to the reporting requirements in these Regulations.

(2) The Secretary of State may determine that the reporting requirements regarding the reporting of payments to governments of a country or territory outside the United Kingdom are equivalent to the reporting requirements in these Regulations.

(3) The Secretary of State must consider at least the following criteria when making a determination under paragraph (2)—

(a) target undertakings,

(b) target recipients of payments,

(c) payments captured,

(d) attribution of payments captured,

(e) breakdown of payments captured,

(f) triggers for reporting on a consolidated basis,

(g) reporting medium,

(h) frequency of reporting, and

(i) anti-evasion measures.

(4) The Secretary of State may consider criteria other than those in paragraph (3), but only if they facilitate a direct comparison of reporting requirements of the other country or territory with the reporting requirements of these Regulations.

(5) The Secretary of State may suspend or withdraw—

(a) the equivalence granted by virtue of paragraph (1); or

(b) a determination made under paragraph (2).”

38. Omit regulation 7 (exemption for subsidiaries or parent undertakings included in consolidated reports).

39. In regulation 10(1) (exemption from duty to prepare a consolidated report), omit sub-paragraph (c).

40. In regulation 17(7) (enforcement of undertaking’s delivery obligations)—

(a) omit sub-paragraph (e);

(b) omit sub-paragraph (h).

41. In regulation 21 (review of Regulations), omit paragraph (2).

42. In the Schedule—

(a) omit the words “Annex 1 to Regulation (EC) No 1893/2006” preceding Table 1;

(b) in each place it occurs, for “International Standard Industrial Classification Revision 4” substitute “UK Standard Industrial Classification of Economic Activities”.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations (with the exception of Schedule 1) are made in exercise of the powers conferred by section 8(1) of the European Union (Withdrawal) Act 2018 (c. 16) in order to address failures of retained EU law to operate effectively and other deficiencies (in particular arising under paragraphs (d), (f) and (g) of section 8(2) of the Act) arising from the withdrawal of the United Kingdom from the European Union.

These Regulations make amendments to legislation in the field of accounts and reports required of certain types of business undertakings, namely companies, building societies, friendly societies,

certain types of partnerships, limited liability partnerships and overseas companies (an overseas company is defined in section 1044 of the Companies Act 2006 (c. 46) as a company incorporated outside the United Kingdom).

Schedule 1 makes some minor and technical amendments under section 2(2) of the European Communities Act 1972 (c. 68), updating some cross-references to EU law before exit day.

Schedule 2 amends primary legislation, namely the Companies Act 2006, the Friendly Societies Act 1992 (c. 40) and the Building Societies Act 1986 (c. 53).

Schedule 3 amends secondary legislation, concerning the production of accounts and reports (including reports on payments to governments) for those business undertakings within scope of the Regulations.

These Regulations refer to a sourcebook made by the Financial Conduct Authority under the Financial Services and Markets Act 2000. Sourcebooks made by the Financial Conduct Authority 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.

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