



Jersey

# **COMPANIES (AUDIT) (JERSEY) ORDER 2010**

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Jersey

## COMPANIES (AUDIT) (JERSEY) ORDER 2010

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## COMPANIES (AUDIT) (JERSEY) ORDER 2010

**THE MINISTER FOR ECONOMIC DEVELOPMENT**, in pursuance of Articles 110, 112, 113E and 219 of the [Companies \(Jersey\) Law 1991](#) and after consultation with the Jersey Financial Services Commission, orders as follows –

Commencement [[see endnotes](#)]

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### PART

#### INTERPRETATION

#### 1 Interpretation

In this Order –

“Law” means the [Companies \(Jersey\) Law 1991](#);

“Register” means the Register of Recognized Auditors kept by the Commission under Article 2.

### PART 2

#### REGISTER OF RECOGNIZED AUDITORS

#### 2 Commission to keep a Register of Recognized Auditors

- (1) The Commission must keep a Register of Recognized Auditors.
- (2) The Register must contain the names of persons –
  - (a) who under Article 112 of the Law are auditors qualified to be recognized auditors; and
  - (b) who have applied and have been approved by the Commission to have their names entered on the Register.

### **3 Entries on the Register**

- (1) An entry on the Register in respect of a recognized auditor must contain –
  - (a) the name and address of the auditor; and
  - (b) the addresses of each office (whether in Jersey or elsewhere) from which the audit of market traded companies is carried out by the auditor.
- (2) An entry on the Register in respect of a recognized auditor that is a firm must also contain –
  - (a) the name and business address of each person who is responsible to the auditor for examining or reporting on the accounts of a market traded company pursuant to Article 113A of the Law; and
  - (b) the name of the recognized professional body each such person is a member of.
- (3) An entry on the Register in respect of a recognized auditor must also contain –
  - (a) if the auditor is an individual, the name of the recognized professional body the individual is a member of;
  - (b) if the auditor is a body corporate (other than a limited liability partnership that is a body corporate), the name and business address of each person resident in Jersey who is a director of the body;
  - (c) if the auditor is a limited liability partnership that is a body corporate, the name and business address of each person resident in Jersey who is a member of it; or
  - (d) if the recognized auditor is a partnership, the name and business address of each person resident in Jersey who is a partner of it.

### **4 Confirmation of entries in the Register**

- (1) Each recognized auditor must give to the Commission, on or shortly before each anniversary of the entry of the name of the auditor on the Register, written confirmation that the entry remains correct.
- (2) This Article is made under Article 110(3)(c) of the Law.

### **5 Form of Register**

The Commission may keep the Register in such form as the Commission thinks appropriate, including any electronic form.

### **6 Register to be made available for inspection**

The Commission must make the Register available for inspection by the public during the Commission's normal office hours.

**7 Certified copies of entry on Register to be provided**

If a person requests the Commission to do so, it must supply the person with a copy of an entry on the Register certified by the Commission to be a true copy of the entry.

**8 Commission may charge fees**

- (1) The Commission may charge fees –
  - (a) for allowing a person to inspect the Register; or
  - (b) for providing a person with a certified copy of an entry on the Register.
- (2) A person for whom a duty is performed or a power is exercised as referred to in paragraph (1) shall pay the fee charged under that paragraph.

**9 Entry on the Register may be excluded from inspection**

- (1) The Commission may exclude all or part of the information in an entry on the Register relating to an individual from being made available for inspection under Article 6 or from being the subject of a certified copy under Article 7.
- (2) The Commission may do so if, on receiving a request from the individual, the Commission is satisfied that making all or the relevant part (as the case requires) of the information so available or so subject would be likely to place the individual, or any other individual (for example, a member of the individual's family) at risk of harassment or intimidation.

**10 Commission may require information (where Article 113L of Law does not apply)**

- (1) The Commission may, by written notice, require a person who is qualified to be a recognized auditor and has applied to have his or her name entered on the Register (but whose name is not yet entered on the Register) to give the Commission such information as it may reasonably require for the exercise of its functions in relation to the Register.
- (2) The Commission may require information given under this Article to be given in a specified form or verified in a specified manner.
- (3) Any information required to be given under this Article must be given in writing unless the Commission specifies or approves some other manner.
- (4) This Article is made under Article 110(3)(c) of the Law.

## **PART 3**

### **RULES BINDING RECOGNIZED AUDITORS**

#### **11 Application of Part**

This Part –

- (a) applies to the rules that an auditor must be bound by to be qualified to be a recognized auditor; and
- (b) is made under Article 112(2) of the Law.

#### **12 Requirements relating to rules**

- (1) The rules must be adequate to ensure that the auditor is a fit and proper person.
- (2) The rules must be adequate to prevent a person –
  - (a) who is not an auditor; or
  - (b) if the auditor is a firm, who is not an officer, director, partner, member or employee of the firm,from being able to exert influence over the way in which an audit of a market traded company is conducted in circumstances in which that influence would be likely to affect the independence or integrity of the audit.
- (3) The rules must be adequate to ensure that audit work carried out under Part 16 of the Law is carried out properly and with integrity.
- (4) The rules must be adequate to ensure that an auditor is not appointed in circumstances in which the auditor has an interest that is likely to conflict with the proper conduct of the audit of a market traded company.
- (5) The rules must cover –
  - (a) the technical standards to be applied in audit work carried out under Part 16 of the Law; and
  - (b) the manner in which those standards are to be applied in practice.
- (6) The rules must –
  - (a) be designed to ensure that an auditor maintains an appropriate level of competence; and
  - (b) contain provisions to ensure that, when an auditor carries out audit work, the auditor takes any steps required to enable the performance of the work to be monitored.
- (7) Any provisions of the rules that relate to the disciplinary action that may be taken against an auditor must be fair and reasonable and must include adequate provision for appeals.
- (8) The rules must contain provisions designed to ensure that an auditor takes reasonable steps to be able to meet claims arising out of audit work carried out by the auditor under Part 16 of the Law.



**13 When Commission must withdraw approval of rules**

- (1) This Article applies to rules issued by a recognized professional body that have been approved by the Commission.
- (2) The Commission must withdraw its approval of the rules if, in the absence of mitigating circumstances, it is satisfied that the recognized professional body that issued the rules –
  - (a) has failed to comply with any obligation placed on it by an Order made under Article 110(3) of the Law;
  - (b) has ceased to have or is not using any of the arrangements or resources mentioned in Article 112(4)(a) of the Law;
  - (c) has ceased to have or is not using any of the arrangements mentioned in Article 112(4)(b) of the Law;
  - (d) has not promoted or has not maintained the standards mentioned in Article 112(4)(c) of the Law;
  - (e) has failed to cooperate in the manner mentioned in Article 112(4)(d) of the Law;
  - (f) has failed to meet the requirements of Article 112(4)(e) of the Law; or
  - (g) has failed to give notification or supply information when required to do so under Article 113K of the Law.

**PART 4****INDEPENDENCE REQUIREMENTS AS TO AUDITORS****14 Application of Part**

This Part prescribes, for the purpose of Article 113E of the Law, the circumstances in which an auditor must not act as the auditor of a company for the purposes of Part 16 of the Law.

**15 Personal relationships**

- (1) An auditor must not act as the auditor of a company if the auditor is –
  - (a) an officer or employee of the company;
  - (b) a partner, or employee, of an officer or employee of the company; or
  - (c) a person against whom an order under Article 78 of the Law is in force.
- (2) An auditor must not act as the auditor of a company, if –
  - (a) the auditor is –
    - (i) an officer or employee of a body corporate, or

- (ii) a partner, or employee, of an officer or employee of a body corporate; and
- (b) the body corporate is –
  - (i) a subsidiary or holding body of the company, or
  - (ii) a subsidiary of the company's holding body.

## **16 Partnership relationship**

- (1) An auditor that is a partnership must not act as the auditor of a company if any of the partners of the partnership is a person who, by virtue of Article 15, must not act as the auditor of the company.
- (2) An auditor that is a partnership must not act as the auditor of a company if any of the partners of the partnership is –
  - (a) the company whose accounts are to be audited;
  - (b) a holding body or subsidiary of that company; or
  - (c) a subsidiary of any such holding body.

## **17 Body corporate relationships**

- (1) An auditor that is a body corporate must not act as the auditor of a company if any of the individuals who are responsible to the auditor for examining or reporting on the accounts of the company, or any of the shareholders or directors of the body corporate, is a person who, by virtue of Article 15, must not act as the auditor of the company.
- (2) An auditor that is a body corporate must not act as the auditor of a company if –
  - (a) the company whose accounts are to be audited;
  - (b) a holding body or subsidiary of that company; or
  - (c) a subsidiary of any such holding body,holds shares in the body corporate.

# **PART 5**

## **FINAL PROVISION**

## **18 Citation**

This Order may be cited as the Companies (Audit) (Jersey) Order 2010.

## ENDNOTES

### Table of Legislation History

Legislation	Year and No	Commencement
Companies (Audit) (Jersey) Order 2010	<a href="#">R&amp;O.30/2010</a>	5 April 2010

### Table of Renumbered Provisions

Original	Current
19	Spent, omitted

### Table of Endnote References

*There are currently no endnote references*