



May 2016

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# Impact Assessment

## Amendments to FRS 105

### *The Financial Reporting Standard applicable to the Micro-entities Regime*

Limited Liability Partnerships and  
Qualifying Partnerships

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# Impact assessment

## Introduction

- 1 The Financial Reporting Council (FRC) is committed to a proportionate approach to the use of its powers, making effective use of impact assessments and having regard to the impact of regulation on small enterprises.

## Amendments to FRS 105 – Limited Liability Partnerships and Qualifying Partnerships

- 2 The amendments to FRS 105 *The Financial Reporting Standard applicable to the Micro-entities Regime* are intended to align the scope of FRS 105 with the legal framework for the micro-entities regime.
- 3 The micro-entities regime is a simplified reporting regime and therefore the extension of this regime to eligible limited liability partnerships and qualifying partnerships is intended to be deregulatory. The Department for Business, Innovation and Skills (BIS) prepared an Impact Assessment for the changes in legislation and hence no further impact assessment has been prepared by the FRC in this respect.

## Conclusion

- 4 FRS 105 is a cost-effective solution for financial reporting by micro-entities in the UK and Republic of Ireland, given the nature of the legal requirements of the micro-entries regime. The FRC believes that the amendments to FRS 105 reflect the expansion of the micro-entities regime to LLPs and qualifying partnerships, and will ensure its scope is in line with those entities eligible to apply the regime.



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