

THE THIRD COUNTRY AUDITORS (FEES) INSTRUMENT 2018

Powers exercised

- A. The Financial Reporting Council (**FRC**) makes this instrument in exercise of the power conferred on the Secretary of State by section 1251(2) of the Companies Act 2006 (**Act**) to make regulations prescribing periodical fees to be paid by amongst others every registered third country auditor.
- B. The power to make such regulations was transferred to the FRC by Article 7(1) of the Statutory Auditors (Amendment of Companies Act 2006 and Delegation of Functions etc) Order 2012 (SI 2012/1741) (**Delegation Order**), and paragraphs 7 and 11 of Schedule 13 to, the Act.
- C. This instrument is made by the FRC subject to the provisions of the Delegation Order and section 1252 and Schedule 13 to the Act, and with the approval of the Secretary of State.

1. Citation, commencement and interpretation

- (1) This instrument may be cited as the Third Country Auditors (Fees) Instrument 2018.
- (2) This instrument comes into force on 29 May 2018.
- (3) In this instrument,
 - **equivalent third country** has the meaning set out in Registration of Third Country Auditors in the United Kingdom Directions 2017 (**Directions**).
 - **equivalent registration** means registration of a third country auditor established in an equivalent third country as a registered third country auditor, in accordance with FRC requirements.
 - **full registration** means registration as a registered third country auditor, other than equivalent registration or transitional registration, in accordance with FRC requirements.
 - **number of audit clients** means the number of UK-traded non-EEA companies to which a third country auditor is appointed as auditor on the relevant date.
 - **FRC requirements** are requirements for registration as a registered third country auditor set by the FRC, in accordance with the Statutory Auditors and Third Country Auditors Regulations 2013 (SI 2013 No. 1672) and directions made by the FRC under sections 1239(7) and 1242(4) of the Act¹.
 - **registered third country auditor** has the same meaning as in section 1241(1) of the Act.

¹ As amended by the Statutory Auditors and Third Country Auditors Regulations 2016 (SI 2016 No. 649).

- **relevant date** means the date of registration and each anniversary of the date of registration.
- **specified third country** has the same meaning as set out in the Directions.
- **third country auditor** has the same meaning as in section 1261(1) of the Act.
- **transitional registration** means registration of a third country auditor established in a specified third country as a registered third country auditor, in accordance with FRC requirements.
- **UK-traded non-EEA company** has the same meaning as in section 1241(2) of the Act.

2. Fees payable by registered third country auditors

A registered third country auditor must pay an annual fee to the FRC on the relevant date in accordance with the Schedule to this instrument.

3. Revocation

The Third Country Auditors (Fees) Instrument 2011 is revoked, as of the date this instrument comes into force.

By Order of the FRC Board

29 May 2018

SCHEDULE

Annual fee payable by a registered third country auditor			
Number of audit clients	Type of registration		
	Equivalent registration	Transitional registration	Full registration
0 - 9	£1,136		£2,272
10+	£2,840		£5,680