Draft Regulations laid before Parliament under paragraph 2(2) of Schedule 2 to the European Communities Act 1972, sections 473(3), 484(3) and 1290 of the Companies Act 2006 and section 17(4) and (5)(a) of the Limited Liability Partnerships Act 2000 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2013 No. XXXX

COMPANIES
PARTNERSHIP
LIMITED LIABILITY PARTNERSHIPS

The Companies and Partnerships (Accounts and Audit) Regulations 2013

Made - - - -	***
Coming into force - -	***

The Secretary of State is a Minister designated(**1**) for the purposes of section 2(2) of the European Communities Act 1972(**2**) in relation to the creation, operation, regulation or dissolution of companies and other forms of business organisation, and in relation to auditors and the audit of accounts.

In exercise of the powers conferred by that section and by sections 409(1) and (2), 468, 484(1) and 1292 of the Companies Act 2006(**3**) and section 15 of the Limited Liability Partnership Act 2000(**4**) the Secretary of State makes the following Regulations.

In accordance with paragraph 2(2)(**5**) of Schedule 2 to the European Communities Act 1972, sections 473(3), 484(3) and 1290 of the Companies Act 2006 and section 17(4) and (5)(a) of the Limited Liability Partnership Act 2000, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

(**1**) S.I. 2007/193 and S.I. 2007/1679.
(**2**) 1972 c.68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c. 51) and by Part 1 of the Schedule to the European Union (Amendment) Act 2008 (c.7). The enabling powers of section 2(2) were extended by virtue of the amendment of section 1(2) by section 1 of the European Economic Area Act 1993 (c. 51).
(**3**) 2006 c. 46.
(**4**) 2000 c. 12.
(**5**) Paragraph 2(2) was amended by section 27(2)(a) of the Legislative and Regulatory Reform Act 2006 (c. 51).

Citation, commencement, application and interpretation

1.—(1) These Regulations may be cited as the Companies and Partnerships (Accounts and Audit) Regulations 2013 and shall come into force on the first day of the month following that in which they are made.

(2) Regulations 2, 5 and 6 apply in relation to a financial year of a company beginning on or after 1 October 2013.

(3) Regulation 3 applies in relation to a financial year of a LLP beginning on or after 1 October 2013.

(4) Regulation 4 applies to a financial year of a qualifying partnership beginning on or after 1 October 2013 and auditors appointed in respect of that financial year.

(5) In respect of the financial year of a qualifying partnership beginning on or before 30 September 2013 and ending on or before 29 September 2014, references in the Partnerships (Accounts) Regulations 2008(**6**) to Part 15 of the Companies Act 2006, the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008(**7**) or the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008(**8**) are to the provisions of that Part and those Regulations as they had effect on 30 September 2013.

(6) In paragraphs (4) and (5), "financial year" and "qualifying partnership" have the same meanings as in the Partnerships (Accounts) Regulations 2008.

(7) In these Regulations—

"the 2006 Act" means the Companies Act 2006;

"the 2008 LLP Regulations" means the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008(**9**); and

"LLP" means limited liability partnership registered under the Limited Liability Partnerships Act 2000.

Amendments to the 2006 Act

2.—(1) The 2006 Act is amended as follows.

(2) In section 384(**10**) (companies excluded from the small companies regime)—

(a) in subsection (2), after paragraph (c) insert—

"(ca) an e-money issuer,"; and

(b) in subsection (2)(d) omit "an e-money issuer,".

(3) Section 448 (unlimited companies exempt from obligation to file accounts and reports) is amended as follows.

(4) In paragraph (b) of subsection (3)(**11**)—

(a) omit the "or" preceding sub-paragraph (iii),

(b) in that sub-paragraph after "partnership" insert "which is not a limited partnership,", and

(c) after that sub-paragraph insert—

", or

(**6**) S.I. 2008/569.
(**7**) S.I. 2008/409.
(**8**) S.I. 2008/410.
(**9**) S.I. 2008/1911, amended by S.I. 2011/99; there are other amending instruments but none is relevant.
(**10**) s.384(2) was amended by the Financial Services Act 2012 (c.51) and S.I. 2007/2932.
(**11**) s.448(3)(b) was substituted by regulation 13(a) of SI 2008/393.

(iv) a Scottish partnership which is a limited partnership, each of whose general partners is a limited company."

(5) In the words after that paragraph, for "or a Scottish partnership" substitute ", a Scottish partnership which is not a limited partnership or a Scottish partnership which is a limited partnership".

(6) For subsection (5) substitute—

"(5) In this section—

"general partner" means—

(a) in relation to a Scottish partnership which is a limited partnership, a person who is a general partner within the meaning of the Limited Partnerships Act 1907(**12**); and

(b) in relation to an undertaking incorporated in or formed under the law of any country or territory outside the United Kingdom and which is comparable to a Scottish partnership which is a limited partnership, a person comparable to such a general partner;

"limited partnership" means a partnership registered under the Limited Partnerships Act 1907; and

the "relevant accounting reference period", in relation to a financial year, means the accounting reference period by reference to which that financial year was determined."

(7) In section 467 (companies excluded from being treated as medium-sized)—

(a) in subsection (1), after paragraph (b) (but before the "or" following it) insert—

"(ba) an e-money issuer,";

(b) in subsection (2), after paragraph (c) insert—

"(ca) an e-money issuer,"; and

(c) in subsection (2)(d) omit "an e-money issuer,".

(8) In section 474 (minor definitions for the purposes of Part 15), in the definition of "e-money issuer", for "means" substitute—

"means—

(a) an electronic money institution, within the meaning of the Electronic Money Regulations 2011 (S.I. 2011/99), or".

(b)

(9) In section 539 (minor definitions for the purposes of Part 16), in the definition of "e-money issuer", for "means" substitute—

"means—

(a) an electronic money institution, within the meaning of the Electronic Money Regulations 2011 (S.I. 2011/99), or".

(b)

Amendments to the 2008 LLP Regulations (which apply provisions of the Companies Act 2006 to LLPs, with modifications)

3.—(1) The 2008 LLP Regulations are amended as follows.

(**12**) 1907 c.24.

(2) In regulation 5, in the modified version of section 384 of the 2006 Act applied by that regulation (LLPs excluded from the small LLPs regime)—

(a) in subsection (2), after paragraph (c) insert—

"(ca) an e-money issuer,"; and

(b) in subsection (2)(d) omit "an e-money issuer,".

(3) In regulation 26, in the modified version of section 467 of the 2006 Act applied by that regulation (LLPs excluded from being treated as medium-sized)—

(a) in subsection (1), after paragraph (b) (but before the "or" following it) insert—

"(ba) an e-money issuer,";

(b) in subsection (2), after paragraph (c) insert—

"(ca) an e-money issuer,"; and

(c) in subsection (2)(d) omit "an e-money issuer,".

Amendments to the Partnerships (Accounts) Regulations 2008

4.—(1) The Partnerships (Accounts) Regulations 2008 are amended as follows.

(2) In regulation 2—

(a) in paragraph (1) in the definition of "the accounts" for ", director's report" substitute "and reports" and omit "and the auditor's report"; and

(b) omit paragraph (2).

(3) For regulation 3 substitute the following—

"**Qualifying partnerships**

3.—(1) A "qualifying partnership" is a partnership formed under the law of any part of the United Kingdom each of whose members or, in the case of a limited partnership, each of whose general partners is—

(a) a limited company;

(b) an unlimited company each of whose members is a limited company;

(c) a Scottish partnership which is not a limited partnership, each of whose members is a limited company; or

(d) a Scottish partnership which is a limited partnership, each of whose general partners is a limited company.

(2) Each reference in paragraph (1) to a limited company includes a reference to any comparable undertaking incorporated in a country or territory outside the United Kingdom.

(3) The reference in paragraph (1)(b) to an unlimited company includes a reference to any comparable undertaking incorporated in a country or territory outside the United Kingdom.

(4) The reference in paragraph (1)(c) to a Scottish partnership which is not a limited partnership includes a reference to any undertaking comparable to such a Scottish partnership incorporated in or formed under the law of a country or territory outside the United Kingdom.

(5) The reference in paragraph (1)(d) to a Scottish partnership which is a limited partnership includes a reference to any undertaking comparable to such a Scottish partnership incorporated in or formed under the law of a country or territory outside the United Kingdom; and in relation to such an undertaking the reference in that paragraph to the general partners is to be construed as a reference to the members of the undertaking comparable to general partners.

(6) The requirements of these Regulations apply without regard to any change in the members (or in the members of any member) of a qualifying partnership which does not result in it ceasing to be a qualifying partnership.

References to members of a qualifying partnership

3A.—(1) The references in regulations 4 to 15 to the members, or any member, of a qualifying partnership are to be construed as follows.

(2) Where the qualifying partnership is not a limited partnership its members are, for the purposes of those regulations—

(a) its members (irrespective of their place of incorporation or the law under which they were formed);

(b) where any of its members is an unlimited company, the limited companies which are the members of that unlimited company;

(c) where any of its members is a Scottish partnership which is not a limited partnership, the limited companies which are the members of that Scottish partnership; and

(d) where any of its members is a Scottish partnership which is a limited partnership, the limited companies which are the general partners of that Scottish limited partnership.

(3) Where the qualifying partnership is a limited partnership its members are, for the purposes of those regulations—

(a) its general partners (irrespective of their place of incorporation or the law under which they were formed);

(b) where any of its general partners is an unlimited company, the limited companies which are the members of that unlimited company;

(c) where any of its general partners is a Scottish partnership which is not a limited partnership, the limited companies which are the members of that Scottish partnership; and

(d) where any of its general partners is a Scottish partnership which is a limited partnership, the limited companies which are the general partners of that Scottish limited partnership.

(4) Each reference in paragraphs (2) and (3) to a limited company includes a reference to any comparable undertaking incorporated in a country or territory outside the United Kingdom.

(5) The references in paragraphs (2)(b) and (3)(b) to an unlimited company include references to any comparable undertaking incorporated in a country or territory outside the United Kingdom.

(6) The references in paragraphs (2)(c) and (3)(c) to a Scottish partnership which is not a limited partnership include references to any undertaking comparable to such a Scottish partnership incorporated in or formed under the law of a country or territory outside the United Kingdom.

(7) The references in paragraphs (2)(d) and (3)(d) to a Scottish partnership which is a limited partnership include references to any undertaking comparable to such a Scottish partnership incorporated in or formed under the law of a country or territory outside the United Kingdom; and in relation to such an undertaking the references in those paragraphs to the general partners are to be construed as references to the members of the undertaking comparable to general partners."

(4) In regulation 4 in sub-paragraph (a) of paragraph (1), for "director's report" substitute "reports".

(5) In regulation 6—