

Supplemental provisions in relation to section 934 (including as concerns its relationship to provisions of 2010 Audits Regulations)

935. (1) For the avoidance of doubt, the following matters may, without prejudice to the generality of the provisions of section 934, be the subject of an investigation by the Supervisory Authority under that section, namely matters—

(a) in relation to which a competent authority (within the meaning of the 2010 Audits Regulations) has decided not to withdraw a person's approval under those Regulations as a statutory auditor or audit firm, or

(b) which either—

(i) have not been considered by such a competent authority as grounds for the withdrawal of a person's approval under those Regulations as a statutory auditor or audit firm, or

(ii) having been considered by it as such grounds, are not considered by it to disclose a prima facie case for proceeding further.

(2) Where—

(a) those matters are the subject of such an investigation by the Supervisory Authority, and

(b) a breach of standards is found by the Supervisory Authority,

section 934 (7) shall be read as requiring or enabling or Chapter 3 of Part 8 of the 2010 Audits Regulations) the Supervisory Authority to withdraw the approval under those Regulations of the person concerned as a statutory auditor or audit firm.

(3) Where such an approval is withdrawn by it, the following provisions of the 2010 Audits Regulations shall, with any necessary modifications, apply (and not subsections (10) and (11) of section 934) to that withdrawal, namely Regulation 33(11) to (14) (or, as the case may be, Regulation 34(11) to (14)) and Regulation 35.

(4) Subsection (2) does not prejudice the imposition, in the circumstances concerned, by the Supervisory Authority of another sanction referred to in section 934 (7) in addition to a withdrawal of approval (where withdrawal of the approval is mandatory under the 2010 Audits Regulations) or in lieu of a withdrawal of approval (where such withdrawal is not so mandatory).

(5) For the purposes of section 934 “member”, in addition to the meaning given to that expression by section 900 (1), includes, in relation to a prescribed accountancy body that is a recognised accountancy body, an individual or firm who or which, though not a member of the recognised accountancy body, is an individual or firm in relation to whom that body may exercise powers under the 2010 Audits Regulations.