Financial Reporting Council

Auditor Regulatory Sanctions Procedure

Effective 1 November 2026

November 2026

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The Financial Reporting Council – Auditor Regulatory Sanctions Procedure

Part 1

Preliminaries

1. Citation and commencement

1.1 This Procedure shall be known as the Auditor Regulatory Sanctions Procedure of the FRC and shall have effect from 1 November 2026.[1]

2 Interpretation

2.1 In this Procedure:-

"the 2006 Act" means The Companies Act 2006 c.46 of the United Kingdom;

"the 2014 Act" means The Local Audit and Accountability Act 2014 c.2 of the United Kingdom;

"AQR" means the Audit Quality Review team of the FRC;

"Articles of Association" means the Articles of Association of the FRC;

"Board" means the Board of Directors of the FRC established and appointed under the FRC's Articles of Association

"Body Corporate" means an entity that has a legal personality including a limited liability partnership and a similar body constituted under the laws of a country or territory outside the United Kingdom or Republic of Ireland;

"Conduct Committee" means the Conduct Committee of the FRC established under the Articles of Association;

"Convener" means the Convener appointed by the People Committee who shall be responsible for the appointment of Independent Sanctions Tribunals;

"Enforcement Committee" means a committee as constituted under its terms of reference issued by the Board which shall exercise the functions conferred to it under this Procedure ;

"Enforcement Committee Panel" means the Enforcement Committee Panel of the FRC established under the Articles of Association;

"Executive" means the FRC staff;

"Firm" means:

[1] This Procedure came into effect in its original form from 11 November 2013, and was amended by the Conduct Committee with effect on the following dates: 16 January 2016, 1 April 2016, 17 June 2016 and 1 January 2021. The January 2021 version was reissued on 30 March 2021 with clarifications. This Procedure was further amended by the Board with effect on 1 March 2026.

(a) an individual who engages in the profession of accountancy as a sole practitioner

(b) a partnership which engages in the profession of accountancy;

(c) a Body Corporate which engages in the profession of accountancy;

"FRC" means the Financial Reporting Council Limited, a company limited by guarantee incorporated in England and Wales, number 2486368 and any other body which takes over functions of the FRC;

"Local Auditor" means a local auditor as defined within section 4 of the 2014 Act;

“Local Audit Function” has the same meaning as in paragraph 13 of Schedule 10 to the 2006 Act;

"Independent Sanctions Tribunal" means an Independent Sanctions Tribunal of the FRC appointed by the Convener in accordance with paragraph 14.2 of this Procedure;

"Major Local Audit" has the same meaning as in regulation 12 of the Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014;

"Major Local Audit Client" means a relevant authority in respect of which a Major Local Audit is conducted;

"People Committee" means the People Committee of the FRC established under the Articles of Association;

"Panel" means the Panel appointed by the appointment committee in accordance with paragraph 14.1 of this Procedure;

"Register" means a register of auditors compiled under section 1239 of the 2006 Act;

"Registered Auditor" means a Firm entered on a Register as eligible for appointment as a Local Auditor under section 1239 of the 2006 Act;

"Regulations" means the Local Audit Regulations of the RSBs;

"Regulatory Framework for Auditing" means:

(a) The Auditing Standards – (International Standards on Auditing (UK and Ireland));

(b) The Ethical Standards for auditors issued and / or adopted by the FRC;

(c) The Quality Control Standards for auditors issued and / or adopted by the FRC;

(d) The Regulations;

(e) any other legislation, standards, regulations, rules, bye-laws or other documents from time to time in force and relevant to the performance and quality of auditing;

"Regulatory Penalty" means a fine of an amount determined by the Enforcement Committee or the Independent Sanctions Tribunal;

"RSB" means a Recognised Supervisory Body recognised under the 2006 Act for the purposes of the registration and supervision of Registered Auditors;

"Sanction" means one or more of the types of sanction set out in paragraph 4.2 of this Procedure;

"Scheme" means The Accountancy Scheme of the FRC;

“Supervision Committee” means the Supervision Committee of the FRC established under the Articles of Association

"Undertakings" means the written Undertakings as referred to in paragraph 4.5 of this Procedure.

2.2 In this Procedure references to provisions of the 2006 Act include references to provisions of the 2006 Act that are applied in relation to local audits with the modifications made by Schedule 5 to the 2014 Act.

2.3 In this Procedure words and expressions have the meanings given in the 2006 Act, the 2014 Act and the Interpretation Act 1978, unless otherwise defined in this Procedure. The definitions in this Procedure take precedence.

2.4 In this Procedure words importing the singular number include the plural number and vice versa. Words importing the masculine gender also include the feminine and neutral. Headings do not affect the interpretation of this Procedure. This Procedure will be governed by, and interpreted according to, the law of England and Wales.

2.5 Any reference to a statute includes that statute as amended from time to time; any statute re-enacting or replacing it; and any statutory instruments, regulations or rules made under that statute or any statute re-enacting or replacing it.

2.6 Any reference to regulations, bye-laws, rules, standards or other documents includes reference to any related guidance, and will apply to any re-enactment, re-issue or amendment to any related guidance, and will apply to any re-enactment, re-issue or amendment of those regulations, bye-laws, rules, standards or other documents.

3 Conduct Committee

3.1 The Conduct Committee shall have power to:-

(a) provide the AQR any Enforcement Committee, the Convener and any Independent Sanctions Tribunal with guidance concerning the exercise of their duties under this Procedure, who shall have regard to any such guidance issued;

(b) authorise any Independent Sanctions Tribunal to employ any person whose services may reasonably be required to assist that tribunal; and

(c) exercise such of the Board’s responsibilities and decisions under this Procedure as the Board may have delegated to the Conduct Committee. Where the Board has so delegated, any references in this Procedure to the Board shall mean the Conduct Committee.

3A Remuneration

3A.1 The People Committee (or such other committee as the Board may appoint for this purpose) shall have the power to authorise the remuneration of the members of any Independent Sanctions Tribunal, the Convener and any other persons.

Part 2

Regulatory Action

4 Liability to Sanctions or Undertakings

4.1 A Registered Auditor shall be liable to a Sanction under this Procedure where they have failed to comply with the Regulatory Framework for Auditing and:-

(a) their continued registration or their continued registration without restrictions or conditions could adversely affect a Major Local Audit Client or any other person;

and / or

(b) it is necessary to impose a Sanction to ensure that their Local Audit Functions are undertaken, supervised and managed effectively.

4.2 The Sanctions to which a Registered Auditor shall be liable under paragraph 4.1 are:

(a) Restrictions and / or Conditions;

(b) Regulatory Penalty;

(c) Suspension of Registration;

(d) Withdrawal of Registration

4.3 During a period of suspension a Registered Auditor:

(a) Need not resign from any appointment as auditor under the 2006 Act or 2014 Act;

(b) May accept re-appointment as auditor;

(c) Must not accept any new appointments; and

(d) May only sign audit reports in relation to local audits with the permission of the Enforcement Committee.

4.4 Under this Procedure any Sanction on a Registered Auditor shall be effected by way of a direction from the Enforcement Committee or Conduct Committee (as appropriate) to the relevant RSB to implement the Sanction, and the relevant RSB shall implement that Sanction on the Registered Auditor as if it were a Sanction which the relevant RSB had determined under the Regulations.

4.5 As an alternative to the Sanctions listed in paragraph 4.2, the Enforcement Committee or the Independent Sanctions Tribunal (as appropriate) may accept written Undertakings from a Registered Auditor.

Part 3

Action by the AQR and the Enforcement Committee

5 Consideration by the AQR

5.1 Where the AQR's findings on inspection are such that its proposed report indicates that the Registered Auditor may have failed to comply with the Regulatory Framework for Auditing and the criteria in paragraph 4.1 may be satisfied, the AQR shall

(a) write to the Registered Auditor and invite the Registered Auditor to make any representations in writing within 14 days;

(b) On receipt of representations from the Recognised Auditor or the expiry of the deadline for representations to be provided, refer the matter to the Enforcement Committee Panel Chair to appoint an Enforcement Committee to consider the matter in accordance with paragraph 6;

(c) provide the Enforcement Committee with its report and any representations from the Registered Auditor in response to the letter sent to the Registered Auditor pursuant to paragraph 5.1(a).

6 Consideration by the Enforcement Committee

6.1 The Enforcement Committee shall receive and consider the report from the AQR together with any representations from the Registered Auditor and shall decide whether there has been a failure to comply with the Regulatory Framework for Auditing and, if so, whether the criteria in paragraph 4.1 are met.

6.2 Where the Enforcement Committee decides that the criteria set out in paragraph 4.1 are not met it shall take no further action against the Registered Auditor and shall:

(a) notify the Registered Auditor; and

(b) notify the relevant RSB.

6.3 Where the Enforcement Committee decides that the criteria set out in paragraph 4.1 are met it shall invite the Registered Auditor to agree a Sanction.

6.4

(a) Where the Enforcement Committee receives a report from the AQR and /or further information which indicates that the conduct of a Registered Auditor should be considered in accordance with the provisions of the Scheme or the disciplinary procedures of the relevant RSB, the Enforcement Committee shall send a copy of the AQR report and / or further information to the Board.

(b) In the event of a referral to the Board under paragraph (a) above where the substance of the matter referred is the same as the matter under consideration by the Enforcement Committee any further consideration by the Enforcement Committee will be stayed until such time as the Board have made a decision. In the event that the Board decides to commence an investigation under the Scheme or refers the matter to the disciplinary procedures of the relevant RSB, no further action will be taken under this Procedure.

6.5 The Enforcement Committee may, to the extent necessary to make a decision under this Procedure, request any additional information, held in whatever form (including electronic) from the AQR and / or the Registered Auditor. Any such information will be provided to the AQR or the Registered Auditor as applicable and, if appropriate, representations will be invited on that information before it is considered by the Enforcement Committee.

7 Notice of proposed Sanction

7.1 Where the Enforcement Committee decides to invite the Registered Auditor to agree a Sanction it shall send a written notice to the Registered Auditor in accordance with paragraph 7.2, and shall enclose a copy of this Procedure with the notice.

7.2 The notice of proposed Sanction must:

(a) state the reasons why the Enforcement Committee considers the Registered Auditor has failed to comply with the Regulatory Framework for Auditing;

(b) set out the proposed Sanction and the reasons why the Enforcement Committee considers such a Sanction is appropriate;

(c) invite the Registered Auditor to make representations and / or accept the proposed Sanction in writing within 21 days;

(d) inform the Registered Auditor that, subject to the consideration of any representations made, if the proposed Sanction is not accepted the matter shall be referred to the Independent Sanctions Tribunal for adjudication; and

(e) explain the extent to which any accepted Sanction will be communicated to others / published.

7.3 The Enforcement Committee may in its absolute discretion extend the period in which the Registered Auditor can respond to the notice.

7.4 The Enforcement Committee shall send a copy of the written notice to the relevant RSB.

8 Acceptance of Sanction or Undertakings

8.1 Having regard to any further information or representations which it has received, the Enforcement Committee may decide:-

(a) no further action should be taken against the Registered Auditor; or

(b) an amended or lesser Sanction is appropriate; or

(c) it is appropriate to accept written Undertakings from the Registered Auditor.

8.2 Where no further action is taken pursuant to paragraph 8.1(a) the Enforcement Committee shall notify in writing the Registered Auditor and the relevant RSB.

8.3 Where:-

(a) within the period stated in the notice, or as extended under paragraph 7.3, the Registered Auditor accepts in writing the proposed Sanction; or

(b) the Enforcement Committee decides an amended or lesser Sanction under paragraph 8.1(b);

the Enforcement Committee shall make a direction in writing to the relevant RSB requiring it to take the necessary steps to impose the Sanction, as if it were a Sanction which the relevant RSB had determined under the Regulations. In the case of a Regulatory Penalty the monies shall be paid to and retained by the relevant RSB, and in the event of non-payment by the Registered Auditor, shall be enforced by the relevant RSB.

8.4 The Enforcement Committee shall publish details of the Sanction as soon as practicable and in such manner as it thinks fit unless this would not, in the opinion of the Enforcement Committee, be in the public interest.

8.5 Where the Enforcement Committee accepts written Undertakings from the Registered Auditor, the AQR will monitor compliance with those Undertakings and report to the Supervision Committee and the relevant RSB as appropriate.

8.6 Where the Supervision Committee receives a report from the AQR that the Registered Auditor has failed to comply with written Undertakings accepted by the Enforcement Committee pursuant to paragraph 8.1, the matter is re-opened and the Supervision Committee shall refer the matter to the Enforcement Committee Panel Chair to appoint an Enforcement Committee to consider the matter in accordance with paragraph 6 and report the referral to the Conduct Committee.

9 Variation or revocation of Sanction

9.1 The Enforcement Committee may at any time, with the agreement of the Registered Auditor, make a direction to the relevant RSB to vary or revoke:-

(a) a Restriction and / or Condition; or

(b) a period of Suspension

determined in accordance with paragraph 8.3.

Part 4

Action by the Independent Sanctions Tribunal

10 Referral to the Independent Sanctions Tribunal

10.1 Where:

(a) the Registered Auditor fails to respond to the Enforcement Committee within the period stated in the notice, or as extended under paragraph 7.3; or

(b) the Registered Auditor does not agree a Sanction with the Enforcement Committee; or

(c) the Enforcement Committee does not accept written Undertakings offered by the Registered Auditor;

the Enforcement Committee shall send notice to the Registered Auditor that the matter is being referred to the Independent Sanctions Tribunal to consider in accordance with paragraph 13.

10.2 The Enforcement Committee shall send a copy of the notice of referral to the Conduct Committee and to the relevant RSB. The Conduct Committee shall send a copy of the notice to the Convener.

11 Appointment of the Independent Sanctions Tribunal

11.1 Upon receipt of a copy of the notice of referral pursuant to paragraph 10.2 or 13.12, the Convener shall, as soon as practicable, appoint an Independent Sanctions Tribunal in accordance with paragraph 14 to consider the matter, and inform the Registered Auditor and the FRC of details of the Tribunal appointed

12 Notice of Hearing

12.1 As soon as reasonably practicable after a matter has been referred to an Independent Sanctions Tribunal, the secretary to the Tribunal shall serve a notice of hearing on the Registered Auditor and the FRC.

12.2. The notice of hearing shall:

(a) set out the alleged failure(s) to comply with the Regulatory Framework for Auditing;

(b) specify the date, time and venue of the hearing;

(c) inform the Registered Auditor of his right to attend the hearing and to be represented at the hearing;

(d) inform the Registered Auditor of the power of the Independent Sanctions Tribunal to proceed in his absence;

(e) inform the Registered Auditor of his right to adduce evidence and to call and cross examine witnesses; and

(f) inform the Registered Auditor of the Sanctions which the Independent Sanctions Tribunal can direct to be imposed on the Registered Auditor.

12.3 The notice of hearing shall give not less than 21 days' notice of the date and venue of the hearing.

13 Consideration by the Independent Sanctions Tribunal

13.1 Subject to this Procedure, the procedure adopted by an Independent Sanctions Tribunal to deal with the matter shall have regard to any guidance issued by the Conduct Committee.

13.2 A Registered Auditor may, either voluntarily or at the invitation of the Independent Sanctions Tribunal at any stage during a hearing before it, make an admission in respect of any alleged particulars of fact and / or any alleged failures to comply with the Regulatory Framework for Auditing and such admissions shall constitute proof before an Independent Sanctions Tribunal against the Registered Auditor making the admission.

13.3 In coming to a decision the Independent Sanctions Tribunal may take into account any evidence it considers relevant, whether or not such evidence would be admissible in a court.

13.4 After considering a matter, the Independent Sanctions Tribunal shall, in relation to the Registered Auditor, either:-

(a) Make a finding in respect of some or all of the alleged failures to comply with the Regulatory Framework for Auditing forming the subject matter of the case, or

(b) Dismiss the case.

13.5 Where the Independent Sanctions Tribunal makes a finding in relation to a Registered Auditor that he has failed to comply with the Regulatory Framework for Auditing then:-

(a) It may determine such Sanction against the Registered Auditor as is contained within paragraph 4.2 as it considers appropriate; or

(b) It may accept any written Undertakings offered by the Registered Auditor;

(c) In addition to any Sanction determined or Undertaking accepted, it may include an order that the Registered Auditor be required to pay the whole or part of the costs of the hearing. The amount to be paid by the Registered Auditor and the time for payment shall be determined by the Independent Sanctions Tribunal.

(d) It may make no determination against the Registered Auditor or no determination except for the payment of costs, if it considers that to be appropriate in all the circumstances.

13.6 The Independent Sanctions Tribunal shall make a report, which shall be signed by its Chairman, setting out its decision and reasons and any related determinations made and send it to the Conduct and Supervision Committees.

13.7 The Conduct Committee shall send a copy of the Independent Sanctions Tribunal's report to:

(a) the Registered Auditor concerned; and

(b) the relevant RSB.

13.8 The decision of the Independent Sanctions Tribunal in relation to a Registered Auditor and any determination against a Registered Auditor shall take effect 14 days after the date on which the finding / determination is notified in writing to the Registered Auditor.

13.9 The Conduct Committee shall:

(a) make a direction in writing to the relevant RSB requiring it to take the necessary steps to implement any Sanction determined by the Independent Sanctions Tribunal, as if it were a Sanction which the relevant RSB had determined under the Regulations; and

(b) where a Sanction has been determined by the Independent Sanctions Tribunal, publish the determination of such Sanction as soon as practicable and in such manner as it thinks fit unless this would not, in the opinion of the Conduct Committee, be in the public interest.

13.10 Where the Independent Sanctions Tribunal accepts written Undertakings from the Registered Auditor the AQR will monitor compliance with those Undertakings and report to the Supervision Committee and the relevant RSB as appropriate.

13.11 Where the Supervision Committee receives a report from the AQR that the Registered Auditor has failed to comply with written Undertakings accepted by the Independent Sanctions Tribunal pursuant to paragraph 13.5, the matter is re-opened and the Supervision Committee shall send notice to the Registered Auditor that the matter is being referred to the Independent Sanctions Tribunal to consider in accordance with this paragraph.

13.12 The Supervision Committee shall send a copy of the notice of referral to the Conduct Committee and to the relevant RSB. The Conduct Committee shall send a copy of the notice to the Convener.

13.13 In the case of an order for payment of costs, the monies shall be paid to the FRC within the time for payment stipulated by the Independent Sanctions Tribunal.

Part 5

Independent Sanctions Tribunal Hearings

14 Independent Sanctions Tribunal

14.1 The People Committee shall from time to time appoint a committee of not less than four persons to appoint a Panel of persons to serve as members of an Independent Sanctions Tribunal. The committee shall include at least one lawyer and at least one accountant (who shall not be in practice) but will not include any member of the Conduct Committee.

14.2 An Independent Sanctions Tribunal shall be appointed from the Panel by the Convener and shall be composed as follows:-

(a) Each Independent Sanctions Tribunal shall consist of three or five persons as the Conduct Committee in their absolute discretion thinks fit.

(b) The Chairman of the Independent Sanctions Tribunal must be a lawyer (former member of the judiciary, a barrister, an advocate or a solicitor).

(c) A three person Independent Sanctions Tribunal must comprise in addition to the Chairman:-

(i) A lay person; and

(ii) An accountant.

(d) A five person Independent Sanctions Tribunal must comprise in addition to the Chairman:-

(i) At least two lay persons; and

(ii) Up to two accountants.

(e) For the purposes of (c) and (d) above an accountant means a Member of a professional accountancy body whether or not that body is an RSB and a lay person means a person who is not a Member of a professional accountancy body;

(f) No serving member of the governing body, any committee or tribunal of, or any officer or employee of, any of the RSBs shall be appointed to an Independent Sanctions Tribunal. However, former members of the governing bodies, committees or tribunals and former officers or employees of the RSBs shall not be precluded from such appointment provided that at least two years have elapsed since the termination of the appointment or employment.

(g) No person who is a member, director or officer of the FRC, or of any subsidiary company of the FRC, or a member appointed to any committee of the FRC or any subsidiary company of the FRC, shall be appointed to an Independent Sanctions Tribunal. A former member, committee member, director or officer as aforesaid shall not be precluded from such appointment provided that at least two years have elapsed since the termination of the appointment or employment.

(h) No person who has been concerned with the investigation or with any earlier proceedings relevant to the matter shall be appointed to an Independent Sanctions Tribunal.

14.3 The People Committee will appoint a secretary to an Independent Sanctions Tribunal to administer the Tribunal.

14.4 Subject to paragraph 13.1, if more than one Independent Sanctions Tribunal is appointed to hear cases arising out of the same matter, any of the members appointed to one of the Independent Sanctions Tribunals may be appointed to the other or others.

14.5 Hearings before the Independent Sanctions Tribunal will be in private.

14.6 Only the following may attend a hearing of the Independent Sanctions Tribunal:

(a) members of the Independent Sanctions Tribunal;

(b) the secretary to the Independent Sanctions Tribunal;

(c) the Registered Auditor and any representative appointed for the purposes of the Independent Sanctions Tribunal;

(d) a representative of the FRC appointed by the Executive for the purposes of the Independent Sanctions Tribunal;

(e) any witnesses called by either party;

(f) any person whose role is to advise or inform the Tribunal on its responsibilities, duties, powers or procedures, or the law;

(g) anyone else the Independent Sanctions Tribunal permits.

14.7 (a) The FRC shall act as complainant before an Independent Sanctions Tribunal and shall bring evidence against the Registered Auditor in respect of the subject matter of the case before the Independent Sanctions Tribunal.

(b) Every Independent Sanctions Tribunal shall give any Registered Auditor the subject of a hearing before it an opportunity to hear the evidence against him or it, to cross-examine witnesses called by the FRC, to call witnesses and lead evidence in his or its defence and to make representations orally or in writing to the Independent Sanctions Tribunal.

(c) Any such Registered Auditor shall be entitled to be represented at all hearings of the Independent Sanctions Tribunal.

(d) Any witnesses called by the Registered Auditor, including the Registered Auditor in the case of sole practitioners, may be cross-examined by the FRC.

14.8 The Independent Sanctions Tribunal may decide any issue of fact or law and draw any inference of fact which it considers is supported by the evidence.

14.9 The Independent Sanctions Tribunal may exclude from a hearing any evidence which, in its opinion, it is necessary to exclude in order to:-

(a) Ensure fairness between the parties; and

(b) Preserve the interests of justice.

14.10 All Independent Sanctions Tribunals shall be conducted in accordance with the laws of England and Wales.

15 Standard of Proof

15.1 The standard of proof to be applied by an Independent Sanctions Tribunal is the civil standard of proof.

16 Pre-hearing Directions

16.1 Subject to the provisions of this Procedure, at any time before a hearing the Chairman of the relevant Independent Sanctions Tribunal may give such pre-hearing directions as are necessary or desirable for securing the just, expeditious and economical disposal of the case.

17 Postponement

17.1 A session of a hearing shall be postponed if (whether by reason of incapacity or otherwise):-

(a) The Chairman is unable to be present; or

(b) There shall not be present at least three members of the Independent Sanctions Tribunal including one lay member (who is not an accountant) and one accountant.

17.2 If a session of a hearing can and does proceed in the absence of an Independent Sanctions Tribunal member, that member shall not participate in any further session or consideration of the matter and shall cease to be a member of the Independent Sanctions Tribunal for that case.

17.3 If a session of a hearing is postponed pursuant to paragraph 17.1, or if for any other reason any of the Independent Sanctions Tribunal members may not be able to attend any session, and it appears to the members of the Independent Sanctions Tribunal that the facts resulting in the postponement will not change or may result in an unreasonable delay in the conduct of a hearing, this shall be reported to the Convener who, shall consider whether in all the circumstances it would be appropriate and consistent with ensuring a fair hearing of the matter to appoint a new Chairman, a new Independent Sanctions Tribunal member or a new Independent Sanctions Tribunal (as appropriate).

17.4 In the case of an appointment of a new Independent Sanctions Tribunal, any of the members of the original Independent Sanctions Tribunal may be appointed to the new Independent Sanctions Tribunal.

17.5 The Convener shall notify the Registered Auditor and the FRC of any new Chairman, Independent Sanctions Tribunal member or Independent Sanctions Tribunal (as appropriate).

18 Voting

18.1 Any matter to be decided by an Independent Sanctions Tribunal shall be decided by a majority of votes.

18.2 No member of an Independent Sanctions Tribunal may abstain from voting on any issue before the Independent Sanctions Tribunal.

Part 6

General

19 Service

19.1 Any notice, decision, order or other document which needs to be served on a Registered Auditor or other person under this Procedure will be delivered by hand, or sent by first class post or by email and:

(a) if delivered by hand to the latest address given by the addressee, service will take effect immediately;

(b) if sent by first class post to the latest address given by the addressee, service will take effect two business days after posting;

(c) if sent by email to the latest email address notified by the addressee, service will take effect immediately.

20 Assessment of Compliance

20.1 When the Enforcement Committee or Independent Sanctions Tribunal has to decide if a Registered Auditor has complied with a regulation, auditing standard or a quality control standard it must take into account any relevant guidance.

21 Disclosure of Information

21.1 All information and evidence obtained under this Procedure by the Enforcement Committee and the Independent Sanctions Tribunal, whether originally oral or in writing, will be confidential but may be disclosed to any regulatory body or prosecuting authority, or any person, body or authority carrying out any role similar to that of regulation or prosecution, in any part of the world, to enable that person, body or authority to undertake those responsibilities or as otherwise required or allowed by law.

21.2 A Registered Auditor shall treat all information which is not in the public domain which comes to its knowledge in the course of proceedings under this Procedure as confidential.

21.3 A Registered Auditor shall only disclose information to persons other than their legal representative with the express consent of the Enforcement Committee.

22 Procedures

22.1 When considering a matter before it, the Enforcement Committee and Independent Sanctions Tribunal shall, for the purposes of this Procedure, accept any previous disciplinary finding, conviction, decision, sentence or judgment (including criminal and civil court decisions) as conclusive evidence of that prior matter.

22.2 Subject to the 2006 Act and the 2014 Act, and this Procedure, the Enforcement Committee and the Independent Sanctions Tribunal may, in carrying out their duties under this Procedure, decide on their own procedures.

23 Transitional Arrangements

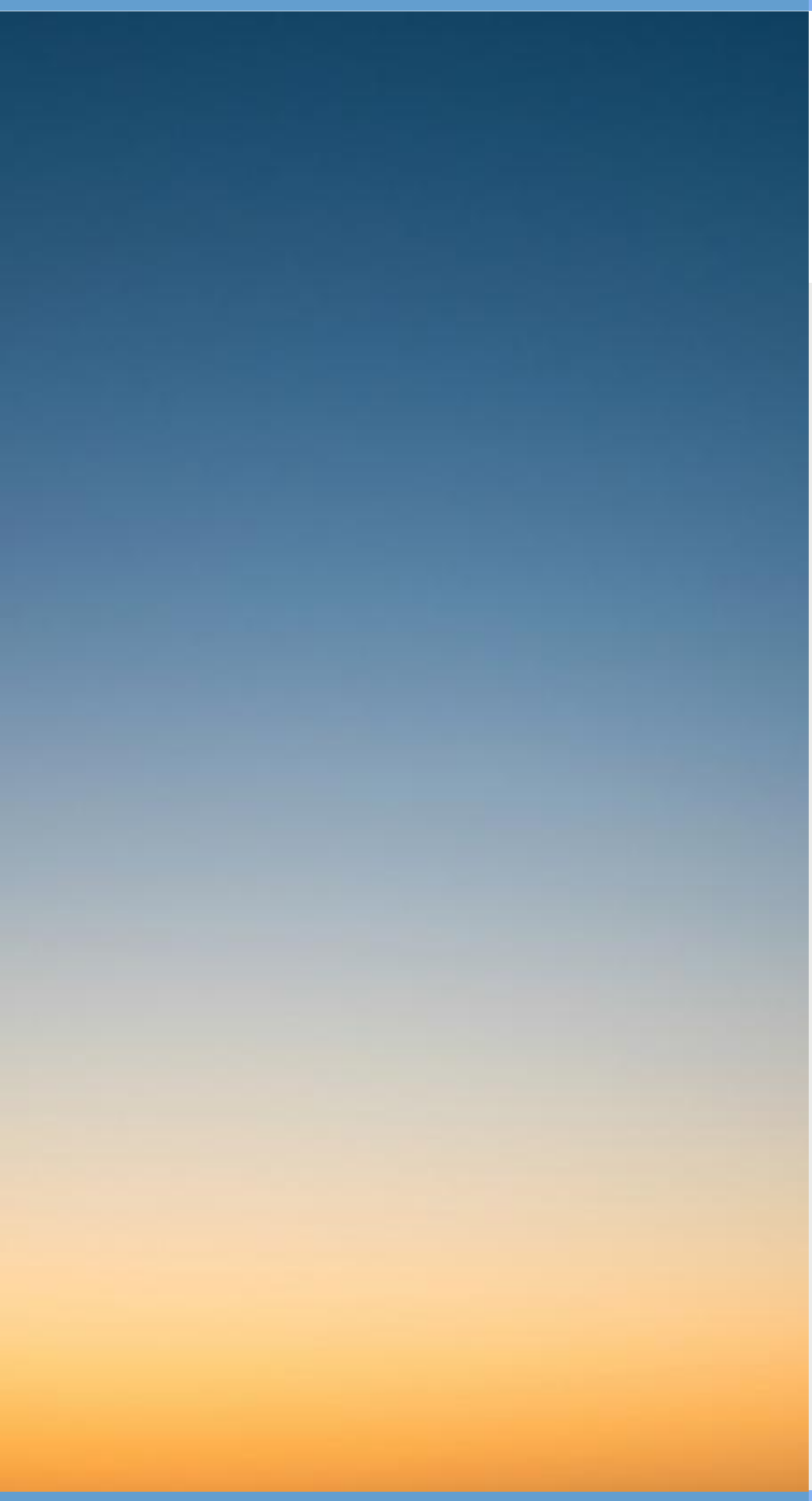
23.1 The provisions of this amended Procedure will have immediate effect.

23.2 Any steps taken under a previous version of this Procedure shall be deemed to have been taken under this Procedure as amended by the Board with effect from 1 November 2026. Any decisions previously made by the AQR Committee will be deemed to have been taken by the AQR or Supervision Committee as appropriate. Any decisions previously taken by the Nominations Committee shall be deemed to have been taken by the People Committee.

24 Amendment and Termination of this Procedure

24.1 The FRC may amend this Procedure or may terminate it by giving notice of not less than three months.

Approved by the Board on 23 June 2026.



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