



Financial Reporting Council

# **Public Interest Entity (PIE) Auditor Registration**

**Consultation on proposed  
amendments to the PIE Auditor  
Registration Regulations**

July 2025

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# 1. General information

- 1.1. The Financial Reporting Council (FRC) is responsible for the Registration of Statutory Audit Firms and Responsible Individuals (RIs) who undertake (or who intend or expect to undertake) Statutory Audit Work for Public Interest Entities (PIEs). The FRC operates and maintains the PIE Auditor Register (PAR) in accordance with the provisions of the FRC's PIE Auditor Registration Regulations (the Regulations).
- 1.2. This consultation sets out the proposals of the FRC to amend the Regulations.
- 1.3. Section 3 of this consultation outlines the substantive proposed changes to the Regulations and, where relevant, identifies any corresponding changes the FRC proposes to make to the PIE Auditor Registration Guidance for Applications and Registration (the Guidance). The proposed changes to the Regulations have been set out at Appendix A.
- 1.4. The FRC's consultation does not extend to changes to the proposed amended Guidance, which is, however, enclosed at Appendix B to assist consultees with understanding the proposed changes to the Regulations. The Guidance may be subject to further changes prior to publication, to reflect any additional changes to the Regulations that are made as a result of the consultation.
- 1.5. The FRC welcomes feedback on the proposed amendments to the Regulations. A full list of consultation questions can be found at Section 4 of this consultation. If you wish to make general comments regarding the proposed amendments to the Regulations that are not connected to a specific question, or a specific proposed change, please clearly state the provision of the Regulations to which your comment relates, to ensure it is captured in the FRC's analysis of the consultation responses.
- 1.6. This consultation opened on 17 July 2025. Comments on the questions set out in this consultation document are required by **2 October 2025**. Responses should be sent by email to [registrationconsultation@frc.org.uk](mailto:registrationconsultation@frc.org.uk). When responding, please state whether you are responding as an individual or representing the views of an organisation. All responses will be acknowledged.
- 1.7. Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).
- 1.8. The FRC's policy<sup>1</sup> is to make responses received to our consultations publicly available. If you want the information that you provide to be treated as confidential, please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a

<sup>1</sup> <https://www.frc.org.uk/about-us/policies-and-procedures/consultation-responses-policy/>

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confidentiality request. We will process your personal data in accordance with all applicable data protection laws. Please see our privacy policy.<sup>2</sup>

<sup>2</sup> <https://www.frc.org.uk/about-us/policies-and-procedures/privacy/>

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## 2. Context for this consultation

- 2.1. The PIE Auditor Registration (Registration) regime has been in operation for over two years, following recommendations made on audit reform by the government. The FRC has direct control of the Registration of PIE auditors, ensuring that decisive and timely action can be taken when systemic issues at a firm are identified using one or more Registration measures. The Registration process acts as a mitigation against the risk of poor audit quality, supports market confidence, allows the FRC to work constructively and in a supportive way with firms and, importantly, helps to protect the public interest.
- 2.2. Informed by experience of its operation and feedback received from stakeholders during this period, and in recognition of the government's growth agenda, the FRC is proposing to make changes to the Regulations to:
- reduce the administrative burden of the Regulations;
  - respond to increased activity in the areas of restructuring, reorganisation and private capital ownership of PIE Registered audit firms;
  - provide more flexibility where appropriate; and
  - clarify the Regulations in certain respects.
- 2.3. The FRC is keen to receive the views of interested parties on the proposals. The FRC also considers this to be an appropriate opportunity for stakeholders to provide commentary on the operation of the Registration process since its introduction. Feedback is being sought through the consultation on:
- the changes proposed to the Regulations which are described in this consultation;
  - any other changes which stakeholders propose would be useful to make to the Regulations; and
  - the operation of the Registration process and recommendations for any improvements.
- 2.4. The FRC acknowledges that consideration of transactions relating to the restructuring, reorganisation and/or private capital ownership of PIE Registered audit firms can be time-consuming for all parties involved, depending on the complexity of the changes. To ensure that PIE Registered audit firms continue to meet the Registration Requirements regarding their governance arrangements, the FRC is proposing to amend the notification requirements in the Regulations to require PIE Registered audit firms to engage with the FRC at an early stage in any type of change to their governance arrangements. The intention of these proposed amendments is to allow sufficient time for the impact of the changes to be considered by the FRC, for any implications for the firm's Registration to be determined and, in all cases, for any Registration Decision to be made within appropriate and realistic timescales.

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- 2.5. Other revisions to the Regulations, which do not substantially change the effect of the Regulations and are more administrative or clarificatory in nature, are not individually addressed in Section 3, but can be viewed in the amended draft of the Regulations in Appendix A.
  - 2.6. The FRC intends to bring amended versions of the Regulations and Guidance into force in January 2026.

### 3. Outline of the draft proposed amendments to the Regulations

- 3.1. Substantive proposed changes to the Regulations are explained in the table below. Please use these reference numbers in your responses.
- 3.2. The table below refers, in column 2, to the Regulations affected, with any relevant corresponding changes to paragraphs of the Guidance being set out in brackets for ease of reference and understanding.
- 3.3. In all cases the numbering of Regulations and Guidance refers to the new numbering in the amended documents at Appendices A and B.

#### Part 1. Introduction

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
1.	Regulation 1.6	Text added to clarify in respect of which types of entities the requirement for a firm or individual to be registered on the PAR, in order to conduct Statutory Audit Work, is engaged.	To reduce the regulatory burden, Registration is not required in respect of entities which have only met the PIE definition for a short time during a financial period and are not a PIE on the financial period end date (Accounting Reference Date).
2.	Regulation 1.7	Text added to clarify by when a firm needs to be registered on the PAR to undertake Statutory Audit Work for PIEs.	To provide clarity around when the need to be registered is triggered.



## Part 2. Definitions and interpretation

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
3.	Regulation 2.1 (Paragraphs 9 to 10)	Clarificatory text added to definition of PIE.	To provide clear parameters for which entities are within scope of the Regulations, and to clarify that local audits in Scotland, Northern Ireland and Wales, as well as organisations which are part of the NHS structures in England, Scotland, Wales, and the HSC structure in Northern Ireland, are outside the scope of the Regulations.
4.	Regulation 2.1	Amendment to definition of Principal.	For the purposes of the Regulations, the FRC considers that a Principal should be a person with an ownership stake in the business. For this reason, salaried partners and individuals 'held out' as a Principal have been removed from the definition. The definition has been moved into alignment with the Audit Register Instrument 2016 to improve consistency in treatment by firms.
5.	Regulation 2.1	Amendment to definition of Principal Authorised Contact (PAC).	To clarify that a PAC may be a Principal or a member of an audit firm's management board.

6.	Regulation 2.1	Amendment to definition of Registration Review.	To simplify the definition of Registration Review, in line with amendments made to Part 16.
7.	Regulation 2.1	Removal of definitions relating to Transitional Applications, Transitional Period and Transitional Regulations.	The Transitional Period ended on 4 December 2022. All Transitional Applications have been processed and the Transitional Regulations are no longer in operation.

## Part 4. Registration Requirements for PIE Registered Audit Firms

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
8.	Regulation 4.1(iii)n) (Paragraph 19, item 4.1(iii)n))	Insertion of 'and shall'.	To provide clarity and certainty about audit firms' Registration Requirements being a continuing requirement, not solely an initial commitment.
9.	Regulation 4.1(iii)n)v.	Change from 'control' to 'management'. Note this change has also been made to Regulations 5.1(iii)i)vi., 8.5 and 9.5.	Change made in accordance with the current standard now being ISQM (UK) 1, not ISQC (UK) 1.

## Part 5. Registration Requirements for a PIE Registered RI

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
10.	Regulation 5.1(iii)i) (Paragraph 22, item 5.1(iii)i))	Insertion of 'and shall'.	To provide clarity and certainty about RIs' Registration Requirements being a continuing requirement, not solely an initial commitment.

## Part 7. Assessment of Applications

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
11.	Regulation 7.1 (Paragraph 31)	Insertion of 'if so'.	To clarify that when assessing Applications, the FRC will first consider whether the Registration Requirements are met and, if they are, will proceed to consider whether there are any public interest reasons why the Application should not be granted.
12.	Regulation 7.5	Insertion of 10 working-day time limit for the FRC to notify Applicants of refusal of an Application to be entered on the PAR.	To ensure transparency and clarity around timescales involved with the application process.

## Part 8. Conditions

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
13.	Part 8 generally	References to Conditions being 'applied' amended to Conditions being 'attached'.	To ensure consistency in terminology used for Conditions being attached to an entry on the PAR.
14.	Regulation 8.8 (Paragraphs 89 to 91)	Insertion of text in relation to extending or shortening the duration of Conditions in addition to varying or ending them.	To clarify that the processes set out in Part 8 apply to extending or shortening the duration of Conditions, as well as varying or ending them, and what process is to be followed in each circumstance.
15.	Regulation 8.10 (Paragraph 176)	Text amended regarding publication, setting out that '[t]he manner of such publication shall be determined by the FRC'.	To provide flexibility in relation to how and where decisions may be published. Similar amendments have been made elsewhere in the Regulations (see Regulations 9.9, 10.10, 11.8, 12.8, 13.7, 13.8 and 14.13) and to the Publication Policy at Annex 1 of the Guidance, for the same reasons.

## Part 9. Undertakings

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
16.	Regulation 9.3	Insertion of 'or such other period of time as may be agreed between the FRC and the Applicant'.	To provide flexibility to allow the FRC to respond to specific situations which may arise.
17.	Regulation 9.8 (Paragraphs 104 to 107)	Insertion of text to enable Undertakings to be varied at the initiative of the FRC, and/or an audit firm and/or an RI.	To provide a pathway for any party to request or initiate the variation of an Undertaking.

## Part 10. Waivers

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
18.	Regulation 10.2g) to h)	Insertion of new sub-paragraphs g) and h) requiring additional information in applications for waivers.	To make sure that requests for waivers are set out clearly.
19.	Regulation 10.4c) (Paragraph 113)	Text amended in sub-paragraph c).	To make sure that the provisions of any waiver are clearly set out in the Formal Notification.

20.	Regulation 10.5 (Paragraphs 116 to 117)	Provision added for all waivers to be subject to review by the FRC, and the potential outcomes of that review.	The FRC considers that the interests of fairness require waivers to be reviewed, to ensure that they remain necessary and that their provisions continue to be appropriate. The Regulations should also be clear about the potential outcomes of such a review. Any decision by the FRC in relation to a waiver should be formally documented in line with other decisions made under the Regulations.
21.	Regulation 10.6 (Paragraph 118)	Provision added to enable PIE Registered Audit Firms or PIE Registered RIs to request extensions or variations to waivers.	The FRC considers that PIE Registered Audit Firms and PIE Registered RIs should be able to request extensions or variations to waivers to which they are subject, and that the Regulations should be clear that this is possible.
22.	Regulations 10.7 to 10.8	Text added in relation to steps the FRC shall take when ending a waiver.	Amendments have been made to separate provisions for ending waivers from those relating to extending or varying their terms (which are now dealt with in the new Regulation 10.6). Additional provision has been added in Regulation 10.8 to clarify the steps the FRC shall take if it considers that the requirements of Regulation 10.3 are not being met, to ensure that the party subject to the waiver is given the opportunity to make representations prior to the waiver being ended.

## Part 11. Suspension of Registration

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
23.	Regulation 11.6	References added to shortening of suspensions and provision for a PIE Registered Audit Firm or PIE Registered RI to request the extension, shortening or ending of a suspension.	The FRC considers that PIE Registered Audit Firms and PIE Registered RIs should be able to request that the suspension to which they are subject be extended, shortened or ended, and that the Regulations should be clear that this is possible. It should also be clarified that suspensions may be shortened, as well as extended or ended, and that this may happen in response to a request or otherwise.

## Part 12. Urgent decisions

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
24.	Regulation 12.1 to 12.4 (Paragraphs 151, 152, 155 to 158)	Addition of text to include shortening or extending the duration of a suspension or Conditions.	To clarify that both shortening and extending the duration of a suspension or Conditions is within the scope of Part 12.

25.	Regulation 12.5 (Paragraph 153)	Addition of the text 'Subject to Part 14, a decision made under Regulation 12.2e) shall be considered a final decision and will not be subject to further written representations.'	In keeping with the urgent nature of decisions made under Part 12, this amendment clarifies the finality of the process under Regulation 12.2. Such final decisions are subject to Part 14 (Internal reviews and appeals).
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## Part 13. Removal from the PAR

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
26.	Regulations 13.1e) and 13.2e)	Addition of agreements under the Audit Enforcement Procedure (AEP), and agreements or determinations under the Accountancy Scheme (the Scheme).	To clarify that settlements under the AEP (as well as determinations) and settlements or determinations under the Scheme are within the scope of Part 13.
27.	Regulations 13.6 and 13.7 (Paragraphs 13 and 142)	Amendments to clarify the position in relation to the sending of Formal Notifications to PIE Registered Audit Firms as separate from PIE Registered RIs. Deletion of current text of Regulation 13.7.	In the event a PIE Registered RI is removed from the PAR, notification should be sent to them directly where possible, as well as to the relevant PIE Registered Audit Firm. Where it is not possible to send the notification directly to the RI, for example where the RI has not provided the FRC with contact details, notification will only be sent to the firm. Current text of Regulation



			13.7 deleted given it duplicates the provisions in Regulation 13.6b).
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## Part 14. Internal reviews and appeals

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
28.	Regulation 14.1	Amendments to Regulations within the scope of Part 14.	To ensure consistency with amendments being made to the Regulations.
29.	Regulation 14.4	Addition of 'or undertaken'.	To provide clarity that the grounds for Internal Review apply where an Internal Review is being requested under Regulation 14.1 or initiated under 14.2.
30.	Regulation 14.6c)	Insertion of text relating to 'another designated person'.	To clarify that, where the person or persons who made the Registration Decision are incapacitated or unavailable, the decision may be remitted back to another designated person. Note, the same amendment has been made to Regulation 14.10c).

## Part 15. Changes to information relevant to Registration Requirements

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
31.	Regulation 15.3 (Paragraphs 45 to 49)	Introduction of separate notification requirements for Relevant Changes made under the new Regulations 15.4h) and 15.4i).	Changes of the types addressed in Regulations 15.4h) and 15.4i), can be complex and have the potential to impact on a PIE Registered Audit Firm's Registration on the PAR. The FRC considers it is vital that firms engage with the FRC at an early stage when such changes are anticipated. An advance notification period of 90 days is proposed. The objective will be to complete Registration processes and take Registration Decisions within appropriate and realistic timeframes.
32.	Regulation 15.4g)	Text amended in relation to other changes which have occurred or will occur which may be relevant to Registration Requirements.	To clarify that other changes, which are not covered in Regulation 15.4a) to f), but which may still affect a PIE Registered Audit Firm's ability, or the ability of one of its PIE Registered RIs, to comply with the Registration Requirements, or their ability to conduct Statutory Audit Work for PIEs, must be notified to the FRC.

33.	Regulations 15.4h) and i)	Addition of a number of Relevant Changes.	To clarify that changes of the type set out in these Regulations are considered Relevant Changes which fall within the remit of Part 15.
34.	Regulation 15.5 (Paragraphs 48 to 50)	Insertion of provision that the notification required by Regulation 15.3 shall specify the applicable Relevant Change and be accompanied by copies of the types of documents specified in any relevant guidance issued by the FRC.	To ensure that PIE Registered Audit Firms are clear about what Relevant Change is being notified or considered, and that adequate documentation is provided to enable the FRC to make a full assessment of the Relevant Change/s which have been notified, in order to make a full and proper determination on a firm's Registration.
35.	Regulation 15.6 (Paragraph 53)	Insertion of provision that audit portfolios may be submitted other than every six months where the FRC agrees.	To provide flexibility where firms may find it more convenient to submit updates at periods other than every six months.
36.	Regulation 15.7 (Paragraph 53)	Insertion of new Regulation setting out specific Relevant Changes for PIE Registered RIs.	The FRC considers that separating out those Relevant Changes which relate to PIE Registered RIs will improve clarity in the Regulations and ensure that situations where an RI may wish to notify the FRC directly, rather than through their firm, are captured.

## Part 16. Annual Return to the FRC and Registration Reviews

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
37.	Regulation 16.1 (Paragraph 64)	Change in text to clarify that a PIE Registered Audit Firm's Annual Return should be submitted to the FRC on the same date as it is submitted to its RSB.	To address inconsistency between this Regulation and the definition of Annual Return in Regulation 2.1, and to give the FRC the ability to consider amendments to the Annual Return date.
38.	Regulation 16.6 (Paragraphs 66 to 71)	Replacement of existing Regulation 16.6 with a provision that the frequency of Registration Reviews shall be determined by the FRC.	<p>The FRC has reviewed its Registration Review process and considers that there should be more flexibility to allow the FRC to deal with non-standard situations and to phase the timing of the work to reduce the burden of Registration Reviews where possible.</p> <p>The FRC considers the process would benefit from greater clarity around how Registration Reviews are triggered, the procedures the FRC will follow and the potential outcomes, as well as ensuring the process covers all relevant periods of an audit firm's PIE Registration.</p> <p>The FRC is proposing different frequency and triggers depending on the number of PIEs in an audit firm's portfolio, to reflect the fact that reviews may be required less frequently for firms</p>

			with a smaller portfolio, to reduce unnecessary administrative burdens accordingly (e.g. removal of the need to notify PIE Registered Audit Firms of the commencement date of the Registration Review), and to ensure a proportionate approach. The full detail is set out in the Guidance.
39.	Regulation 16.7 (Paragraph 72)	Addition of provisions regarding notification of the outcome of a Registration Review.	To ensure clarity in the process.

## Part 17. General rules

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
40.	Regulation 17.5	Insertion of reference to other regulators and public bodies.	The FRC considers that there could be situations where the FRC may (subject to any legal restrictions on disclosure) need to share information with other regulators or public bodies. In the interests of transparency this should be made clear within the Regulations.
41.	Regulations 17.7e)	Insertion of a new sub-paragraph relating to how PIE Registered Audit Firms or PIE Registered	The FRC understands that there may be situations where: (i) as a requirement of

		<p>RIs who receive confidential information from the FRC may disclose that information.</p>	<p>registration with another regulator, a PIE Registered Audit Firm or PIE Registered RI may be required to disclose details of measures imposed on their Registration by the FRC; or (ii) a PIE Registered Audit Firm may need to share information internally, or within its wider global network, to enable them to comply with a Condition or Undertaking imposed under these Regulations, or to allow the firm to meet the requirements of the network. The FRC considers these situations to be reasonable in principle, and to avoid unnecessary administrative burdens on all parties, proposes they should be provided for in the Regulations.</p>
42.	Regulation 17.9a)	Text added in relation to deemed service.	To clarify when service by email will be deemed to take effect.

## Annex 1. Appeal Rules

Item ref	Regulation (Guidance Paragraph)	Proposed Amendment	Explanation
43.	Entirety of Annex 1	The previous Annex 1 (Transitional Regulations) has been deleted and replaced with what was Annex 2 (Appeal Rules) in the previous issue of the Regulations.	The Transitional Period ended on 4 December 2022. All Transitional Applications made by that date have now been processed with no matters outstanding. Applications may now only be made under the Regulations, and the Transitional Regulations are obsolete.
44.	Appeal Rules, paragraph 2.2	Insertion of text giving power to the Conduct Committee to: a) authorise remuneration of the Convener and members of any PIE Registration Tribunal Panel, and any other person providing assistance to the Panel; and b) provide the Convener and any PIE Registration Tribunal Panel with guidance concerning the exercise of their duties.	To ensure the Conduct Committee is empowered to perform such tasks as are necessary to ensure the fair remuneration of PIE Registration Tribunal Panel members, its assistants (if any), and the Convener, as well as to provide the necessary guidance or assistance which may be required for the effective management of PIE Registration Tribunal Panels.
45.	Appeal Rules, paragraph 4.10	Insertion of text in relation the payment of costs by the FRC.	To bring the rules in line with the provisions of the AEP.

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## 4. Consultation Questions

1. Do you have any comments on the proposed changes to the Regulations as described above and set out in Appendix A? Please respond by reference to the specific item reference on the above table or to the specific paragraph number of the Regulations.
2. Do you agree with the proposed amendments to the Regulations? Please respond by referring to the specific item reference on the above table where possible, or to specific Regulation numbers.
3. Regulation 2.1 excludes a number of bodies from the definition of PIE. Do you consider there are any additional NHS/Health and Social Care bodies or local authorities which should be excluded from this definition?
4. The FRC is proposing specific notification requirements in the case of audit firms anticipating changes in their governance arrangements. These requirements are set out at Regulations 15.3 to 15.5 and expanded on at paragraphs 46 to 49 of the Guidance. This would include notification of whether any change or restructuring involves external investors, such as private capital or private equity funds or a potential listing. The FRC considers this to be an important change and welcomes comments on these proposals, particularly in relation to the 90-day minimum notification provision.
5. The Guidance specifies that the FRC will decide on straightforward Applications within 25 working days of all required documentation and information being submitted (which includes any required clarifications or confirmations). Since 5 December 2022, 99.3% of straightforward Applications have met this timeframe. Do you have any comments on:
  - the suitability of the processing time being 25 working days; and/or
  - the new ten working day notification period proposed for refusals; and/or
  - whether there are any targets on other areas of the Registration process which should be considered?
6. The FRC will start to report on Market Health Indicators in 2025-26. In relation to Registration, the FRC has proposed that these are, for example, the number of PIE Registered Audit Firms and PIE Registered RIs. Do you agree with these indicators? Are there any other metrics that you consider it appropriate for the FRC to report in respect of?
7. Do you have any general comments on the amended Regulations?
8. Do you have any comments on the Regulations which have not been addressed in this consultation?
9. Do you have any additional comments regarding the operation of the Registration process under the PIE Auditor Registration Regulations and/or any suggestions for how the process might be improved?



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## 5. Impact Assessment

### Introduction

1. The 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.
2. This consultation sets out the amendments the FRC proposes to make to the Regulations. Changes have also been made to the Guidance; the Guidance does not form part of the consultation but has been provided to help consultees understand the proposed changes to the Regulations.
3. Because the main purposes of the amendments are to clarify the Regulations in certain respects, to ensure consistency of language in the Regulations and to reduce unnecessary administrative burdens, we do not expect any of the impacts of the changes to be significant. In some cases, the amendments will remove the need for unnecessary correspondence and provide more flexibility, so that the FRC can be responsive, where appropriate, to requests from audit firms and RIs. This should reduce any current costs of compliance with the Regulations and any associated regulatory burden.
4. In a few instances, the amendments will require audit firms and/or RIs to do something new and additional compared to the previous Regulations, but we anticipate that the associated costs will be minor.

### Draft amendments proposed to the Regulations and Guidance

#### Deregulatory/clarificatory amendments:

5. One of the main examples of a deregulatory/clarificatory change is providing greater clarity around the Registration Review procedures and outcomes, as well as ensuring the process covers all relevant periods of a PIE Registered Audit Firm's Registration (Regulations 16.6 and 16.7). The FRC is proposing that the frequency of Registration Reviews shall be determined by the FRC and has set out full guidance which explains that the frequency and triggers of Registration Reviews will depend on the number of PIEs in an audit firm's portfolio. This acknowledges and reflects the fact that reviews may be required less frequently for firms with smaller portfolios and this change will reduce unnecessary administrative burdens accordingly.
6. Other examples of deregulatory/clarificatory amendments include clarification over when the requirement for firms and RIs to be registered on the PAR in order to undertake Statutory Audit Work for PIEs is engaged (Regulation 1.6); allowing firms to request variations in Undertakings, and allowing flexibility in response times to proposed Undertakings (Regulations 9.3 and 9.8); additions of provisions allowing firms to request variations and extensions to waivers (Regulation 10.6); giving the FRC the ability to agree alternative dates for submission of audit portfolios (Regulation 15.6) and annual returns (Regulation 16.1); and

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allowing firms to share information which is confidential under the Regulations in certain situations, without needing to seek the FRC's consent first (Regulation 17.7).

### **Some additional/new actions proposed by amendments:**

7. One of the main examples where audit firms are required to do something additional/new is in the change to notification requirements in Regulations 15.3 to 15.5. This change will require audit firms to engage with the FRC at an early stage in any restructuring to allow time for the impact of the changes to be considered, for any implications on the firm's Registration to be determined and, in all cases, for the engagement to be before any restructuring occurs. Examples of restructuring have been included as new categories of 'Relevant Change'. These changes reflect that there has been increased activity in the private capital ownership, and other reorganisations, of audit firms, and that consideration of these types of transactions can be time-consuming, depending on the complexity of the changes. Early notification will allow sufficient time for the assessment of whether a firm's Registration is impacted.
8. Other examples of additional/new actions proposed by amendments include the requirement for firms to express, when applying for a waiver under Part 10, when they want that waiver to commence, and the reason for this (Regulation 10.2); and the inclusion of a separate, short, category of Relevant Changes for RIs (Regulation 15.7), to address situations where RIs may be required to tell the FRC directly, rather than through their firm, about confidential matters which may affect their Registration.

### **No, or minimal, impact:**

9. Some examples of amendments which the FRC expects to have no, or minimal, impact include clarification of definitions relating to 'Principal' and 'Principal Authorised Contact' (Regulation 2.1); clarity on the process for considering Applications (Regulation 7.1); referencing the Accountancy Scheme as well as the Audit Enforcement Procedure (Regulations 13.1e) and 13.2e); clarification around the content and the addressee of Formal Notifications (Regulation 13.6); and clarification about when service by email takes effect (Regulation 17.9).

## **Conclusion**

On balance, the FRC believes that the proposed amendments will largely be helpful both to firms and RIs seeking to be registered on the PAR and to those which are registered and, therefore, the impact of the proposed amendments will be minor and have a net benefit overall.

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## 6.Groups affected by this consultation

During the initial development of this consultation, the FRC has given due consideration to the impact it will have on different groups. The FRC does not consider that the proposals in this consultation highlight any specific issues in relation to:

- age;
- disability;
- gender Reassignment;
- marriage and Civil Partnership;
- pregnancy and maternity;
- race;
- religion or belief;
- sex; or
- sexual orientation.

We will take account of the evidence gathered through this consultation in developing final policy proposals and any potential impacts on the protected characteristics.

# Appendix A: Draft amendments to the PIE Auditor Registration Regulations

## With tracked changes

Moved new position – Blue underlined

Moved old position ~~Blue strike through~~

Deleted – ~~red strike through~~

New Green

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The Financial Reporting Council makes these Public Interest Entity (PIE) Auditor Registration Regulations as a written instrument and in accordance with paragraphs 7 to 9 of Schedule 13 to the Companies Act 2006.

The Public Interest Entity (PIE) Auditor Registration Regulations are made available to the public as required by paragraph 8 of Schedule 13 to the Companies Act 2006 on the date of this certificate.

This is a true copy of the instrument.

By Order of the Board

[DATE]

Signed on behalf of the Board

Richard Moriarty, Chief Executive Officer

The FRC does not accept any liability to any party for any loss, damage or costs howsoever arising, whether directly or indirectly, whether in contract, tort or otherwise from any action or decision taken (or not taken) as a result of any person relying on or otherwise using this document or arising from any omission from it.

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## Part 1. Introduction

- 1.1 The FRC has made these Regulations as a written instrument in the exercise of the powers under Section 1239 of the Companies Act 2006 transferred to it under the Statutory Auditors (Amendment of Companies Act 2006 and Delegation of Functions etc) Order 2012 and in accordance with Regulations 3(1) and 3(8) of the Statutory Auditors and Third Country Auditors Regulations 2016 and Schedule 10 paragraph 5A of the Companies Act 2006.
- 1.2 These Regulations may be cited as the 'Financial Reporting Council Public Interest Entity ('PIE') Auditor Registration Regulations'.
- 1.3 These Regulations ~~come~~ came into force on 5 December 2022 ~~save that the Transitional Regulations apply during the Transitional Period.~~
- 1.4 These Regulations provide for a register of firms and individuals approved to undertake Statutory Audit Work for PIEs.
- 1.5 ~~On and from the date that these Regulations come into force,~~ Subject to Regulation 1.6, no firm or individual may undertake Statutory Audit Work for PIEs unless that firm or individual is registered on the PIE Auditor Register ('PAR').
- 1.6 A firm or individual shall be required to be registered on the PAR in respect of Statutory Audit Work undertaken in relation to an entity which: (i) was a PIE on the relevant Accounting Reference Date; or (ii) was a PIE for more than 100 consecutive days during the relevant Accounting Reference Period that is the subject of the Statutory Audit Work, and references in these Regulations to Statutory Audit Work for a PIE shall be construed accordingly.
- 1.7 For the purposes of Regulation 1.5, a firm shall be regarded as undertaking Statutory Audit Work for a PIE from the earlier of (i) the day on which the Statutory Audit Firm is appointed as statutory auditor for the PIE, pursuant to the Companies Act 2006; or (ii) the day on which the Statutory Audit Firm first commences Statutory Audit Work for the PIE.
- 1.8~~6~~ These Regulations should be considered alongside any guidance published by the FRC from time to time and any other document referred to in these Regulations.
- 1.9~~7~~ The FRC may from time to time issue, approve and/or amend guidance and policies in respect of the exercise by the FRC of any of its functions or powers pursuant to these Regulations.

## Part 2. Definitions and interpretation

2.1 In these Regulations the following words have the following meanings:

<b>Accountancy Scheme</b>	means the Accountancy Scheme published by the FRC from time to time.
<b>Accounting Reference Date</b>	has the meaning given in Section 391 of the Companies Act 2006.
<b>Accounting Reference Period</b>	has the meaning given in Section 391 of the Companies Act 2006.
<b>Annual Return</b>	means the annual return for PIE auditor registration which will be submitted to the FRC at the same time as a PIE Registered Audit Firm submits its annual return to its RSB.
<b>Appeal</b>	means an appeal of the outcome of an Internal Review brought under <del>paragraph</del> Regulation 14.8 <del>of these Regulations</del> .
<b>Appeal Rules</b>	means the rules which set out the procedures for Appeals under Part 14 of these Regulations and which appear at Annex 12 to these Regulations.
<b>Applicant</b>	means a firm or individual who submits an Application to the FRC under these Regulations.
<b>Application</b>	means an application to be entered onto the PAR <del>and includes a Transitional Application</del> .
<b>Audit Enforcement Procedure</b>	means the Audit Enforcement Procedure published by the FRC from time to time.
<b>Authorised Contacts</b>	means the person or persons appointed and authorised by a Principal Authorised Contact to make submissions to the FRC concerning the relevant PIE Registered Audit Firm's entry on the PAR and/or the entries on the PAR of that firm's PIE Registered RIs.
<b>Audit Firm Governance Code</b>	means the Audit Firm Governance Code published by the FRC from time to time.
<b>Audit Report</b>	has the meaning given to the term 'audit report' in regulation 2 of SATCAR 2016.
<b>Board</b>	means the board of directors of the FRC established and appointed under the FRC's Articles of Association.
<b>Condition</b>	means a restriction on, or requirement of, registration, put in place in accordance with Part 8 of these Regulations.
<b>Eligibility Criteria</b>	means the criteria set by the FRC in accordance with Regulation 3(1)(f) of SATCAR 2016.



<b>Formal Notification</b>	means a notification issued by the FRC setting out its decision in relation to an entry on the PAR (other than a decision resulting in a Registration Notice) including a decision relating to publication.
<b>FRC</b>	means the Financial Reporting Council Limited, a company limited by guarantee incorporated in England and Wales and the competent authority under SATCAR 2016.
<b>Internal Review</b>	means a review of a Registration Decision conducted by the FRC in accordance with Part 14 of these Regulations.
<b>Minimum Level of Professional Indemnity Insurance</b>	means the minimum level of Professional Indemnity Insurance cover set from time to time for a Statutory Audit Firm by the FRC or the RSB with which the firm is registered (whichever amount is higher).
<b>Notice of Appeal</b>	means the document lodged pursuant to <del>Regulation paragraph 14.8 of these Regulations</del> seeking to appeal the outcome of an Internal Review and setting out the grounds for the Appeal.
<b>Notice Period</b>	means a period of 20 working days' notice given by the FRC of a decision that it is minded to make under these Regulations. This period may be varied if agreed between the FRC and the recipient Applicant, PIE Registered Audit Firm or PIE Registered RI, as appropriate.
<b>PAR</b>	means the PIE Auditor Register established and maintained in accordance with these Regulations.
<b>PIE</b>	<p><del>means Public Interest Entity and has the meaning given in regulation 2 of SATCAR 2016 save that for the purposes of these Regulations it excludes relevant authorities under section 2 of the Local Audit and Accountability Act 2014.</del></p> <p>means Public Interest Entity, which for the purposes of these Regulations is an entity that:</p> <ul style="list-style-type: none"> <li>a) meets the definition of "public interest entity" in regulation 2 of SATCAR 2016;</li> <li>b) is not one of the following: <ul style="list-style-type: none"> <li>i) a "relevant authority" within the meaning of section 2(1) of the Local Audit and Accountability Act 2014;</li> <li>ii) a "local authority" within the meaning of section 235 of the Local Government (Scotland) Act 1973;</li> <li>iii) a body listed in section 106(1) of the Local Government (Scotland) Act 1973;</li> </ul> </li> </ul>

	<p>iv) a body listed in section 86(1) of the National Health Service (Scotland) Act 1978;</p> <p>v) a “local government body in Wales” within the meaning of section 12 of the Public Audit (Wales) Act 2004;</p> <p>vi) a “Welsh NHS body” within the meaning of section 60 of the Public Audit (Wales) Act 2004, or section 178 of and paragraph 1 of schedule 9 to the National Health Service (Wales) Act 2006;</p> <p>vii) a “local government body” within the meaning of Article 3 of the Local Government (Northern Ireland) Order 2005; or</p> <p>viii) an entity subject to Articles 90(6), 91(6) and 92B(3) of the Health and Personal Social Services (Northern Ireland) Order 1972.</p>
<b>PIE Registered Audit Firm</b>	means a Statutory Audit Firm which, <del>at the relevant time,</del> is registered on the PAR to undertake Statutory Audit Work <del>in respect of</del> for PIEs.
<b>PIE Registered RI</b>	means an RI who, <del>at the relevant time,</del> is registered on the PAR to undertake Statutory Audit Work <del>in respect of</del> for PIEs.
<b>PIE Registration Tribunal Panel</b>	means the tribunal appointed to consider an Appeal in accordance with Part 14 of these Regulations.
<b>Principal</b>	means an individual in a sole practice (where the firm is a sole practice), a person who is <del>an equity partner (including both salaried and equity partners)</del> (where the firm is a partnership), a member of a limited liability partnership (where the firm is a limited liability partnership), <del>or</del> a director (where the firm is a corporate practice) <del>or any individual who is held out as being a company director, partner, or member.</del>
<b>Principal Authorised Contact</b>	means an RI who is a Principal in a PIE Registered Audit Firm, <del>or a member of that firm’s management board,</del> and who is appointed and authorised by that firm to be the main contact with the FRC and whose name has been notified to the FRC.
<b>Recognised Supervisory Body/RSB</b>	means a supervisory body, within the meaning of section 1217(1) of the Companies Act 2006, recognised in accordance with Schedule 10 of that Act.
<b>Register of Statutory Auditors</b>	means the register maintained pursuant to the FRC's Audit Register Instrument 2016 of those firms and individuals approved as eligible for appointment as Statutory Auditors by an RSB.
<b>Registration Decision</b>	has the meaning given in <del>Regulation paragraph</del> 14.1 <del>of these Regulations.</del>

<b>Registration Notice</b>	means a notice issued by the FRC setting out its decision to grant an Application and relevant details thereof including any Conditions and/or Undertakings that attach to the relevant entry on the PAR, including a decision relating to publication.
<b>Registration Requirements</b>	means, as appropriate, the requirements for registration as a PIE Registered Audit Firm in <del>Regulation paragraph 4.1</del> and/or the requirements for registration as a PIE Registered RI in <del>Regulation paragraph 5.1 of these Regulations.</del>
<b>Registration Review</b>	means a periodic review of a PIE Registered Audit Firm to assess whether the firm and/or each of its PIE Registered RIs meets the Registration Requirements at the relevant time <del>and whether there is any reason in the public interest to amend the relevant PAR entry/entries</del> in accordance with Regulation 16.
<b>Relevant Change</b>	means a change <del>of the type set out in Regulations 15.4 and/or 15.7</del> that must be notified to the FRC in accordance with <del>Regulation paragraph 15.3 of these Regulations.</del>
<b>RI (Responsible Individual)</b>	means a natural person who is a Principal or employee (but not a sub-contractor or a consultant) of a Statutory Audit Firm and is registered with an RSB as a Statutory Auditor.
<b>SATCAR 2016</b>	means the Statutory Auditors and Third Country Auditors Regulations 2016.
<b>Statutory Audit Firm</b>	means a legal person or any other entity, regardless of its legal form (but not a natural person) that is registered with an RSB as a Statutory Auditor.
<b>Statutory Audit Work</b>	has the meaning given to the term 'statutory audit work' in section 1210 of the Companies Act 2006.
<b>Statutory Auditor</b>	means a legal or natural person or any other entity that is eligible for appointment under section 1212 of the Companies Act 2006 to undertake the work set out at section 1210 of the Companies Act 2006.
<b>Transitional Application</b>	<del>means an application to be included on the PAR made under the Transitional Regulations.</del>
<b>Transitional Period</b>	<del>means the period from 5 September 2022 to 4 December 2022 inclusive.</del>
<b>Transitional Regulations</b>	<del>means the Transitional Regulations set out at Annex 1 to these Regulations which apply during the Transitional Period only.</del>
<b>Tribunal Panel</b>	means the combined Tribunal and Appeal Panel constituted in accordance with the Tribunal and Appeal Panel Terms of Appointment issued by the FRC, and from which any PIE Registration Tribunal Panel shall be appointed.

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**Undertaking**

means an agreement between the FRC and, as appropriate, an Applicant, a PIE Registered Audit Firm or a PIE Registered RI reached in accordance with Part 9 of these Regulations.

- 2.2 In these Regulations, words denoting the singular may include the plural, and 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 otherwise, as re-enacted, re-issued or amended.
- 2.3 Part headings are not part of the Regulations and are for guidance only.

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## Part 3. Content of the PAR

3.1 The FRC shall ensure that the PAR is published.

3.2 The PAR shall include details of:

- a) each PIE Registered Audit Firm, including;
  - i. the name and principal address of the PIE Registered Audit Firm;
  - ii. the registration number from the Register of Statutory Auditors of the PIE Registered Audit Firm;
  - iii. the Responsible Individuals designated to undertake ~~PIE~~ Statutory Audit Work **for** **PIEs** on its behalf;
  - iv. the name of the RSB with which it is registered to undertake Statutory Audit Work;
- b) each PIE Registered RI, including:
  - i. the name of the PIE Registered RI;
  - ii. the registration number from the Register of Statutory Auditors of the PIE Registered RI;
  - iii. the name of the PIE Registered Audit Firm(s) at which the PIE Registered RI is employed or is a Principal;
  - iv. the name of the RSB with which the PIE Registered RI is registered to undertake Statutory Audit Work; and
- c) any other information relating to a PIE Registered Audit Firm and/or a PIE Registered RI that the FRC considers is appropriate and in the public interest to include.

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## Part 4. Registration Requirements for PIE Registered Audit Firms

- 4.1 The Registration Requirements for a PIE Registered Audit Firm are that: (i) it meets the Eligibility Criteria; (ii) it is a Statutory Audit Firm and (iii) it:
- a) knows, or has reasonable grounds to believe, ~~that~~ it will undertake **Statutory Audit Work for** at least one ~~audit of a~~ PIE within the period of 24 months, (unless the FRC agrees a longer period) following:
    - i. the date on which its Application is received by the FRC; and
    - ii. the date on which any Annual Return is submitted to the FRC;
  - b) has designated one or more individuals to apply to be PIE Registered RIs and has authorised and supports the Applications of these individuals to be PIE Registered RIs;
  - c) has in place, and will maintain, procedures to determine the continuing competence, experience and fit and proper status both of its designated PIE Registered RIs and of all of its Principals and employees involved in ~~PIE~~ Statutory Audit Work **for PIEs** (including any such Principal or employee who is not a PIE Registered RI);
  - d) has in place, and will maintain, procedures to ensure all Principals and employees involved in ~~PIE~~ Statutory Audit Work **for PIEs** are aware of, and comply with, these Regulations;
  - e) can satisfy the FRC of its suitability to be a PIE Registered Audit Firm including demonstrating that it is fit and proper;
  - f) has provided all necessary evidence and information with its Application, along with any further explanations required by the FRC;
  - g) has paid to the FRC and/or its RSB, any registration fees set by the FRC and/or its RSB in relation to its Statutory Audit Work, including for PIEs;
  - h) has, and will maintain, in place appropriate resources and an appropriate system of quality management to enable it to perform ~~PIE~~ Statutory Audit Work **for PIEs** to the required standards;
  - i) has and will maintain, governance arrangements, Principals, management and ownership interests in the PIE Registered Audit Firm, which are suitable to operate and/or control a business that carries out ~~PIE~~ Statutory Audit Work **for PIEs**;
  - j) has, ~~in place~~ (or will have in place prior to commencing, ~~any~~ ~~PIE~~ Statutory Audit Work **for PIEs**), and will continue to have **in place** during the period that it is registered, at

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least the Minimum Level of Professional Indemnity Insurance and has supplied its Professional Indemnity Insurance information to the FRC;

- k) has agreed that the FRC, the FRC's directors and staff and the FRC's Board and Committees cannot be held liable for damages for anything done or not done in dealing with the functions connected with registration under these Regulations, unless the act or omission is shown to have been in bad faith;
- l) has provided the FRC with the contact details of its Principal Authorised Contact;
- m) has supplied and will supply information or documents that may be required by the FRC to demonstrate compliance with the Registration Requirements; and
- n) commits to, and shall:
  - i. comply with these Regulations and any other relevant regulations, procedures or rules of the FRC, including the Audit Firm Governance Code (where relevant);
  - ii. comply with any Conditions and/or Undertakings attached to its entry on the PAR;
  - iii. deal with the FRC, including its staff and representatives, in an open, cooperative and timely manner;
  - iv. notify the FRC in writing as soon as possible, and in any event within 10 working days, of becoming aware of a Relevant Change; and
  - v. comply with all relevant legislation, auditing standards, ethical standards and quality ~~control~~ management standards relating to PIE related Statutory Audit Work.

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## Part 5. Registration Requirements for a PIE Registered RI

- 5.1 The Registration Requirements for a PIE Registered RI are that: (i) they meet the Eligibility Criteria, (ii) they are an RI and (iii) they:
- a) are designated to be a PIE Registered RI by an Applicant Statutory Audit Firm or a PIE Registered Audit Firm;
  - b) know, or have reasonable grounds to believe, that they will undertake ~~PIE~~ Statutory Audit Work **for at least one PIE** within the period of 24 months, (unless the FRC agrees a longer period), following:
    - i. the date on which their Application is received by the FRC;
    - ii. the date on which any Annual Return is submitted to the FRC by the audit firm for whom they are a designated RI;
  - c) have sufficient experience and competence to undertake ~~PIE~~ Statutory Audit Work **for PIEs**;
  - d) can satisfy the FRC that they are fit and proper to undertake ~~PIE~~ Statutory Audit Work **for PIEs**;
  - e) have provided all necessary evidence and information with their Application, along with any further explanations required by the FRC;
  - f) have paid to the FRC and/or their RSB, any registration fees set by the FRC and/or their RSB in relation to their Statutory Audit Work, including for PIEs;
  - g) have agreed that the FRC, its directors and staff and its Board and Committees cannot be held liable for damages for anything done or not done in dealing with the functions connected with registration under these Regulations, unless the act or omission is shown to have been in bad faith;
  - h) have supplied and will supply information or documents that may be required by the FRC to demonstrate compliance with the Registration Requirements; **and**
  - i) commit to, **and shall**:
    - i. comply with these Regulations and any other relevant regulations, procedures or rules of the FRC;
    - ii. comply with any Conditions and/or Undertakings attached to their entry on the PAR;



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- iii. deal with the FRC, including its staff and representatives, in an open, cooperative and timely manner;
  - iv. notify the FRC in writing as soon as possible, and in any event within 10 working days, of becoming aware of a Relevant Change;
  - v. maintain their knowledge and expertise of ~~PIE~~ Statutory Audit Work for PIEs by completing appropriate continuing professional development; and
  - vi. comply with all relevant legislation, auditing standards, ethical standards and quality ~~control~~ management standards relating to PIE related Statutory Audit Work.

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## Part 6. Applications for registration

6.1 Applications to become a PIE Registered Audit Firm or a PIE Registered RI must be submitted in accordance with these Regulations.

~~6.2 A Transitional Application may only be made during the Transitional Period by a Statutory Audit Firm which is auditing a PIE at the start of the Transitional Period~~

6.2.3 To make an Application ~~other than a Transitional Application~~, each Applicant must:

- a) provide the Applicant's evidence that the Applicant meets the Registration Requirements; and
- b) confirm that the Applicant agrees to comply with the Registration Requirements and these Regulations for as long as they remain on the PAR.

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## Part 7. Assessment of Applications

- 7.1 Upon receipt of an Application, the FRC shall decide whether the Applicant meets the Registration Requirements and, **if so**, whether there is any reason in the public interest not to grant the Application.
- 7.2 Where the FRC decides that the Applicant meets the Registration Requirements and that there is no reason in the public interest not to grant the Application, it will:
- a) issue a Registration Notice to the Applicant confirming that the Application has been granted and the Applicant's entry on the PAR will take effect on and from the registration date set out in the Registration Notice;
  - b) if the Applicant is a Statutory Audit Firm, confirm the date of its first Annual Return; **and**
  - c) monitor compliance of the PIE Registered Audit Firm and each of its PIE Registered RIs with the Registration Requirements including by way of periodic Registration Reviews.
- 7.3 Where the FRC decides that the Applicant does not meet the Registration Requirements and/or that it would not be in the public interest to grant the Application without additional Conditions and/or Undertakings, it may:
- a) refuse the Application; or
  - b) grant the Application with Conditions; and/or
  - c) agree Undertakings with the Applicant and then grant the Application.
- 7.4 Where the FRC is considering refusing to grant the Application, it shall:
- a) inform the Applicant of:
    - i. its intention to refuse to grant the Application;
    - ii. the reasons for refusing to grant the Application;
    - iii. the earliest date at which the Applicant would be able to re-apply; **and**
    - iv. the duration of the Notice Period;
  - b) invite written representations from the Applicant within the Notice Period;
  - c) consider any written representations received within the Notice Period from the Applicant; **and**
  - d) reach a final decision as to whether or not to refuse or grant the Application.

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- 7.5 Where an Application is refused, the FRC shall, **within 10 working days of its decision**, notify the Applicant of **the refusal**, ~~its decision and~~ the reasons for the refusal, and the earliest date ~~at~~**on** which the Applicant may re-apply.
- 7.6 Where the FRC is minded to grant an Application with Conditions attached, the FRC shall follow the process set out at **Regulation**~~paragraph~~ 8.3 before reaching its final decision.
- 7.7 If the FRC decides to grant an Application with Conditions attached it shall:
- a) issue a Registration Notice to the Applicant confirming:
    - i. that the Application has been granted with Conditions attached;
    - ii. the Conditions that apply;
    - iii. the reasons for the Conditions; and
    - iv. that the Applicant's entry on the PAR will take effect on and from the date set out in the Registration Notice;
  - b) if the Applicant is a Statutory Audit Firm, confirm the date of its first Annual Return; **and**
  - c) monitor compliance of the PIE Registered Audit Firm or PIE Registered RI with the Conditions and Registration Requirements including by way of periodic Registration Reviews.
- 7.8 Where an Application is being granted subject to Undertakings agreed in accordance with Part 9 below, the FRC shall:
- a) issue a Registration Notice to the Applicant confirming:
    - i. that the Application has been granted with Undertakings;
    - ii. the Undertakings that have been agreed; and
    - iii. that the Applicant's entry on the PAR will take effect on and from the date set out in the Registration Notice;
  - b) if the Applicant is a Statutory Audit Firm, confirm the date of its first Annual Return; **and**
  - c) monitor compliance of the PIE Registered Audit Firm or PIE Registered RI with the Undertakings and Registration Requirements including by way of periodic Registration Reviews.

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## Part 8. Conditions

- 8.1 The FRC may attach Conditions to the entry of a PIE Registered Audit Firm and/or a PIE Registered RI at the time that an Application is granted and at any other time during which the firm or RI is a PIE Registered Audit Firm or a PIE Registered RI, as appropriate.
- 8.2 Conditions may be ~~applied~~attached to an entry on the PAR if, in the reasonable opinion of the FRC, they are necessary in the public interest or in order for the PIE Registered Audit Firm or PIE Registered RI to meet the Registration Requirements.
- 8.3 Where the FRC is considering ~~applying~~attaching Conditions to an entry on the PAR, it shall (unless Part 12 applies):
- a) inform the PIE Registered Audit Firm, PIE Registered RI or Applicant of:
    - i. its intention to ~~apply~~attach Conditions;
    - ii. the Conditions it intends should ~~apply~~attach to the entry;
    - iii. the duration for which it intends the Conditions would attach to the entry~~apply~~;
    - iv. the reasons it considers Conditions would be appropriate; and
    - v. the duration of the Notice Period;
  - b) invite written representations from the PIE Registered Audit Firm, PIE Registered RI or Applicant, as appropriate, within the Notice Period;
  - c) consider any written representations received within the Notice Period from the PIE Registered Audit Firm, PIE Registered RI or Applicant, as appropriate; and
  - d) reach a final decision as to whether or not to ~~apply~~attach Conditions and, if Conditions will be ~~applied~~attached, the form that these Conditions will take.
- 8.4 Where Conditions are ~~applied~~attached, they shall take effect from the date set out in the Registration Notice where ~~Regulation~~paragraph 7.7 applies and, in all other cases, from the date set out in the Formal Notification of the Conditions.
- 8.5 Where Conditions relating to a PIE Registered RI are in place, the PIE Registered Audit Firm at which they work must have internal quality ~~management~~control procedures to monitor the relevant PIE Registered RI's compliance with the relevant Conditions.
- 8.6 Compliance with Conditions shall be monitored by the FRC, including by way of Registration Reviews.
- 8.7 Any PIE Registered Audit Firm or PIE Registered RI whose inclusion on the PAR is subject to Conditions, must notify the FRC as soon as possible, and at least within 10 working days of

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becoming aware, if it has reason to believe it has (or may have) breached or will (or may) in future breach any of these Conditions.

- 8.8 The FRC may **extend or shorten the duration of**, vary or end Conditions at any time, including on the application of a PIE Registered Audit Firm, a PIE Registered RI, or of its own accord. Where the FRC is minded to **extend the duration of and/or** vary Conditions, it shall (unless Part 12 applies), follow the process set out in **Regulation**~~paragraph~~ 8.3 before any **such extension or** variation takes effect.
- 8.9 Where a Condition is varied or ended, **or its duration is extended or shortened**, ~~this-the extension, shortening~~, variation or ending shall take effect from the date set out in the relevant Formal Notification setting out the FRC's decision.
- 8.109 Conditions may be published ~~on the PAR~~ unless the FRC believes it would not be in the public interest to do so. **The manner of such publication shall be determined by the FRC.**
- 8.119 The FRC may issue guidance concerning the process for attaching, **extending or shortening the duration of**, varying, ending and publishing Conditions.

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## Part 9. Undertakings

- 9.1 The FRC may invite:
- a) an Applicant to agree to Undertakings in connection with an Application; or
  - b) a PIE Registered Audit Firm or a PIE Registered RI, as appropriate, to agree to Undertakings in connection with its and/or their entry on the PAR.
- 9.2 Undertakings may be sought if, in the reasonable opinion of the FRC, they are necessary in the public interest, or compliance with such Undertakings is necessary in order for the Applicant, PIE Registered Audit Firm or PIE Registered RI (as appropriate) to meet the Registration Requirements.
- 9.3 Where the FRC considers that Undertakings are appropriate, it shall invite the Applicant, PIE Registered Audit Firm or PIE Registered RI, as appropriate, to agree Undertakings. An Applicant, PIE Registered Audit Firm or PIE Registered RI, as appropriate, who wishes to accept an invitation to agree Undertakings proposed by the FRC must confirm their agreement in writing within 10 working days of the receipt of the invitation, **or such other period of time as may be agreed between the FRC and the Applicant, PIE Registered Audit Firm or PIE Registered RI, as appropriate.**
- 9.4 Where Undertakings are agreed, they shall, where **Regulation paragraph** 7.8 applies, take effect from the date set out in the Registration Notice or, in all other cases, take effect from the date set out in the relevant Formal Notification.
- 9.5 Where Undertakings relating to a PIE Registered RI are in place, the PIE Registered Audit Firm at which they work must have internal quality **managementcontrol** procedures to monitor compliance with the relevant Undertakings.
- 9.6 Compliance with agreed Undertakings shall be monitored by the FRC.
- 9.7 Any PIE Registered Audit Firm or PIE Registered RI whose inclusion on the PAR is subject to agreed Undertakings, must notify the FRC as soon as possible, and at least within 10 working days of becoming aware, if it has reason to believe it has (or may have) breached or will (or may) in future breach an agreed Undertaking.
- 9.8 The FRC may end an Undertaking at any time. ~~It may vary an Undertaking with the agreement of the PIE Registered Audit Firm or PIE Registered RI which is the subject of the Undertaking.~~ The FRC may vary an Undertaking either (i) at the request of the PIE Registered Audit Firm and/or PIE Registered RI which is the subject of an Undertaking, or (ii) on the FRC's own initiative, with the agreement of the PIE Registered Audit Firm or PIE Registered RI which is the subject of the Undertaking. ~~Where an Undertaking is varied or ended, this variation or ending~~ Any variation to, or ending of, an Undertaking shall take effect from the date set out in the relevant Formal Notification.

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- 9.9 The FRC may decide to publish information ~~on the PAR~~ relating to an Undertaking if it believes it to be in the public interest to do so. The manner of such publication shall be determined by the FRC.
- 9.10 The FRC may issue guidance concerning the processes for agreeing, varying, ending and publishing Undertakings, including guidance as to the circumstances in which the FRC shall not be required to follow the procedure under Regulation 9.3.



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## Part 10. Waivers

- 10.1 If a PIE Registered Audit Firm or PIE Registered RI becomes aware that it no longer meets, or may no longer meet now or in the future, one or more of the Registration Requirements, it may apply to the FRC for a waiver from compliance with one or more relevant Registration Requirements.
- 10.2 The PIE Registered Audit Firm or PIE Registered RI must, when applying for a waiver, state:
- a) the circumstances and reasons for the application;
  - b) whether the non-compliance is current or anticipated;
  - c) to which Registration Requirement(s) the (potential) non-compliance relates;
  - d) the action that is being taken to remedy the (potential) non-compliance;
  - e) whether it has notified the RSB(s) with which it is registered or of which it is a member, and, if so, whether it has provided the RSB(s) with a copy of its waiver application; ~~and~~
  - f) in relation to which Registration Requirement(s) it is seeking a waiver, ~~for what duration and on what basis;~~
  - g) the requested commencement date, and duration, of the waiver; and
  - h) the reason(s) for the requests made pursuant to sub-paragraph g) of this Regulation 10.2.
- 10.3 The FRC may grant to a PIE Registered Audit Firm or PIE Registered RI a waiver from compliance with one or more of the Registration Requirements ~~to a PIE Registered Audit Firm or PIE Registered RI~~ on such terms (including as to the waiver's commencement date and duration) as it considers appropriate if it is satisfied that:
- a) all reasonable steps are being taken to avoid non-compliance and/or minimise the extent and/or duration of the non-compliance;
  - b) there is reasonable justification for the current or anticipated non-compliance;
  - c) the waiver will not adversely affect any PIE; and
  - d) it would not be contrary to the public interest to grant the waiver.
- 10.4 The FRC's decision on whether or not to grant a waiver will be set out in a Formal Notification which shall confirm:
- a) the decision;
  - b) the reason(s) for the decision;

- c) if a waiver is granted, its commencement date and ~~the length of time for which it will apply~~ duration;
- d) any terms or conditions attached to the waiver; and
- e) any other steps that the FRC requires the PIE Registered Audit Firm or PIE Registered RI to take in connection with the waiver.

10.5 All waivers will be subject to review by the FRC, as a result of which the FRC may extend, vary or end the waiver. The FRC's decision shall be set out in a Formal Notification in accordance with the requirements of Regulation 10.4.

10.6~~5~~ At any time, on the FRC's own initiative or upon the request of the PIE Registered Audit Firm or PIE Registered RI subject to the waiver, ~~t~~<sup>the</sup> FRC may extend or vary the terms of a waiver if it remains satisfied that the requirements of Regulation ~~conditions in paragraph~~ 10.3 are met. ~~it~~

10.7 The FRC may end ~~a or vary the terms of the~~ waiver if:

- a) it considers any of the ~~conditions~~ requirements in ~~paragraph~~ Regulation 10.3 are no longer satisfied; or
- b) the waiver is no longer required by the PIE Registered Audit Firm or PIE Registered RI.

10.8 If the FRC is minded to end a waiver in accordance with Regulation 10.7a), the FRC will invite written representations from the PIE Registered Audit Firm or PIE Registered RI, as appropriate, to be provided within the Notice Period.

10.9~~6~~ Where a waiver is extended, varied or ended, the extension, variation or ending shall take effect from the date set out in the relevant Formal Notification.

10.10~~7~~ Any waiver may be published ~~on the PAR~~ if the FRC believes it is in the public interest to do so. The manner of such publication shall be determined by the FRC.

10.11~~8~~ The FRC may issue guidance concerning the processes for granting, extending, varying, ending and publishing waivers.

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## Part 11. Suspension of registration

- 11.1 The FRC may suspend the entry on the PAR of a PIE Registered Audit Firm or PIE Registered RI if the FRC has reasonable grounds to believe that:
- a) the PIE Registered Audit Firm or PIE Registered RI is not complying, or will not comply, with the Registration Requirements; and/or
  - b) the continuance of the PIE Registered Audit Firm's, or PIE Registered RI's entry on the PAR would be likely to adversely affect a PIE; and/or
  - c) it would be in the public interest to do so.
- 11.2 The period of suspension shall be determined by the FRC.
- 11.3 Where the FRC is considering suspending an entry on the PAR it shall (unless Part 12 applies):
- a) inform the PIE Registered Audit Firm or PIE Registered RI of:
    - i. its intention to suspend their entry on the PAR;
    - ii. the length of the proposed suspension;
    - iii. the reasons that it considers the suspension to be appropriate; and
    - iv. the Notice Period;
  - b) invite written representations from the PIE Registered Audit Firm or PIE Registered RI, as appropriate, within the Notice Period;
  - c) require the PIE Registered Audit Firm or PIE Registered RI, as appropriate, to notify the FRC within the Notice Period of all PIE related Statutory Audit Work in which it is currently engaged;
  - d) consider any written representations received within the Notice Period from the PIE Registered Audit Firm or PIE Registered RI, as appropriate; and
  - e) reach a final decision as to whether or not to suspend the entry on the PAR and, if the suspension will be applied, the length of that suspension.
- 11.4 If a suspension is being applied, the FRC shall send a Formal Notification of the suspension to the PIE Registered Audit Firm or PIE Registered RI, setting out:
- a) the fact of the suspension;
  - b) the length of the suspension; and

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- c) the reasons for the suspension.
- 11.5 Where a suspension is applied, it shall take effect from the date set out in the relevant Formal Notification ~~and shall be published on the PAR unless the FRC believes that it would not be in the public interest to do so.~~
- 11.6 At any time, on the FRC's own initiative or upon the request of the PIE Registered Audit Firm or PIE Registered RI subject to the suspension, ~~the~~ FRC may extend, shorten, or end a suspension ~~at any time~~. Where the FRC is minded to extend a suspension it shall (unless Part 12 applies) follow the process set out at ~~Regulation paragraph~~ 11.3. Where a suspension is extended, shortened, or ended, this shall take effect from the date set out in the relevant Formal Notification.
- 11.7 During a period of suspension, the PIE Registered Audit Firm or PIE Registered RI, as appropriate, must comply with any instructions from the FRC, which may include that they must:
- a) resign from any ongoing ~~appointment for PIE~~ Statutory Audit Work ~~or appointments for~~ ~~PIEs~~; and/or
  - b) not accept re-appointment or any new appointments to undertake ~~PIE~~ Statutory Audit Work ~~for PIEs~~ (including any that are at a tender stage when the suspension is imposed); and/or
  - c) not sign any ~~PIE~~ Audit Report in respect of a PIE unless agreed with the FRC.
- 11.8 A suspension of an entry on the PAR shall be published unless the FRC believes that it would not be in the public interest to do so. The manner of such publication shall be determined by the FRC.
- 11.98 The FRC may issue guidance concerning the processes for implementing, extending, shortening, ending and publishing a suspension.

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## Part 12. Urgent decisions

12.1 The FRC may make a decision to:

- a) suspend a PIE Registered Audit Firm or PIE Registered RI from the PAR, ~~or extend an existing suspension~~; or
- b) ~~apply~~attach, or vary ~~or extend the duration of~~, Conditions to their PIE Registered Audit Firm or PIE Registered RI's entry on the PAR;

without complying with the processes set out at ~~Regulations~~~~paragraphs~~ 8.3 and 11.3 above, if it considers that in the circumstances it is in the public interest to do so.

12.2 In these circumstances, the FRC shall:

- a) send the PIE Registered Audit Firm~~or~~, PIE Registered RI, ~~audit firm or RI~~, as appropriate, Formal Notification of its decision as soon as possible, notifying the PIE Registered Audit Firm~~or~~, PIE Registered RI, ~~audit firm or RI~~, of:
  - i. the decision to suspend ~~or extend an existing suspension~~, or to ~~impose~~attach, or ~~extend the duration of~~, or ~~otherwise~~ vary Conditions, immediately upon~~;~~ their entry on the PAR;
  - ii. the details of any Conditions that are being ~~imposed~~attached, varied, ~~or in respect of which the duration is being extended~~;
  - iii. the length of any suspension, ~~or extension to an existing suspension~~;
  - iv. the reasons for the FRC's decision;
  - v. the reasons for making the decision as an urgent decision; ~~and~~
  - vi. the deadline by which written representations are invited;
- b) invite written representations from the relevant PIE Registered Audit Firm~~or~~ PIE Registered RI, ~~audit firm or RI~~, as appropriate, during the period referenced at ~~Regulation~~~~paragraph~~ 12.2a)vi.;
- c) require the PIE Registered Audit Firm~~or~~ PIE Registered RI, ~~audit firm or RI~~, to notify the FRC within the period referenced at ~~Regulation~~~~paragraph~~ 12.2a)vi. of all ~~PIE~~-Statutory Audit Work ~~for PIEs~~ in which it is currently engaged;
- d) consider any written representations received within the period referenced at ~~Regulation~~~~paragraph~~ 12.2a)vi. from the PIE Registered Audit Firm~~or~~ PIE Registered RI, ~~audit firm or RI~~; and
- e) decide whether to maintain or amend its decision.

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- 12.3 An urgent decision to suspend registration, ~~extend an existing suspension, or attach, apply or vary~~ or extend the duration of Conditions to an entry on the PAR shall take effect from the date set out in the relevant Formal Notification as referred to ~~at in Regulations paragraph 12.2a) or 12.2e)~~ and shall be published on the PAR unless the FRC considers that it is not in the public interest to do so.
- 12.4 The FRC may extend or shorten the suspension or ~~attach, vary or extend the duration of~~ the Conditions, provided it complies with the processes set out in ~~Regulation paragraph 8.3, Regulation paragraph 11.3~~ or this Part 12, whichever applies, before reaching its decision.
- 12.5 Subject to Part 14, a decision made under Regulation 12.2e) shall be considered a final decision and will not be subject to further written representations. ~~It~~ The FRC shall send a Formal Notification of any such decision. It may end the suspension or Conditions at any time.
- 12.65 Any decisions made under ~~Part 12 paragraph 12.4~~ shall take effect from the date set out in the relevant Formal Notification.
- 12.76 If a suspension has been put in place, the PIE Registered Audit Firm or PIE Registered RI must comply with any instructions from the FRC, as set out in ~~paragraph~~ Regulation 11.7 above.
- 12.8 A decision of the type set out in Regulation 12.1 or 12.2e) shall be published on the PAR unless the FRC believes ~~considers that it is~~ would not be in the public interest to do so. The manner of such publication shall be determined by the FRC.
- 12.97 The FRC may issue guidance concerning the processes for making and publishing urgent decisions to suspend registration, ~~extend an existing suspension, or impose~~ attach, or extend the duration of, or vary Conditions.

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## Part 13. Removal from the PAR

13.1 A PIE Registered Audit Firm's entry on the PAR shall cease to have effect if:

- a) it ceases to be a registered Statutory Audit Firm;
- b) it ceases to exist;
- c) it does not submit its Annual Return in accordance with Part 16 below (unless the FRC decides otherwise);
- d) the FRC decides to remove the PIE Registered Audit Firm from the PAR; or
- e) it is determined or agreed pursuant to ~~proceedings under~~ the Audit Enforcement Procedure or the Accountancy Scheme (or any analogous procedure operated by the FRC from time to time) that, for such period of time as is so determined or agreed, the PIE Registered Audit Firm must not undertake ~~PIE~~ Statutory Audit Work for PIEs and/or must not hold PIE Registered Audit Firm status.

13.2 A PIE Registered RI's entry on the PAR shall cease to have effect if:

- a) they cease to be a Principal or employee of the PIE Registered Audit Firm which designated their PIE Registered RI status;
- b) they cease to be a Statutory Auditor or to be registered as an RI;
- c) the firm in which the individual was designated as a PIE Registered RI ceases to be a PIE Registered Audit Firm;
- d) the FRC decides to remove the PIE Registered RI from the PAR; or
- e) it is determined or agreed pursuant to ~~proceedings under~~ the Audit Enforcement Procedure or the Accountancy Scheme (or any analogous procedure operated by the FRC from time to time) that, for such period of time as is so determined or agreed, the PIE Registered RI must not undertake ~~PIE~~ Statutory Audit Work for PIEs and/or must not hold PIE Registered RI status.

13.3 The FRC may decide to remove a PIE Registered Audit Firm and/or a PIE Registered RI from the PAR on a voluntary basis where:

- a) a written request to the FRC is made by a PIE Registered Audit Firm and/or a PIE Registered RI for removal of its or their entry, as appropriate, from the PAR;
- b) the PIE Registered Audit Firm which designated a PIE Registered RI notifies the FRC that the PIE Registered RI no longer wishes to hold PIE Registered RI status and the PIE Registered Audit Firm has agreed to this request; or

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- c) the PIE Registered Audit Firm which designated a PIE Registered RI notifies the FRC that the PIE Registered RI should no longer hold PIE Registered RI status.
- 13.4 The FRC may decide to remove a PIE Registered Audit Firm and/or a PIE Registered RI from the PAR on an involuntary basis where:
- a) the FRC ceases to be satisfied that the Registration Requirements are being met or believes that it is in the public interest for the PIE Registered Audit Firm and/or PIE Registered RI to be removed from the PAR; or
  - b) a PIE Registered Audit Firm and/or a PIE Registered RI has not undertaken ~~PIE~~ Statutory Audit Work **for a PIE** in the preceding 24-month period (or such longer period as the FRC considers appropriate).
- 13.5 Where the FRC is considering removing a PIE Registered Audit Firm or PIE Registered RI from the PAR under **Regulation**~~paragraph~~ 13.4, it shall:
- a) inform the PIE Registered Audit Firm or PIE Registered RI of:
    - i. its intention to remove it from the PAR;
    - ii. the proposed length of the removal from the PAR;
    - iii. the reasons for the proposed removal; and
    - iv. the Notice Period;
  - b) invite representations from the relevant PIE Registered Audit Firm or PIE Registered RI within the Notice Period;
  - c) require the PIE Registered Audit Firm or PIE Registered RI to notify the FRC within the Notice Period of all ~~PIE~~ Statutory Audit Work **for PIEs** in which it is currently engaged;
  - d) consider any representations received within the Notice Period from the PIE Registered Audit Firm or PIE Registered RI; **and**
  - e) reach a final decision as to whether or not to remove the entry from the PAR and, if so, the length for which the entry will be removed.
- 13.6 If a decision is made to remove the entry from the PAR on an involuntary basis, the FRC shall, **in the event of the removal of a PIE Registered Audit Firm**, send a Formal Notification of the removal to the PIE Registered Audit Firm; ~~and/or~~, **in the event of the removal of a PIE Registered RI**, send a Formal Notification to the PIE Registered RI **and/or to the relevant PIE Registered Audit Firm**. It may also send a Formal Notification if an entry is removed from the PAR on a voluntary basis. Any Formal Notification shall set out:
- a) the fact of the removal;



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- b) the length of time before the audit firm or RI may re-apply to be entered on the PAR~~the removal~~;
  - c) the reasons for the removal; and
  - d) any other instructions that the FRC requires the PIE Registered Audit Firm and/or PIE Registered RI to ~~take~~follow, which may include that the PIE Registered Audit Firm and/or PIE Registered RI, as appropriate, must:
    - i. resign from any ongoing appointments for ~~PIE~~Statutory Audit Work for ~~PIEs~~~~or appointments~~;
    - ii. not accept re-appointment or any new appointments to undertake ~~PIE~~Statutory Audit Work for ~~PIEs~~ (including any that are at a tender stage when the removal is imposed);
    - iii. notify the FRC of all ~~PIE~~Statutory Audit Work for ~~PIEs~~ in which it is engaged at the date of its removal from the PAR; and
    - iv. remove all references to being a PIE Registered Audit Firm and/or PIE Registered RI, as appropriate, from their website and other client facing materials.

~~13.7 Where the FRC decides to remove a PIE Registered Audit Firm and/or PIE Registered RI from the PAR on an involuntary basis it may indicate the earliest date at which the PIE Registered Audit Firm or PIE Registered RI may re-apply to be entered on the PAR.~~

13.7~~8~~ Where a decision is made to remove an entry from the PAR on an involuntary basis, it shall take effect from the date specified in the relevant Formal Notification, and it shall be published unless the FRC believes that it would not be in the public interest to do so. The manner of such publication shall be determined by the FRC.

13.8 Any decision to remove an entry from the PAR on a voluntary basis may be published if the FRC believes it would be in the public interest to do so. The manner of such publication shall be determined by the FRC.

13.9 The FRC reserves the right to reinstate a PIE Registered Audit Firm and/or PIE Registered RI at any time, if it is in the public interest to do so.

13.10 The FRC may issue guidance concerning the processes for deciding whether to remove and/or reinstate a PIE Registered Audit Firm and/or PIE Registered RI.

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## Part 14. Internal reviews and appeals

- 14.1 If a PIE Registered Audit Firm, a PIE Registered RI or an Applicant does not agree with a decision made under ~~Regulations paragraphs~~ 7.3a), 7.3b), 8.3d), 8.8, 10.4, 10.6~~5~~, 10.7, 11.3e), 11.6, 12.1, 12.2e)~~4~~, 13.5e)~~4~~, or 15.8~~6 Annex 1 paragraph 4a) or b)i~~, in relation to their Application or entry on the PAR ('the Registration Decision'), they may submit a request in writing for Internal Review to the FRC within 20 working days of the date of the Registration Decision (or such other deadline as the FRC decides is necessary in the public interest).
- 14.2 The FRC may, of its own initiative, decide within 20 working days of the date of a Registration Decision (or such other deadline as the FRC decides is necessary in the public interest) to conduct an Internal Review of a Registration Decision.
- 14.3 If the FRC decides to conduct an Internal Review of a Registration Decision on its own initiative, the FRC shall notify the relevant PIE Registered Audit Firm, PIE Registered RI or Applicant at least 20 working days before commencing the Internal Review. In such cases, the FRC may seek representations from the PIE Registered Audit Firm, PIE Registered RI or Applicant.
- 14.4 An Internal Review of the Registration Decision can only be brought, ~~or undertaken~~, on one or more of the following grounds:
- a) the decision was materially flawed or unlawful;
  - b) there is new information which is likely to lead to a different decision;
  - c) the process followed in reaching the decision was manifestly unfair; ~~and/or~~
  - d) it is necessary in the public interest.
- 14.5 Following receipt of a request for an Internal Review, the FRC shall decide whether there is an arguable case that one or more of the grounds in ~~Regulation~~ 14.4 is satisfied and whether the request was lodged in accordance with ~~Regulation paragraph~~ 14.1. If these requirements are met, then the FRC shall undertake an ~~Internal R~~review of the Registration Decision. The Internal Review (and the decision as to whether the review shall be undertaken) shall be conducted by a person or persons who (i) is/are at least as senior as the person or persons who made the Registration Decision and (ii) was/were not involved in the making of the Registration Decision.
- 14.6 The outcome of an Internal Review may be that:
- a) the Registration Decision is upheld;
  - b) the Registration Decision is revoked, varied, or replaced by any other decision that could have been made by the person or persons who made the Registration Decision in accordance with these Regulations; or

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- c) the decision is remitted back to the person or persons who made the Registration Decision (or, in the event of their incapacity or unavailability, another designated person) to take the decision again.
- 14.7 Where an Internal Review of a Registration Decision is undertaken, the outcome shall be sent to any relevant parties in a Formal Notification. The effective date for the Registration Decision that is the subject of the Internal Review shall:
- a) where the Registration Decision was made under Part 12 (Urgent decisions), be the date specified in the original Formal Notification unless the FRC determines that such an effective date would not be in the public interest;
  - b) in all other cases, ~~shall~~ not be the date specified in the original Registration Notice or Formal Notification (as appropriate) unless the FRC determines that any deferral would not be in the public interest;
  - c) subject to a) and b) above, where it is upheld under Regulation~~paragraph~~ 14.6a) or revoked, varied or replaced under Regulation~~paragraph~~ 14.6b), be the date specified in the Formal Notification sent by the FRC setting out the outcome of the Internal Review; and
  - d) after remittal under Regulation~~paragraph~~ 14.6c), be the date specified in the Formal Notification sent by the FRC after the decision has been taken again by the person or persons who made the original Registration Decision (or, in the event of their incapacity or unavailability, another designated person).
- 14.8 If a PIE Registered Audit Firm, a PIE Registered RI or an Applicant wishes to Appeal against the outcome of the Internal Review, they should submit a Notice of Appeal in writing to the FRC, within 20 working days of the date of the Formal Notification of the outcome of the Internal Review.
- 14.9 An Appeal against the outcome of the Internal Review shall be considered by a PIE Registration Tribunal Panel.
- 14.10 The outcome of an Appeal before the PIE Registration Tribunal Panel may be that:
- a) the outcome of the Internal Review is upheld;
  - b) the outcome of the Internal Review is revoked, varied or replaced by any other decision that could have been made by the person or persons who made the original Registration Decision in accordance with these Regulations; or
  - c) the decision is remitted back to the person or persons who made the original Registration Decision (or, in the event of their incapacity or unavailability, another designated person) to take the decision again.
- 14.11 The PIE Registration Tribunal Panel may make an order for the costs of an Appeal in accordance with the process set out in the Appeal Rules.

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- 14.12 Where there is an Appeal against the outcome of an Internal Review, the outcome of the Internal Review shall not take effect until the conclusion of the appeals process unless the FRC determines that any deferral would not be in the public interest.
- 14.13 Any decision made by the PIE Registration Tribunal Panel shall come into force on the date of the PIE Registration Tribunal Panel's decision, unless otherwise stated by the PIE Registration Tribunal Panel. Decisions of the PIE Registration Tribunal Panel shall be published (unless the PIE Registration Tribunal Panel determines that it is not in the public interest to do so) and shall be final. [The manner of such publication shall be determined by the FRC.](#)
- 14.14 The process for Appeals to the PIE Registration Tribunal Panel are set out in the Appeal Rules.
- 14.15 An Appeal can only be brought against the outcome of the Internal Review on one or more of the following grounds:
- a) the decision was materially flawed or unlawful;
  - b) there is new information which is likely to lead to a different decision;
  - c) the process followed in reaching the decision was manifestly unfair; [and/or](#)
  - d) it is necessary in the public interest.

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## Part 15. Changes to information relevant to Registration Requirements

- 15.1 The FRC shall make any amendments to the PAR that it considers necessary to keep the PAR accurate and up to date.
- 15.2 Where the FRC has made decisions that are to be published, the PAR, [and/or the PIE auditor registration page\(s\) of the FRC's website, as appropriate](#), shall be updated on the date that these decisions take effect.
- 15.3 Upon becoming aware of a Relevant Change affecting it, [or that it anticipates may or will affect it](#), a PIE Registered Audit Firm or PIE Registered RI, [as the case may be](#), must notify the FRC [Registration Team](#):
- a) [in the case of a Relevant Change of the type set out in Regulations 15.4a\) to g\) and/or 15.7, as soon as possible and no later than a maximum of 10 working days after becoming aware of that Relevant Change;](#) or
  - b) [in the case of a Relevant Change of the type set out in Regulations 15.4h\) or i\), as far in advance of the potential or anticipated change as reasonably possible and in any event no later than 90 days prior to the date on which it is anticipated that any such change is due to take effect.](#)
- 15.4 A Relevant Change for a PIE Registered Audit Firm shall be that:
- a) it is appointed to undertake the Statutory Audit Work of a PIE;
  - b) an audited entity for which it undertakes Statutory Audit Work has:
    - i. become (or will become) a PIE. The notification must include details of the name of the audited entity and of why it is, or will become, a PIE;
    - ii. ceased (or will cease) to be a PIE. The notification must include details of the name of the audited entity and of why it has ceased (or will cease) to be a PIE;
  - c) it is removed or resigns from its appointment to undertake the Statutory Audit Work of a PIE;
  - d) it believes that it no longer meets, or may no longer meet now or in the future, any one or more of the Registration Requirements for PIE Registered Audit Firms;
  - e) it believes that a PIE Registered RI that it has designated to undertake ~~PIE~~ Statutory Audit Work [for PIEs](#):
    - i. is no longer meeting (or may, no longer be meeting), the Registration Requirements for a PIE Registered RI;

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- ii. is no longer, or will no longer be, its employee or Principal;
    - iii. will cease or has ceased carrying out **PIE** Statutory Audit Work for **PIEs**;
  - f) there are changes in the contact details of:
    - i. the **PIE** Registered Audit Firm;
    - ii. one or more of its **PIE** Registered RIs;
    - iii. its Principal Authorised Contact or Authorised Contacts;
  - g) any other change has occurred, or will occur, which may affect its ability, or the ability of one or more of its **PIE** Registered RIs, to comply with the Registration Requirements set out in Regulations 4.1 and 5.1, as applicable, ~~which the **PIE** Registered Audit Firm considers may affect its entry on the PAR or the entry of one or more of its **PIE** Registered RIs or its or their~~ ability of either the **PIE** Registered Audit Firm and/or one of its **PIE** Registered RIs to conduct **PIE** Statutory Audit Work for **PIEs**;
  - h) it makes, anticipates making, or is planning to make, any of the following changes:
    - i. it acquires another audit firm (by a share acquisition, the purchase of assets and goodwill or other mechanism);
    - ii. it (partially or fully) sells or transfers an interest in the **PIE** Registered Audit Firm (including but not limited to introducing a holding company into the **PIE** Registered Audit Firm's ownership, control and/or governance structure);
    - iii. it undertakes a hive-up or transfer of assets and goodwill from one entity to another in the group of which the **PIE** Registered Audit Firm is a part or to which it belongs;
    - iv. it transfers the audit business of the **PIE** Registered Audit Firm to a new legal entity;
    - v. it undertakes any reorganisation where external investors, including, but not limited to, private capital or private equity funds, acquire an ownership interest or a financial interest in the **PIE** Audit Registered Firm;
    - vi. it takes any steps in pursuance of a potential listing of its securities, admission to an official list, or admission to trading of its securities;
    - vii. it undertakes any business restructure, including but not limited to any restructure involving external investors; changes to voting rights and/or shareholders' meetings; and/or arrangements for the appointment or removal of directors, partners or LLP members;
    - viii. it grants an option to acquire an ownership interest, shares, or other type of participation in the **PIE** Registered Firm;

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- ix. it appoints a Principal who is also a partner of a private equity or private capital firm; or
- i) any event analogous to the events set out at 15.4h) above is made, planned or anticipated, in relation to it.
- 15.5 The notification required by Regulation 15.3 shall specify the applicable Relevant Change and shall be accompanied by copies of the types of documents specified in any relevant guidance issued by the FRC.
- 15.65 A PIE Registered Audit Firm must notify the FRC of any changes in the PIE audit portfolios of its PIE Registered RIs every 6 months (or such other period of time as may be agreed between the FRC and the PIE Registered Audit Firm).
- 15.7 A Relevant Change for a PIE Registered RI shall be that:
- a) the RI is no longer meeting, or may no longer be meeting, the Registration Requirements for PIE Registered RIs; or
- b) any other change has occurred, or will occur, which may affect their ability to comply with the Registration Requirements set out in Regulation 5.1 or their ability to conduct Statutory Audit Work for PIEs.
- 15.86 Upon receipt of a notification under Regulations paragraph 15.3 and/or paragraph 15.65, the FRC shall determine:
- a) what (if any) changes need to be made to, and reflected in, the PAR; and
- b) any further steps that are required as a result of the information provided, including (but not limited to) consideration of Conditions, Undertakings, suspension or removal from the PAR in accordance with these Regulations.
- 15.97 The FRC may send a Formal Notification to the PIE Registered Audit Firm and/or PIE Registered RI of any decisions made under Regulation paragraph 15.86.
- 15.108 The FRC may issue guidance concerning the timing and content of notifications under this Part, paragraph 15.5 and the processes for deciding what if any action to take in the event of notifications made under this Part paragraphs 15.3 or 15.5.

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## Part 16. Annual Return to the FRC and Registration Reviews

- 16.1 A PIE Registered Audit Firm's Annual Return must be submitted by its Principal Authorised Contact or Authorised Contact(s). ~~within 30 working days of the PIE Registered Audit Firm's Annual Return date~~ Should the firm wish to submit its Annual Return at a different time to the time it submits its annual return to its RSB, this must be agreed in advance with the FRC.
- 16.2 The FRC may extend the date for submission of the Annual Return to the FRC if it is satisfied that there are circumstances which justify the extension.
- 16.3 The Annual Return shall include confirmation that the PIE Registered Audit Firm:
- a) has complied, and will comply, with the Registration Requirements; and
  - b) has completed the Annual Return and all of the relevant questions on the PIE Registered Audit Firm's latest annual return submitted to the RSB with which it is registered.
- 16.4 If a PIE Registered Audit Firm does not submit its Annual Return as required, its entry on the PAR shall cease to have effect and it shall be removed from the PAR (unless the FRC decides otherwise).
- 16.5 The FRC may issue guidance concerning the process for completing an Annual Return.
- 16.6 ~~Registration Reviews will be carried out for a PIE Registered Audit Firm every 12 to 18 months. The FRC will notify the PIE Registered Audit Firm of the commencement date of the Registration Review.~~ The frequency of Registration Reviews shall be determined by the FRC. The FRC will notify the PIE Registered Audit Firm of the commencement date of the Registration Review. The FRC will complete the Registration Review within 18 months from the date on which the Registration Review commences.
- 16.7 ~~During a Registration Review, the FRC shall assess whether the PIE Registered Audit Firm and each of its designated PIE Registered RIs meets the Registration Requirements and whether there is any reason in the public interest to amend the firm's PAR entry/entries.~~ The FRC will notify the PIE Registered Audit Firm of the completion of the Registration Review in writing, within 20 working days of completion. The notification of completion will state:
- a) the relevant period subject to the Registration Review;
  - b) whether the FRC has decided to amend the PIE Registered Audit Firm's and/or PIE Registered RI's entry on the PAR and, if so, what steps it will be taking; and
  - c) whether the FRC will take, or proposes to take, any other action in accordance with the relevant procedures under these Regulations.



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## Part 17. General rules

- 17.1 In the event of a conflict between these Regulations and the regulations, rules, and guidance of the relevant RSBs, [or between these Regulations and the Guidance](#), these Regulations will take precedence.
- 17.2 In making decisions under these Regulations, the FRC may consider any information that comes to its attention from any source if that information is relevant to the FRC's assessment of whether a PIE Registered Audit Firm, PIE Registered RI or an Applicant meets the Registration Requirements and/or the public interest considerations for inclusion on the PAR.
- 17.3 Any information relied upon by the FRC decision maker when making a Registration Decision will be provided on request to the PIE Registered Audit Firm, PIE Registered RI or Applicant, subject to any legal restrictions on disclosure.
- 17.4 The FRC can, exercising the investigation powers granted to it under Schedule 2 of SATCAR 2016, require relevant information about a PIE Registered Audit Firm, a PIE Registered RI and/or their PIE related Statutory Audit Work in order for the FRC to undertake its functions under these Regulations.
- 17.5 The FRC may (subject to any legal restrictions on disclosure) share information with RSBs, [other regulators and public bodies](#), and/or within the FRC as it considers appropriate and necessary and may use this information for its functions that are not related to these Regulations.
- 17.6 The FRC may provide a copy of any issued Formal Notifications or Registration Notices to the RSBs with which the relevant PIE Registered Audit Firm or PIE Registered RI [is/are](#) registered or, in the case of PIE Registered RIs, of which they are a member; and/or to a PIE Registered Audit Firm where the Formal Notification or Registration Notice relates to a PIE Registered RI that that firm has designated for ~~PIE~~ Statutory Audit Work [for PIEs](#).
- 17.7 Any information which: (i) is not in the public domain; (ii) is confidential; and (iii) is disclosed to any person ('the recipient') by the FRC pursuant to these Regulations shall be kept confidential save that the recipient may disclose the information:
- a) to their legal representative(s);
  - b) to any other person to whom disclosure is necessary for the purposes of obtaining evidence, information or assistance in connection with an Internal Review or Appeal;
  - c) with the prior written consent of the FRC; ~~or~~
  - d) to the extent required by law; [or](#)
  - e) [where the recipient is a PIE Registered Audit Firm or PIE Registered RI only:](#)

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- i. to another regulator, where such disclosure is a requirement of registration with that regulator;
  - ii. internally, or within a PIE Registered Audit Firm's global network, to the extent that such disclosure is required to enable compliance with a Condition attached, Undertaking agreed, or a waiver granted, under these Regulations.

17.8 The FRC may publish thematic reports about the processes followed and decisions made under these Regulations.

17.9 Any Formal Notification, Registration Notice, other decision, order, or other document which needs to be served on a PIE Registered Audit Firm, PIE Registered RI, Applicant or other entity or individual under these Regulations will be sent by email or post, or delivered by hand:

- a) if sent by email it will be sent to the latest email address notified by the addressee. *If the email is sent on a business day before 5pm, ~~and~~ service will be deemed to take effect immediately; in any other case, on the next business day after the day on which it was sent; or*
- b) if sent by post, it will be sent by first class mail to the latest address given by the addressee and service will *be deemed to* take effect two working days after posting; or
- c) if it is delivered by hand to the addressee, service will take effect immediately.

Any information, application or other document which is submitted by a PIE Registered Audit Firm, PIE Registered RI, Applicant or other entity or individual to the FRC will be treated under the timescales shown in a) to c) above.

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# ANNEX 1 Transitional Regulations

## Regulations for Transitional Applications made during the Transitional Period

1. A Transitional Application may be made by a Statutory Audit Firm only and must include the following confirmations and supporting evidence, where required:
  - a) that the Applicant will adhere to these Regulations and all other relevant regulations, procedures and rules of the FRC;
  - b) in respect of each Applicant Statutory Audit Firm:
    - i. the RIs that the Statutory Audit Firm wishes to designate for PIE Registered RI status;
    - ii. how many PIE Audit Reports have been signed by the Statutory Audit Firm in the last 12 months, unless the FRC agrees a longer period;
    - iii. how many PIE Audit Reports it expects to sign in the next 24 months, unless the FRC agrees a longer period;
    - iv. how the Statutory Audit Firm meets the Registration Requirements set out in Part 4 above;
    - v. details of the RSB with which the Statutory Audit Firm is registered and with which each of the relevant RIs is registered;
  - c) for each of that Applicant Statutory Audit Firm's designated RIs:
    - i. that they have signed PIE Audit Reports in the last 12 months, unless the FRC agrees a longer period;
    - ii. that they are expected to sign PIE Audit Reports in the next 24 months, unless the FRC agrees a longer period; and
    - iii. that they have undertaken continuing professional development in the last 12 months, unless the FRC agrees a longer period, that is appropriate for PIE Statutory Audit Work;
    - iv. that they meet the Registration Requirements in Part 5 above.
2. After receipt of a Transitional Application, the FRC shall decide whether the Transitional Application meets the requirements of these Regulations and whether there is any reason in the public interest not to grant the Transitional Application.

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3. ~~Where the FRC decides that the Applicant satisfies the requirements in these Regulations and that there is no reason in the public interest not to grant the Transitional Application, it will:~~
- ~~a) issue a Registration Notice to the Applicant confirming that the Transitional Application has been granted and the Applicant's entry on the PAR will take effect on and from the date set out in the Registration Notice;~~
  - ~~b) confirm the date of the Applicant's first Annual Return;~~
  - ~~c) for each of the Applicant's designated RIs, set out in the Registration Notice whether that designated RI is: (i) approved as a PIE Registered RI; (ii) not approved as a PIE Registered RI; or (iii) approved as a PIE Registered RI with Conditions and/or subject to Undertakings;~~
  - ~~d) monitor compliance of the PIE Registered Audit Firm and that firm's PIE Registered RIs with the requirements of these Regulations, including by way of Registration Reviews.~~
4. ~~Where the FRC decides that the Applicant does not meet the requirements of these Regulations or that it would not be in the public interest to grant the Transitional Application, it may:~~
- ~~a) refuse the Transitional Application;~~
  - ~~b) issue a Registration Notice to the Applicant confirming that the Transitional Application has been granted and the Applicant's entry on the PAR will take effect on and from the date set out in the Registration Notice:~~
    - ~~i. with Conditions attached; and/or~~
    - ~~ii. subject to Undertakings;~~
5. ~~Where the FRC grants the Transitional Application with Conditions and/or Undertakings in accordance with paragraph 4 of these Transitional Regulations, it will indicate in the Registration Notice for each of the successful Applicant's designated RIs, whether that designated RI:~~
- ~~a) is approved as a PIE Registered RI;~~
  - ~~b) is not approved as a PIE Registered RI; or~~
  - ~~c) is approved as a PIE Registered RI with Conditions and/or subject to Undertakings.~~
6. ~~Conditions may be imposed and/or Undertakings may be agreed, where, in the reasonable opinion of the FRC, they are necessary in the public interest or in order for the Statutory Audit Firm and/or its designated RIs to meet the requirements of these Regulations.~~
7. ~~For the purposes of these Transitional Regulations and so that Undertakings can be agreed (where appropriate) with an Applicant Statutory Audit Firm's designated RIs, a reference to~~

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~~"Applicant" in Part 9 of the Regulations (or in the definition of "Undertaking" as used in that Part) shall include a reference to an RI designated by an Applicant Statutory Audit Firm in a Transitional Application.~~

- ~~8. Parts 1 to 17 of the Regulations shall apply to a Transitional Application for all matters not covered in these Transitional Regulations.~~

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# ANNEX 12 Appeal Rules

## Procedures for Appeal under Part 14

### Part 1 – Introduction

- 1.1 The FRC has made these Rules to set out the procedures for Appeals under Part 14 of these Regulations.
- 1.2 These Rules shall be known as the 'Appeal Rules'.
- 1.3 These Rules should be considered alongside any applicable guidance and/or any other relevant document referred to in these Rules and Regulations.

## Part 2 – Definitions and interpretation

2.1 In these Rules the following words have the following meanings:

<b>Appeal Hearing</b>	means an oral hearing before the PIE Registration Tribunal Panel and includes hearings conducted in whole or in part via telephone or electronic communication.
<b>Appellant</b>	means the Party bringing an Appeal in accordance with these Rules and <del>Regulation paragraph 14.8 of these Regulations.</del>
<b>Chair</b>	means the Chair of the PIE Registration Tribunal Panel.
<b>Convener</b>	means any person appointed by the FRC to exercise administrative functions, and who shall be responsible for: a) providing administrative support to the PIE Registration Tribunal Panel; b) the appointment of the PIE Registration Tribunal Panel; and c) the appointment of a person for the purposes of Rule 3.5.
<b>Costs</b>	means costs, expenses and disbursements.
<b>Notice of Hearing</b>	means written notification in accordance with Rule 4.2.
<b>Party</b>	means the PIE Registered Audit Firm, a PIE Registered RI, an Applicant or the FRC, as the context requires.
<b>Rule</b>	means any provision of these Appeal Rules.

2.2 The Conduct Committee<sup>1</sup> (or any other FRC Board Committee, person or persons, which shall from time to time assume the responsibilities of the Conduct Committee set out in this paragraph) of the FRC shall have power to:

- a) authorise the remuneration of the Chair and the members of any PIE Registration Tribunal Panel, the Convener and any other person providing assistance to the PIE Registration Tribunal Panel; and
- b) provide the Convener and any PIE Registration Tribunal Panel with guidance concerning the exercise of their duties under these Regulations, who shall have regard to any such guidance issued.

<sup>1</sup> Established under the Articles of Association of the FRC.

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## Part 3 – The Appeal process

- 3.1 A PIE Registered Audit Firm, a PIE Registered RI or an Applicant may Appeal the outcome of an Internal Review to the PIE Registration Tribunal Panel.
- 3.2 An Appeal is only available in respect of the outcome of an Internal Review of a Registration Decision (as defined in [Regulation paragraph 14.1](#) ~~of these Regulations~~).
- 3.3 A Party wishing to appeal the outcome of an Internal Review must submit to the FRC a Notice of Appeal which shall:
- a) be in writing;
  - b) identify the Internal Review decision appealed against, with reference to the relevant Formal Notification, Registration Notice or other notice;
  - c) state the ground(s) of the Appeal; and
  - d) confirm whether the Party seeking the Appeal would like the matter to be considered on the papers only or with an Appeal Hearing.
- 3.4 Neither the scope of the Appeal nor the grounds stated in the Notice of Appeal shall be amended except with the [leave permission](#) of the PIE Registration Tribunal Panel appointed to hear the Appeal.
- 3.5 Upon receipt of a Notice of Appeal, the FRC shall notify the Convener as soon as practicable and the Convener shall appoint a person from the Tribunal Panel to consider whether to give [leave permission](#) to bring the Appeal. The appointed person shall be a lawyer (a current or former member of the judiciary, a barrister, an advocate or a solicitor) and shall not sit on any subsequent PIE Registration Tribunal Panel in connection with the related Appeal (if any). The Convener shall provide the FRC with details of the person so appointed and notify each other affected Party.
- 3.6 The person so appointed shall, within 10 working days of their receipt of a Notice of Appeal, consider whether to give permission to appeal and will grant [such](#) permission if they are satisfied that:
- a) there is an arguable case for an Appeal on one or more of the grounds set out in [Regulation paragraph 14.15](#) ~~of these Regulations~~; and
  - b) the Appeal was lodged in accordance with [Regulation paragraph 14.8](#).
- 3.7 Following a decision to give or to refuse [leave permission](#) to bring an Appeal, the person appointed [under Rule 3.5](#) shall notify the Convener of the decision and provide reasons in writing for that decision, and the Convener shall notify each affected Party of the decision and reasons.



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- 3.8 If the person appointed under Rule 3.5 gives ~~permission~~~~leave~~ to Appeal, the Convener shall, as soon as practicable:
- a) appoint a PIE Registration Tribunal Panel from the Tribunal Panel to determine the Appeal in accordance with the provisions of these Rules and Regulations. Any such appointment shall be in accordance with the Tribunal and Appeal Panel Terms of Appointment issued by the Board; and
  - b) notify the affected Parties of the appointment.
- 3.9 A PIE Registration Tribunal Panel shall exercise its functions in accordance with these Rules and Regulations and the Tribunal and Appeal Panel Terms of Appointment issued by the Board.
- 3.10 The PIE Registration Tribunal Panel may, in accordance with ~~Regulations~~~~paragraphs~~ 14.10 and 14.11 ~~of these Regulations~~:
- a) uphold the outcome of the Internal Review;
  - b) revoke, vary or replace the outcome of the Internal Review with any other decision that could have been made under these Regulations by the maker of the Registration Decision;
  - c) remit the decision back to the ~~person or persons who made~~~~maker of~~ the original Registration Decision (or, ~~in the event of their incapacity or unavailability~~, another ~~suitable or~~ designated person) to take the decision again;
  - d) make an order for the Costs of an Appeal to be paid by a Party.
- 3.11 The PIE Registration Tribunal Panel shall issue a written decision, which shall be signed by its Chair, setting out its decision and reasons and send it to the affected Parties and the FRC.
- 3.12 At any time before a decision is issued by the PIE Registration Tribunal Panel, an Appellant may withdraw its Appeal by notice in writing to the Convener.

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## Part 4 – The Appeal procedure

- 4.1 Within 5 working days of the appointment of a PIE Registration Tribunal Panel the Chair will confirm whether the Appeal will be determined on the papers or whether it will be listed for an Appeal Hearing, such decision to be in the discretion of the Chair.
- 4.2 Where there is to be an Appeal Hearing, the PIE Registration Tribunal Panel shall serve a Notice of Hearing on the affected Parties no less than 15 working days before the date arranged for any Appeal Hearing. The Notice of Hearing shall:
  - a) state the date, time and venue; and
  - b) warn that the PIE Registration Tribunal Panel may proceed with the Appeal Hearing in the absence of any Party.
- 4.3 Where the matter will be determined on the papers, the PIE Registration Tribunal Panel shall notify the affected Parties in writing of the likely date on which the determination will be made.
- 4.4 If there is more than one Appeal arising from the same Internal Review decision, all such Appeals shall, unless the PIE Registration Tribunal Panel otherwise decides, be heard together.
- 4.5 The PIE Registration Tribunal Panel Appeal Hearing shall be held in public subject to the PIE Registration Tribunal Panel, upon the application of any Party or of its own volition, directing that all or part of the Appeal Hearing shall be held in private where it considers that publicity could prejudice the interests of justice, or that a private hearing may otherwise be in the public interest.
- 4.6 The PIE Registration Tribunal Panel may exclude from the Appeal Hearing any person whose conduct has disrupted or is likely to disrupt proceedings.
- 4.7 An Appeal shall be by way of a review only and not by way of a rehearing, providing always that:
  - a) where an Appeal is made on the grounds set out in Regulation paragraph 14.15b) of these Regulations, the PIE Registration Tribunal Panel may receive any new evidence; and
  - b) the PIE Registration Tribunal Panel may permit a Party to adduce evidence that was not before the maker of the Registration Decision or the Internal Reviewer if the PIE Registration Tribunal Panel is content that there is a good reason as to why that evidence was not before the earlier decision maker.
- 4.8 The PIE Registration Tribunal Panel may take into account such adduced new evidence or information, whether or not such evidence would be admissible in a court. The Tribunal shall at all times apply the rules of natural justice.

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- 4.9 After announcing the PIE Registration Tribunal Panel's decision the Chair may invite representations as to whether Costs should be awarded against either Party.
- 4.10 After hearing representations from the Parties, the PIE Registration Tribunal Panel may order a Party to pay all or part of the Costs incurred by the other Party by a specified date. **The PIE Registration Tribunal Panel shall not order the FRC to pay Costs to a Party unless it finds that outcome of the Internal Review pursuant to Regulation 14.6 was unreasonable.**
- 4.11 The PIE Registration Tribunal Panel may order the Appellant to pay all or part of the PIE Registration Tribunal Panel's Costs in respect of the Appeal also by a specified date.
- 4.12 The PIE Registration Tribunal Panel shall have regard to the following when assessing whether a Party should be liable for the Costs of the other Party, or for the PIE Registration Tribunal Panel's Costs in respect of the Appeal:
- a) the Party's ability to pay;
  - b) the decision on the Appeal; and
  - c) whether it is it fair and equitable in all the circumstances.
- 4.13 Where the PIE Registration Tribunal Panel orders a Party to pay the Costs of the other Party, the Chair may:
- a) summarily assess the Costs award; or
  - b) request the Parties to agree the amount of the Costs award.

# Appendix B: Draft amendments to the PIE Auditor Registration Guidance

## With tracked changes

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# 1. Introduction

1. The Public Interest Entity (PIE) Auditor Registration Regulations (the Regulations)<sup>1</sup>, which ~~took~~**take** effect on 5 December 2022, require that, to undertake Statutory Audit Work for PIEs, (i) audit firms and (ii) Responsible Individuals (RIs) who are, or may be, responsible for signing an audit report for a PIE, must be on the FRC's PIE Auditor Register (PAR). **The Regulations are separate from, and impose requirements which are additional to, the Recognised Supervisory Bodies' ('RSBs') audit registration process for Statutory Auditors (which continues to apply).**
2. It is up to the **audit** firm or RI to determine whether they are undertaking, or plan to undertake, Statutory Audit Work ~~for~~**on** a PIE (see paragraphs 8 to 10 below). ~~The types of audited entities likely to fall within the scope of the Regulations include UK-incorporated entities listed on the London Stock Exchange (or other UK-regulated market); UK-registered banks, building societies or other credit institution (but not credit unions or friendly societies); or a UK insurance entity which is in the scope of the Solvency II regulations. The FRC will determine whether a firm or RI must be registered on the PAR by reference to the financial year which is the subject of the audit.~~<sup>2</sup>
- 3 **The FRC will determine whether an audit firm or RI must be registered on the PAR by reference to the financial year period which is the subject of the audit** (see paragraph 8 below and Regulation 1.6).
- ~~3~~**4** This guidance is designed to assist audit firms and RIs in the making of Applications and in maintaining their registration on the PAR. It should be read in conjunction with the Regulations, which take precedence over this guidance. If audit firms or RIs have any questions regarding the application of the Regulations and/or the making of Applications which are not addressed in this guidance, they are encouraged to liaise with the FRC in a timely manner. All enquiries should be directed to [registration@frc.org.uk](mailto:registration@frc.org.uk).
- ~~4~~**5** Definitions and interpretations of the terminology used in this guidance appear in Part 2 of the Regulations.
- ~~5~~**6** Non-compliance with the Regulations may, amongst other things, result in the FRC investigating the non-compliance and, where appropriate, taking enforcement action.

## 2. How to register?

- ~~6~~**7** To become a PIE Registered Audit Firm or a PIE Registered RI, an audit firm or RI, as appropriate, must submit an Application in accordance with the Regulations.

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<sup>1</sup> <https://www.frc.org.uk/getattachment/39efe076-047e-4334-9a11-54eb90ef5484/PIE-Auditor-Registration-Regulations-August-2022.pdf> **[TO BE AMENDED ONCE UPDATED REGS ARE ISSUED]**

<sup>2</sup>~~That is, the audit of an entity which was a PIE during the financial year being audited must be carried out by a PIE registered auditor, even if the entity is no longer a PIE; conversely, the audit of an entity that is now a PIE, but which was not a PIE during the financial year being audited, does not need to be carried out by a PIE registered auditor.~~

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## Determining whether registration is required

- 8 Regulation 1.6 specifies when a Statutory Audit Firm or RI must be registered on the PAR. A Statutory Audit Firm or RI must be registered on the PAR in order to undertake Statutory Audit Work in respect of a PIE.
- 9 The types of audited entities most likely to fall within the scope of the PIE definition in the Regulations include (but are not limited to): UK-incorporated entities listed on the London Stock Exchange (or other UK-regulated market); UK registered banks, building societies or other credit institutions (but not credit unions or friendly societies); or a UK insurance entity ~~ies~~ which were is in the scope of the Solvency II regulations by 31 December 2024 (even if they are no longer subject to Solvency II after that date) or are currently in the scope of the Solvency II regulations.
- 10 For the avoidance of doubt, a temporary suspension of the listing of the securities, and/or the admission to trading of those securities will not affect the calculation of the 100-day period set out in Regulation 1.6.

## Notifications and correspondence

- ~~7~~11 All Applicants should use their name and RSB registration or membership number ~~and Application submission ID~~ in all correspondence with the FRC regarding their Application for PIE auditor registration. These details should match the information registered/to be registered on the Register of Statutory Auditors. If the Application is granted, the FRC will use the Applicant's name and either their RSB registration or membership number in all casework and correspondence concerning the Applicant.
- ~~8~~12 All correspondence from the FRC regarding Applications and registration matters (including Registration Notices and Formal Notifications) will be addressed to the Applicant audit firm's or PIE Registered Audit Firm's Principal Authorised Contact (PAC) (and/or any Authorised Contact (AC) appointed and authorised by the PAC). An AC can perform any task on behalf of the PAC under these Regulations, and references to the PAC in this guidance shall include reference to the AC, where one has been appointed.
- ~~9~~13 In general, where the Application or registration matter relates to an Applicant RI or a PIE Registered RI, all correspondence will be addressed to their Applicant audit firm or PIE Registered Audit Firm (via the PAC). The audit firm or PIE Registered Audit Firm, as applicable, should provide a copy of the correspondence to the Applicant/PIE Registered RI. The FRC will, only copy ~~ing~~ ing the Applicant RI or PIE Registered RI if their contact information has been provided to the FRC. In certain situations (such as in relation to matters arising from an individual's previous employment at a different audit firm), and if contact information has been provided, the FRC may consider it appropriate to communicate directly with the Applicant RI or PIE Registered RI.

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## Submitting an Application: audit firms

~~10~~14 Before an audit firm submits an Application, it should provide details of its PAC to the FRC by email to [registration@frc.org.uk](mailto:registration@frc.org.uk).

~~11~~15 To apply for registration on the PAR, an audit firm or its PAC must:

- ~~s~~Send an email to [registration@frc.org.uk](mailto:registration@frc.org.uk) to request access to the Application documents (set out below).
- ~~e~~Complete an Application form using an online MS Forms document. The FRC will only accept Application forms using the online MS Forms document.
- ~~s~~Submit a list (in an Excel spreadsheet provided by the FRC) of:
  - the RIs designated by the Applicant audit firm (each such RI must also submit an Application (see paragraphs 20 and ~~22~~16 below). Where an audit firm applies for a new registration because it has changed legal form (for example, from general partnership to a LLP) or because it has separated its businesses, and the Applicant audit firm wishes to transfer the same PIE Registered RIs to the new business, the FRC will require a list of the RIs to be transferred, but the FRC may not require each designated RI to submit a new Application.
  - details of the Applicant audit firm's PIE engagements for 24 months from the date of the Application, comprising:
    - the Applicant audit firm's PIE engagements for the 12 months from the date of the Application; and
    - the Applicant audit firm's expected PIE engagements for the following 12 months;including the RIs assigned to each PIE engagement.
- ~~s~~Submit a supporting statement (see paragraph ~~17~~13 below) which explains how it meets the Registration Requirements in Part 4 of the Regulations.

~~12~~16 All supporting documentation should be submitted through the Applicant's dedicated FRC [Registration](#) SharePoint site. Instructions on how to access the [Registration](#) SharePoint site will be sent to the Applicant audit firm's PAC.

## Supporting statement

~~13~~17 As noted at paragraph ~~15~~14 above, each Applicant audit firm is required to submit a supporting statement as part of its Application. In this supporting statement, the Applicant needs to explain how they meet certain Registration Requirements in Part 4 of the Regulations. The table below sets out which of the Registration Requirements must be explained in the supporting statement.



**1418** Using the relevant Registration Requirements as headings, the supporting statement of each Applicant audit firm should include a description of the relevant policies, procedures and resources that the audit firm has in place in respect of its PIE related Statutory Audit Work.

## Table of Registration Requirements: audit firms

**1519** The table below provides guidance on how Applicant audit firms should demonstrate, in an Application, their compliance with each of the Registration Requirements. The FRC expects responses to be proportionate to the size and complexity of the Applicant audit firm and the number of PIEs for which it ~~undertakes, or~~ will undertake, Statutory Audit Work.

Registration Requirement	Guidance for Applicants
Reg 4.1(i) and (ii) – The audit firm meets the Eligibility Criteria and is a Statutory Audit Firm	<p>To be confirmed in the Application form. The <b>audit</b> firm must confirm it is on the Register of Statutory Auditors.</p> <p>If the <b>audit</b> firm is in the process of applying to an RSB for status as a Statutory Auditor, it must provide relevant details in the Application form.</p>
<p>Reg 4.1(iii)a) knows or has reasonable grounds to believe, <b>that</b> it will undertake <b>Statutory Audit Work for</b> at least one <del>audit of a</del> PIE within the period of 24 months, (unless the FRC agrees a longer period) following:</p> <p>i. the date on which its Application is received by the FRC; and</p> <p>ii. the date on which any Annual Return is submitted to the FRC</p>	<p>To be confirmed in the Application form. The <b>audit</b> firm must also complete the Excel <b>S</b>spreadsheet providing details of its PIE audits.</p>
Reg 4.1(iii)b) has designated one or more individuals to apply to be PIE Registered RIs and has authorised and supports the Applications of these individuals to be PIE Registered RIs	<p>To be confirmed in the Application form. The <b>audit</b> firm must also complete the Excel <b>S</b>spreadsheet providing detail of its designated RIs. Separately, each designated RI should complete a full RI Application.</p>
Reg 4.1(iii)c) has in place, and will maintain, procedures to determine the continuing competence, experience and fit and proper status both of its designated PIE Registered RIs and of all	<p>To be explained and confirmed in the supporting statement.</p> <p><b>Continuing competence and experience</b></p>

<p>of its Principals and employees involved in <del>PIE</del> Statutory Audit Work for PIEs (including any such Principal or employee who is not a PIE Registered RI)</p>	<p>The Applicant audit firm must explain the procedures it has in place for ensuring the ongoing training and development of all staff involved in <del>PIE</del> Statutory Audit Work for PIEs, and <del>The firm</del> should supply a copy of its annual training plan.</p> <p>The Applicant audit firm may wish to reference the following in its supporting statement:</p> <ul style="list-style-type: none"> <li>• How personal development plans are formulated.</li> <li>• How the audit firm meets the training requirements of the relevant RSBs.</li> <li>• Whether the audit firm provides any sector-specific training pertinent to its PIE audit portfolio.</li> <li>• Whether the audit firm subscribes to any periodicals.</li> <li>• How the audit firm ensures staff comply with its prescribed training plans.</li> <li>• How the audit firm evaluates the success of training.</li> <li>• How the audit firm ensures learning has been embedded.</li> </ul> <p><b>Fit and proper procedures</b></p> <p>The Applicant audit firm must provide an overview of what internal processes are in place for confirming the fitness and propriety of its staff involved in <del>PIE</del> Statutory Audit Work for PIEs (for example, by explaining if the <del>audit</del> firm carries out an annual fit and proper check).</p> <p>The <del>audit</del> firm should also outline its processes for alerting its RSB to fit and proper matters affecting the <del>audit</del> firm and its Principals and staff.</p>
<p>Reg 4.1(iii)d) has in place, and will maintain, procedures to ensure all Principals and employees involved in <del>PIE</del> Statutory Audit Work for PIEs are aware of, and comply with, these Regulations</p>	<p>To be explained and confirmed in the supporting statement.</p> <p>The Applicant audit firm must explain how all staff involved in <del>PIE</del> Statutory Audit Work for PIEs,</p>

	<p>including those who are not required to be registered with the FRC, will be made aware of the requirements of the Regulations.</p> <p>Furthermore, the Applicant audit firm must set out the processes it will put in place to enable all its PIE Registered RIs to comply with the Registration Requirements found in Part 5 of the Regulations. This will include ensuring appropriate and timely notifications to the FRC when there is a Relevant Change affecting a PIE Registered RI.</p>
Reg 4.1(iii)e) can satisfy the FRC of its suitability to be a PIE Registered Audit Firm including demonstrating that it is fit and proper	<p>To be confirmed in the Application form.</p> <p>The <b>audit</b> firm must confirm whether:</p> <ul style="list-style-type: none"> <li>• it has any open or closed regulatory/disciplinary matters with its RSB; and</li> <li>• it has any fit and proper matters to disclose to its RSB.</li> </ul> <p>The <b>audit</b> firm must confirm whether it has disclosed all matters to its RSB affecting its fit and proper status occurring within the last seven years. Where the <b>audit</b> firm has any fit and proper matters which it has not disclosed to its RSB, it must provide details of these outstanding matters. These must either be uploaded to the <b>audit</b> firm's dedicated <b>Registration</b> SharePoint folder or emailed to <a href="mailto:registration@frc.org.uk">registration@frc.org.uk</a>.</p>
Reg 4.1(iii)f) has provided all necessary evidence and information with its Application, along with any further explanations required by the FRC	To be confirmed in the Application form.
Reg 4.1(iii)g) has paid to the FRC and/or its RSB, any registration fees set by the FRC and/or its RSB in relation to its Statutory Audit Work, including for PIEs	<p>To be confirmed in the Application form.</p> <p>Fees relate to the relevant RSB's fees for registration as a Statutory Auditor. The FRC has not currently set any additional fees for registration on the PAR.</p>
Reg 4.1(iii)h) has, and will maintain, in place appropriate resources and an appropriate system of quality management to enable it to perform <b>PIE</b>	To be explained and confirmed in the supporting statement.

Statutory Audit Work for PIEs to the required standards

### **Appropriate resources**

The Applicant audit firm must explain how it has sufficient financial and non-financial resources enabling it to perform ~~PIE~~ Statutory Audit Work for PIEs to the required standards.

Audit firms may wish to reference the following:

- How the audit firm plans and allocates resources (including people and other costs) for its ~~PIE~~ Statutory Audit Work for PIEs.
- Staffing levels (and trends in levels) for audit teams dealing with ~~PIE~~ Statutory Audit Work for PIEs.
- Industry and technical specialisms of audit teams dealing with ~~PIE~~ Statutory Audit Work for PIEs.
- Processes and measures for assessing appropriate capacity of audit teams working on ~~PIE~~ Statutory Audit Work for PIEs.
- Methods of seeking regular feedback from teams working on ~~PIE~~ Statutory Audit Work for PIEs, e.g. feedback surveys.
- Budgeting and forecasting for future resource needs in ~~PIE~~ Statutory Audit Work for PIEs.

### **Appropriate systems of quality management**

The requirements for audit firms in respect of systems for quality management are specified in the International Standard on Quality Management ('ISQM (UK) 1'). An Applicant audit firm must summarise how it complies with ISQM (UK) 1. The response should focus on the following areas of quality management:

- System of quality management.
- The audit firm's risk assessment process.
- Complying with the ethical requirements.

	<ul style="list-style-type: none"> <li>• Acceptance and continuance of client relationships and specific engagements.</li> <li>• Engagement performance.</li> <li>• Information and communication.</li> <li>• Monitoring and remediation process.</li> <li>• Evaluating the system of quality management.</li> </ul> <p>The summary should include a description of the internal resources the audit firm has allocated to quality management.</p> <p>The FRC would expect an Applicant audit firm's approach to quality management to be proportionate to the size and complexity of the Applicant firm and the size and complexity of its PIE audit portfolio.</p>
Reg 4.1(iii)i has, and will maintain, governance arrangements, Principals, management and ownership interests in the PIE Registered Audit Firm, which are suitable to operate and/or control a business that carries out <del>PIE</del> Statutory Audit Work for PIEs	<p>To be explained and confirmed in the supporting statement.</p> <p>The FRC issues the Audit Firm Governance Code ('AFGC'), which the FRC expects audit firms should apply if they audit 20 or more PIEs or if they audit one or more FTSE 350 companies.</p> <p>The AFGC states that audit firms that fall below this threshold may wish to apply the AFGC in a manner that is proportionate to the size and nature of the entities they audit.</p> <p>It is not a requirement that all audit firms applying for PIE auditor registration should apply the full AFGC, unless the thresholds are met. Nonetheless, Applicant audit firms may wish to use the AFGC to structure this section of their supporting statement, setting out how the audit firm's leadership, as well as its people, values and behaviours, are appropriate for an audit firm working in the PIE market.</p> <p>All audit firms must comply with ISQM (UK) 1 in relation to governance. Applicant audit firms who are not in scope of the AFGC may wish to reference how</p>

	<p>they comply with the relevant ISQM (UK) 1 requirements in their response.</p> <p>Applicant audit firms must provide a complete description of their governance arrangements. For the purposes of the Regulations, governance arrangements include, but are not limited to, arrangements for the ownership, corporate or legal structure, control, governance and/or management of; and ownership interests in, a PIE Registered Audit Firm.</p> <p>Applicant audit firms may also wish to provide a high-level organisational chart, indicating which individuals perform key roles in respect of <del>PIE</del> Statutory Audit Work for PIEs.</p>
<p>Reg 4.1(iii)j) has<del>r</del> in place (or will have in place prior to commencing any <del>PIE</del> Statutory Audit Work for PIEs), and will continue to have in place during the period that it is registered, at least the Minimum Level of Professional Indemnity Insurance and has supplied its Professional Indemnity Insurance information to the FRC</p>	<p>To be explained and confirmed in the supporting statement.</p> <p>The Applicant audit firm must confirm it meets the minimum requirements as set by its RSB. The audit firm should also confirm that its actual level of cover is commensurate with the size and risk of its portfolio of PIE audits. The audit firm may also wish to discuss any risk assessments that have been undertaken in respect of Professional Indemnity Insurance cover for its <del>PIE</del> Statutory Audit Work for PIEs.</p> <p>The FRC may request that the audit firm provides a copy of its Professional Indemnity Insurance policy <del>schedule</del>document.</p>
<p>Reg 4.1(iii)k) has agreed that the FRC, the FRC's directors and staff and the FRC's Board and Committees cannot be held liable for damages for anything done or not done in dealing with the functions connected with registration under these Regulations, unless the act or omission is shown to have been in bad faith</p>	<p>To be confirmed in the Application form.</p>

<p>Reg 4.1(iii)l) has provided the FRC with the contact details of its Principal Authorised Contact</p>	<p>To be confirmed in the Application form.</p> <p>Before an audit firm submits an Application, it should provide details of its PAC to the FRC by email to <a href="mailto:registration@frc.org.uk">registration@frc.org.uk</a>, and request access to (1) the relevant Application documents and (2) the FRC's <a href="#">Registration</a> SharePoint site.</p>
<p>Reg 4.1(iii)m) has supplied and will supply information or documents that may be required by the FRC to demonstrate compliance with the Registration Requirements</p>	<p>To be confirmed in the Application form.</p>
<p>Reg 4.1(iii)n) commits to, <a href="#">and shall</a>:</p> <ol style="list-style-type: none"> <li>i. comply with these Regulations, and other relevant regulations, procedures or rules of the FRC, including the Audit Firm Governance Code (where relevant);</li> <li>ii. comply with any Conditions and/or Undertakings attached to its entry on the PAR;</li> <li>iii. deal with the FRC, including its staff and representatives, in an open, cooperative and timely manner;</li> <li>iv. notify the FRC in writing as soon as possible, and in any event within 10 working days, of becoming aware of a Relevant Change; and</li> <li>v. comply with all relevant legislation, auditing standards, ethical standards and quality <del>management</del><a href="#">control</a> standards relating to PIE related Statutory Audit Work.</li> </ol>	<p>To be confirmed in the Application form. <a href="#">Continued compliance is a requirement of maintaining registration.</a></p>

## Submitting an Application: RIs

**1620** It is expected that, in most cases, an Application relating to an RI will be made by the RI's audit firm's PAC on their behalf (although it could be submitted by the Applicant RI). To apply for registration of an RI on the PAR, the PAC or the RI, as appropriate, must:

- **e**Email the FRC to request access to the Application documents (set out below).
- **e**Complete an Application form using the online MS Forms document. The FRC will only accept Application forms using the online MS Forms document.
- **p**Provide a document which provides details of the **RI's** completed and planned Continuing Professional Development, **including the number of hours (where applicable) and references to the relevant IFAC's International Education Standard 8 (IES 8) competencies.**
- **e**Complete a prescribed form (provided by the FRC) to demonstrate the **RI's** competence in relation to audits of PIEs (or similar or equivalent audits), with reference to the IES 8 competencies, including up to five relevant examples. The form should include details of: **the sector in which the RI works; the Applicant's proposed PIE portfolio of PIE audits; the Applicant's audit experience, describing and describe the type of work performed by the Applicant in relation to PIEs or similar entities these clients; and outcomes of any external and internal file reviews.**

**1721** All supporting documentation should be submitted through the dedicated FRC **Registration** SharePoint site. Instructions on how to access the **Registration** SharePoint site will be sent to the PAC of the audit firm of the Applicant RI.

## Table of Registration Requirements: RIs

**1822** The table below provides guidance on how each Applicant RI should demonstrate, in an Application, their compliance with each of the Registration Requirements. The FRC expects responses to be proportionate to the size and complexity of the Applicant's portfolio, including the risk profile of their PIE engagements.

Registration Requirement	Guidance for Applicants
Reg 5.1(i) and (ii) – The individual meets the Eligibility Criteria and is an RI	<p>To be confirmed in the Application form. The RI must confirm they are on the Register of Statutory Auditors.</p> <p>If the Applicant is in the process of applying to an RSB for status as a Statutory Auditor, the Applicant must provide relevant details in the Application form.</p>



<p>Reg 5.1(iii)a) are designated to be a PIE Registered RI by an Applicant Statutory Audit Firm or a PIE Registered Audit Firm</p>	<p>To be confirmed in the Application form.</p> <p>Where the audit firm is applying for registration at the same time as the Applicant RI, the <b>audit</b> firm must have completed the Designated RI <b>Excel</b> spreadsheet (see paragraph <b>1511</b> above).</p>
<p>Reg 5.1(iii)b) know, or have reasonable grounds to believe, that they will undertake <b>PIE</b> Statutory Audit Work <b>for at least one PIE</b> within the period of 24 months, (unless the FRC agrees a longer period), following:</p> <ul style="list-style-type: none"> <li>i. the date on which their Application is received by the FRC;</li> <li>ii. the date on which any Annual Return is submitted to the FRC by the audit firm for whom they are a designated RI</li> </ul>	<p>To be confirmed in the Application form <b>and specified in the prescribed form.</b></p>
<p>Reg 5.1(iii)c) have sufficient experience and competence to undertake <b>PIE</b> Statutory Audit Work <b>for PIEs</b></p>	<p>To be explained and confirmed in a prescribed form and separate document (see paragraph <b>2016</b> above).</p> <p><b>Sufficient experience</b></p> <p>The Applicant must outline their experience of auditing PIEs or similar engagements, for example large and/or complex entities, by providing details of the relevant engagements worked on, addressing relevant IES 8 competencies and drawing out issues addressed. The Application must explain their role and responsibilities within the relevant audit(s) described, <b>including whether they acted as director, senior manager or partner.</b></p> <p><b>Competence</b></p> <p>The Applicant must provide details of all their training and continuing professional development (CPD) in the last 12 months, <b>including the number of hours undertaken.</b> The Applicant must highlight and explain the training and CPD which is relevant to the audit of</p>

	<p>PIEs. The Applicant must provide details of all training and CPD planned for the next 12 months which specifically relates to the audit of PIEs.</p> <p>The Applicant should also provide details of the grades of any file reviews which have been carried out (by the FRC's Audit Quality Review team, the relevant RSB's audit monitoring team, or internally) in relation to:</p> <ul style="list-style-type: none"> <li>(i) PIE audits <del>(or similar or equivalent audits)</del> for which the Applicant was the RI or acted in a senior position, when the PIE audit has been subject to a file review; or</li> <li>(ii) Non-PIE audits for which the Applicant was either the RI or acted in a senior position, when the audit has been graded.</li> </ul> <p>The FRC has the power to refuse an RI Application due to lack of sufficient experience and competence if the Applicant does not have sufficient or relevant audit experience. The FRC will consider each RI Application on a case-by-case basis.</p> <p><b>Undertakings and Conditions</b></p> <p>In addition to the sufficient experience and competence requirements listed above, when an Applicant has never previously acted as an RI, or has not proven sufficient experience or competence to the satisfaction of the FRC, the FRC may at its discretion request Undertakings or impose Conditions.</p>
<p>Reg 5.1(iii)d) can satisfy the FRC that they are fit and proper to undertake <del>PIE</del> Statutory Audit Work for PIEs</p>	<p>To be confirmed in the Application form.</p> <p>The RI must confirm whether:</p> <ul style="list-style-type: none"> <li>• they have any open or closed regulatory/disciplinary matters with their RSB(s); and</li> <li>• they have any fit and proper matters to disclose to their RSB(s).</li> </ul>

	<p>The RI must confirm whether they have disclosed all matters to their RSB(s) affecting their fit and proper status occurring within the last seven years. Where the RI has any fit and proper matters which they have not disclosed to their RSB(s), they must provide details of these outstanding matters. These must either be uploaded to the RI's <a href="#">audit</a> firm's dedicated <a href="#">Registration</a> SharePoint folder or emailed to <a href="mailto:registration@frc.org.uk">registration@frc.org.uk</a>.</p>
Reg 5.1(iii)e) have provided all necessary evidence and information with their Application, along with any further explanations required by the FRC	To be confirmed in the Application form.
Reg 5.1(iii)f) have paid to the FRC and/or their RSB, any registration fees set by the FRC and/or their RSB in relation to their Statutory Audit Work, including for PIEs	To be confirmed in the Application form.
Reg 5.1(iii)g) have agreed that the FRC, its directors and staff and its Board and Committees cannot be held liable for damages for anything done or not done in dealing with the functions connected with registration under these Regulations, unless the act or omission is shown to have been in bad faith	To be confirmed in the Application form.
Reg 5.1(iii)h) have supplied and will supply information or documents that may be required by the FRC to demonstrate compliance with the Registration Requirements	To be confirmed in the Application form.
<p>Reg 5.1(iii)i) commit to, <a href="#">and shall</a>:</p> <p>i. comply with these Regulations and any other relevant regulations, procedures or rules of the FRC;</p>	To be confirmed in the Application form. <a href="#">Continued compliance is a requirement of maintaining registration.</a>

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| <ul style="list-style-type: none"> <li>ii. comply with any Conditions and/or Undertakings attached to their entry on the PAR;</li> <li>iii. deal with the FRC, including its staff and representatives, in an open, cooperative and timely manner;</li> <li>iv. notify the FRC in writing as soon as possible, and in any event within 10 working days, of becoming aware of a Relevant Change;</li> <li>v. maintain their knowledge and expertise of <del>PIE</del> Statutory Audit Work <del>for</del> <del>PIEs</del> by completing appropriate continuing professional development; and</li> <li>vi. comply with all relevant legislation, auditing standards, ethical standards and quality <del>control</del> <del>management</del> standards relating to PIE related Statutory Audit Work</li> </ul> |  |
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## Processing and assessing an Application

### Receiving an Application

- 23 Once the FRC receives an Application, the FRC will acknowledge it as quickly as possible, specifying the processing time, any available means of redress, and that the Application will not be deemed to be granted in the absence of an FRC decision on the Application within the specified time period or its extension.

### Applications and withdrawal

- 24 Where an incomplete Application is received, the FRC will contact the Applicant as soon as reasonably possible to:
- request the Applicant to supply any additional documentation or information;
  - set the date by which that information must be supplied; and

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- explain the possible impact the incomplete Application and the request to correct it will have on the time for processing the Application.
- 25 If, following the procedure described in paragraph 24, the Applicant has not provided the additional documentation or information required to the FRC's satisfaction by the date requested, the FRC will grant the Applicant a final opportunity, by a deadline set by the FRC, to either:
- provide the documentation or information; or
  - withdraw the Application.
- 26 If, on the expiration of the deadline set out in paragraph 25 above, the Applicant has neither withdrawn the Application nor provided the documentation or information requested, the FRC will proceed to assess the Application on the information already provided.

## Information gathering and sharing

~~19~~<sup>27</sup> Prior to making a decision on an Application, the FRC may gather information (including information held by other sections of the FRC) and/or take account of any information that is otherwise available to it from any source and which, in either case, it considers to be relevant to the Application.<sup>32</sup>

~~20~~<sup>28</sup> The FRC may also make enquiries of the RSB with which the Applicant is registered and of which the Applicant is a member, as appropriate. While the primary purpose of these enquiries is to collect additional information that is relevant to an Application, the FRC may also ask for verification of the information contained in the Application.

## Time for processing an Application

~~21~~<sup>29</sup> Once the Applicant has provided a duly completed Application (including all supporting documentation and information), the FRC will process the Application and make a decision on it.

~~22~~<sup>30</sup> Straightforward Applications (that is, Applications which do not raise any compliance issues and in respect of which neither Undertakings nor Conditions are proposed) will be processed, and a decision taken, within 25 working days of the date on which all required documentation and information has been submitted to the FRC (including any required clarifications or confirmations). More complex Applications, such as those where Undertakings are being agreed and/or the FRC is considering or proposing to attach Conditions, will require additional time. Where this is the case, the FRC will notify the Applicant (before the expiry of the above-mentioned 25 working day period) that additional time is needed, why the additional time is needed and by when the FRC's decision will be made. Applications that are

<sup>32</sup> Regulations, ~~paragraph~~ 17.2.

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not processed within the above-mentioned time periods will not be deemed to have been granted.

## Assessing an Application

~~23~~<sup>31</sup> In making a decision, the FRC will decide whether the Applicant meets the Registration Requirements, and, *if so*, whether there is any reason in the public interest not to grant the Application.

~~24~~<sup>32</sup> Where an Applicant audit firm has submitted an Application form on its own behalf and an Application for each of its designated RIs, the FRC may consider these Applications together.

~~25~~<sup>33</sup> Following the assessment of an Application the FRC may:

- grant the Application;
- invite the Applicant to agree Undertakings to which the Applicant's PAR registration will be subject;
- inform the Applicant that the FRC is considering attaching Conditions on their PAR registration (which may be in addition to Undertakings); *or*
- inform the Applicant that the FRC is considering refusing the Application.

## Granting an Application

~~26~~<sup>34</sup> When an Application is granted, the FRC will issue a Registration Notice to:

- the Applicant audit firm (via the PAC); and/or
- the Applicant RI (via their audit firm's PAC).

~~27~~<sup>35</sup> ~~Regulations~~<sup>Paragraph</sup> 7.2a) and b) ~~of the Regulations~~ list the information that will be included in the Registration Notice.

~~28~~<sup>36</sup> Where an Applicant audit firm has designated RIs, the FRC will set out in the Registration Notice details of the designated RIs whose Applications have been granted (without Undertakings or Conditions). A separate Registration Notice may be issued in relation to the Applicant audit firm's designated RIs whose registration has been approved with Undertakings and/or Conditions.

~~29~~<sup>37</sup> Part 3 of the Regulations sets out the details that will appear on the PAR.

## Granting an Application with Undertakings and/or Conditions

~~30~~<sup>38</sup> In general, where Undertakings and/or Conditions are being considered, an Application will not be granted until any associated process in respect of the agreement of Undertakings or attachment of Conditions has concluded. The process of agreeing Undertakings and attaching Conditions is discussed in section 4 below.

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~~3139~~ If an agreement on Undertakings is not reached, or if a response to the FRC's invitation to agree Undertakings is not received within the specified timeframe, the FRC may consider whether to refuse the Application or whether the Application should be granted with Conditions.

~~3240~~ If the FRC decides to grant an Application with Conditions, it is open to the Applicant to request an Internal Review of (or subsequently appeal) that decision under Part 14 of the Regulations. If an Applicant requests an Internal Review of a Registration Decision, the effective date for the Applicant's registration on the PAR would be determined as prescribed in ~~Regulation paragraph 14.7 of the Regulations~~. If an Applicant appeals the outcome of an Internal Review, the effective date for the outcome of the Internal Review shall be determined as prescribed in ~~Regulations paragraph 14.12 and 14.13~~.

## Refusing an Application

~~3341~~ Where the FRC decides that an Application does not meet the Registration Requirements, and/or that it would not be in the public interest to grant the Application, it will follow the process set out in ~~Regulation paragraph 7.4 of the Regulations~~.

~~3442~~ If the FRC decides that the Application should be refused, the FRC will notify the Applicant in accordance with ~~Regulation paragraph 7.5 of the Regulations~~. If the FRC decides to refuse an Application, it is open to the Applicant to request an Internal Review of (or subsequently appeal) that decision under Part 14 of the Regulations. An audit firm whose Application has been refused must:

- resign from any formal appointments, and not accept any new appointments, to conduct Statutory Audit Work for a PIE; and
- withdraw from any pending tender bids, successful tender bids, and/or signed contracts to conduct Statutory Audit Work for a PIE, within five working days from receipt of the notification.

## 3. Maintaining registration

~~3543~~ Once an Application has been granted, the FRC will monitor the PIE Registered Audit Firm's and/or PIE Registered RI's compliance with the Regulations through Annual Returns and Registration Reviews. PIE Registered Audit Firms and PIE Registered RIs ~~will also need to must~~ also notify the FRC of any Relevant Changes.

~~3644~~ Where a PIE Registered Audit Firm's registration or a PIE Registered RI's registration is subject to a measure or measures (such as a waiver, Undertakings, ~~and/or~~ Conditions ~~and/or~~ suspension), the FRC may also, from time to time, ask the PIE Registered Audit Firm or PIE Registered RI (usually via the PAC) to provide an update on compliance with the terms of the relevant measures. Any failure to respond to a request for an update on compliance may be taken into consideration when the FRC is assessing a PIE Registered Audit Firm and/or PIE Registered RI's ongoing registration.

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## Relevant Changes

- ~~37~~<sup>45</sup> A PIE Registered Audit Firm and/or PIE Registered RI must notify the FRC of a Relevant Change under Regulations 15.4a) to g) as soon as possible, and in any case by a maximum of 10 working days, after becoming aware of the Relevant Change.<sup>43</sup> ~~Paragraph 15.4 of the Regulations lists Relevant Changes.~~
- 46 A PIE Registered Audit Firm must notify the FRC if the former is anticipating, considering or carrying out changes of the types set out in Regulations 15.4h) or 15.4i). In those circumstances, the PIE Registered Audit Firm must also confirm or update the details of its PAC and/or AC to the FRC by email to [registration@frc.org.uk](mailto:registration@frc.org.uk).
- 47 At all times it is the responsibility of the PIE Registered Audit Firm to demonstrate that it will continue to meet the applicable Registration Requirements.
- 48 The PIE Registered Audit Firm must notify the FRC of any anticipated change under Regulations 15.4h) or 15.4i) in advance, in order to give the FRC enough time to assess whether the audit firm will comply with the PIE Auditor Registration Requirements following the completion of the change. As to this:
- the PIE Registered Audit Firm must formally notify the FRC PIE Auditor Registration Team in accordance with Regulations 15.4h) or 15.4i) as far in advance of the anticipated change as reasonably possible, and in any event no less than 90 days prior to the date on which it is anticipated that such change will take place;<sup>4</sup>
  - this notification must be submitted to the FRC's PIE Auditor Registration Team using the email address provided in paragraph 46 above;
  - in the event that the RSB with which the PIE Registered Audit Firm is registered requires notification of an anticipated change earlier than 90 days in advance of the anticipated change, the PIE Registered Audit Firm must notify the FRC PIE Auditor Registration Team no later than it notifies the RSB;
  - the notification must explain which Relevant Change(s) is/are engaged, and be accompanied by all the relevant documentation which is available at the time of notification which is required for the FRC to fully understand the terms of the notified change.<sup>5</sup> Following the notification, audit firms have an ongoing responsibility to provide the FRC with any further documentation relevant to the anticipated change as soon as it is available, as well as to update the FRC about any changes to information or documentation that has previously been provided. The nature of the documentation will depend on the precise circumstances of the change, and may include, but is not limited to, draft or executed head of terms, letters of intent, acquisition agreements, structure charts, share purchase agreements, shareholders' agreements, investment agreements,

<sup>43</sup> Regulations, ~~paragraph~~ 15.3a).

<sup>4</sup> Regulation 15.3b).

<sup>5</sup> Regulation 15.5.



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LLP agreements, articles of association, service agreements, terms of reference for boards and committees, loan or finance agreements, intercreditor agreements, debt contracts or instruments. Failure to provide all relevant documentation 90 days before the anticipated change may result in a delay to any Registration Decision.

- 49 Once the PIE Registered Audit Firm has notified the FRC of a change under Regulation 15.3, and provided relevant documents under Regulation 15.5, the FRC may require additional information.
- 50 In accordance with Regulation 15.8, upon receipt of a notification under Regulation 15.3, and once the FRC is satisfied it has sufficient information, the FRC will determine whether:
- the relevant PAR entry needs to be amended and, if so, how;
  - any further measures or actions are required. This could include but is not limited to (a) attaching Conditions; inviting agreement to Undertakings; granting waivers; or maintaining, varying, extending or ending a combination of one or more of those measures; or (b) suspending one or more entries on the PAR; or (c) removing one or more entries from the PAR;
  - if any of the measures or actions listed above are required, they may be taken as urgent decisions under Part 12 of the Regulations; and/or
  - other actions are appropriate or required, such as engagement with the relevant RSBs and third country competent authorities.
- 51 A PIE Registered Audit Firm's appointment to undertake Statutory Audit Work for a PIE will constitute a Relevant Change under Regulation 15.4a). PIE Registered Audit Firms must notify the FRC of any new PIE appointments once their appointment has been confirmed, and should not wait, for example, until a Letter of Engagement has been issued. Therefore, PIE Registered Audit Firms must notify the FRC of:
- their tender bid to be appointed as Statutory Auditor of a PIE being successful;
  - the signing of one or more contracts to be appointed as Statutory Auditor of a PIE;
  - any of their existing non-PIE audit engagements becoming a PIE engagement; and/or
  - any other factor relevant to determine whether a PIE Registered Audit Firm is engaged to undertake Statutory Audit Work for a PIE, when that engagement has not otherwise been notified to the FRC.
- ~~3852~~ Where a PIE Registered Audit Firm resigns from ~~its~~ any appointment to undertake Statutory Audit Work for a PIE ~~auditor appointment~~, this will constitute a Relevant Change under Regulation ~~paragraph~~ 15.4c) ~~of the Regulations~~. The Companies Act 2006<sup>56</sup> requires an auditor who ceases to hold office (in certain situations outlined in section 519 of that Act) to notify

<sup>56</sup> Companies Act 2006, s 522.

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the FRC and provide a statement of reasons. Auditors may notify the FRC of their resignation from a PIE audit by emailing [registration@frc.org.uk](mailto:registration@frc.org.uk).

- 3953** The Relevant Changes which relate to PIE Registered RIs are set out in [Regulations paragraphs 15.4e\), 15.4f\), and 15.4g\) and 15.7](#). Additionally, [Regulation paragraph 15.65 of the Regulations](#) provides that a PIE Registered Audit Firm must notify the FRC of any changes to the PIE audit portfolios of its PIE Registered RIs “every 6 months (or such other period of time as may be agreed between the FRC and the PIE Registered Audit Firm)”. The date on which a PIE Registered Audit Firm must notify the FRC of any changes under [Regulation paragraph 15.65 of the Regulations](#) will be calculated with reference to the date of the PIE Registered Audit Firm’s Annual Return (see paragraph **5945** below). The FRC will notify the PIE Registered Audit Firm in its Registration Notice of the first date on which it must inform the FRC of any changes under [Regulation paragraph 15.65 of the Regulations](#). If a PIE Registered Audit Firm’s Annual Return date changes, the PIE Registered Audit Firm may seek the FRC’s agreement to any changes to the submission deadlines for PIE audit portfolios of its PIE Registered RIs. Similarly, the FRC has the power to request PIE Registered Audit Firms to provide updates on any changes to the PIE audit portfolios of its PIE Registered RIs at any other time or with any other frequency the FRC considers appropriate.
- 4054** A notification of a Relevant Change relating to a PIE Registered Audit Firm [under Regulation 15.4](#), or a change under [paragraph Regulation 15.65](#), should be sent to the FRC by the PIE Registered Audit Firm’s PAC. A notification of a Relevant Change relating to a PIE Registered RI [under Regulation 15.7](#) should usually (unless, for example, it contains information confidential to the individual) be sent by the PAC of the PIE Registered Audit Firm which designated that PIE Registered RI.
- 4155** A notification of a Relevant Change, or a change under [Regulation paragraph 15.65](#), should be sent to [registration@frc.org.uk](mailto:registration@frc.org.uk) and should include, in the subject of the email, whether it relates to a Relevant Change [under Regulation 15.4a\) to g\) and/or 15.4h\) to i\) and/or 15.7](#) or a change under [paragraph Regulation 15.65](#).
- 4256** Once the PIE Registered Audit Firm or PIE Registered RI has notified the FRC of a Relevant Change or change under [Regulation paragraph 15.65](#), the FRC will decide whether to take any further steps and/or to amend the PAR.<sup>67</sup>
- 4357** If the FRC decides to take further steps, such as considering Undertakings and/or Conditions, or suspending or removing the entry from the PAR, the FRC will follow the processes set out in the Regulations (see section 4 below). Depending on the FRC’s decision, the FRC may issue the PIE Registered Audit Firm or PIE Registered RI with a Formal Notification.
- 4458** A failure to notify the FRC of a Relevant Change or change under [Regulation paragraph 15.65](#) may be a breach of the Registration Requirements in Part 4 or Part 5 of the Regulations, as appropriate. If the FRC becomes aware that a PIE Registered Audit Firm or PIE Registered RI has failed to notify the FRC of a Relevant Change or a change under [Regulation paragraph](#)

<sup>67</sup> [Regulations, paragraph 15.86](#).

15.65, the FRC may, amongst other things, consider imposing measures on the **PIE Registered Audit Firm's** or **PIE Registered RI's** PAR entry, including suspension or removal.

## Annual Returns

4559 Each year, PIE Registered Audit Firms must make an Annual Return to the FRC.<sup>78</sup> The FRC will provide access to the online Annual Return form (which is a MS Forms document) to each PIE Registered Audit Firm no less than 4 weeks before that firm's Annual Return is due. The timing of the Annual Return will be linked to the date on which the PIE Registered Audit Firm submits its annual return to its RSB.<sup>89</sup>

4660 To make an Annual Return to the FRC, a PIE Registered Audit Firm must:

- submit the Annual Return form using the online MS Forms document. The FRC will only accept Annual Return forms using the online MS Forms document;
- provide an updated list of (1) the **audit firm's** PIE Registered RIs and (2) **the audit firm's** PIE audit engagements (see paragraph 1511 above). This list must also include (1) any update to the PIE Registered RI's fit and proper status and CPD; and (2) confirmation that each PIE Registered RI continues to meet the Registration Requirements; and
- provide any update to the PIE Registered Audit Firm's supporting statement (see paragraphs 153 and 17 above) that is necessary to demonstrate how the firm meets, and will continue to meet, the Registration Requirements.

4761 The requirements of the Annual Return form are set out in **Regulation paragraph 16.3 of the Regulations**.

4862 The table below provides guidance on how a PIE Registered Audit Firm should demonstrate, in an Annual Return, its compliance with each of the Registration Requirements.

Registration Requirement	Guidance for PIE Registered Audit Firms
Reg 4.1(i) and (ii) – The audit firm meets the Eligibility Criteria and is a Statutory Audit Firm	To be confirmed in the Annual Return form. The <b>PIE Registration-Registered</b> Audit Firm must confirm it remains on the Register of Statutory Auditors.
Reg 4.1(iii)a) knows or has reasonable grounds to believe, <b>that</b> it will undertake <b>Statutory Audit Work for</b> at least one <b>audit of a</b> PIE within the period of 24	To be confirmed in the Annual Return form.  The PIE Registered Audit Firm must also update its list of PIE <b>eEngagements</b> , as necessary.

<sup>78</sup> Regulations, **paragraph 16.1**.

<sup>89</sup> Regulations, **paragraph 2.1**, definition of "Annual Return".

<p>months, (unless the FRC agrees a longer period) following:</p> <p>i. the date on which its Application is received by the FRC; and</p> <p>ii. the date on which any Annual Return is submitted to the FRC</p>	
<p>Reg 4.1(iii)b) has designated one or more individuals to apply to be PIE Registered RIs and has authorised and supports the Applications of these individuals to be PIE Registered RIs</p>	<p>To be confirmed in the Annual Return form.</p> <p>The PIE Registered Audit Firm must also update (1) its list of PIE eEngagements to show any reallocation of RIs across the PIE audit portfolio, as necessary; and (2) its list of PIE Registered RIs, including any update to the PIE Registered RI's fit and proper status and CPD; and confirmation that each PIE Registered RI continues to meet the Registration Requirements.</p>
<p>Reg 4.1(iii)c) has in place, and will maintain, procedures to determine the continuing competence, experience and fit and proper status both of its designated PIE Registered RIs and of all of its Principals and employees involved in <del>PIE</del> Statutory Audit Work for PIEs (including any such Principal or employee who is not a PIE Registered RI)</p>	<p><b>Continuing Professional Development</b></p> <p>The PIE Registered Audit Firm must outline in its <del>s</del>Supporting <del>s</del>Statement any relevant updates to its annual training plan. If available, the PIE Registered Audit Firm should supply an updated version of its annual training plan.</p> <p>The PIE Registered Audit Firm must notify the FRC of any changes in procedures/processes regarding the ongoing training and development of all staff involved in <del>PIE</del> Statutory Audit Work for PIEs since its Application or most recent submission of an Annual Return.</p> <p><b>Fit and proper</b></p> <p>The PIE Registered Audit Firm must confirm in the Annual Return form that it has carried out an annual fit and proper review of all its staff involved in PIE audits.</p> <p>The PIE Registered Audit Firm must notify the FRC of any changes in internal processes to confirm the fitness and propriety of its staff involved in <del>PIE</del></p>

	<p>Statutory Audit Work for PIEs since its Application or most recent submission of an Annual Return.</p> <p>The PIE Registered Audit Firm must notify the FRC of any changes to <del>also outline</del> its processes for alerting its RSB to fit and proper matters affecting the audit firm and its staff since its Application or most recent Annual Return, <del>if this has not previously been submitted.</del></p>
Reg 4.1(iii)d) has in place, and will maintain, procedures to ensure all Principals and employees involved in <del>PIE</del> Statutory Audit Work for PIEs are aware of, and comply with, these Regulations	<p>To be confirmed in the Annual Return form.</p> <p>The PIE Registered Audit Firm must notify the FRC of any changes in its processes to ensure that all of its PIE Registered RIs comply with Part 5 of the Regulations.</p>
Reg 4.1(iii)e) can satisfy the FRC of its suitability to be a PIE Registered Audit Firm including demonstrating that it is fit and proper	<p>To be confirmed in the Annual Return form.</p> <p>The PIE Registered Audit Firm must confirm whether (since its Application or most recent submission of an Annual Return):</p> <ul style="list-style-type: none"> <li>• it has any new open or closed regulatory/disciplinary matters with its RSB; and</li> <li>• it has any new fit and proper matters to disclose to its RSB, and the details of those matters.</li> </ul> <p>The confirmation and details (if any) must either be uploaded to the PIE Registered Audit Firm's dedicated <a href="#">Registration</a> SharePoint folder or emailed to <a href="mailto:registration@frc.org.uk">registration@frc.org.uk</a></p>
Reg 4.1(iii)f) has provided all necessary evidence and information with its Application, along with any further explanations required by the FRC	<p>To be confirmed in the Annual Return form.</p>
Reg 4.1(iii)g) has paid to the FRC and/or its RSB, any registration fees set by the FRC and/or its RSB in relation to its Statutory Audit Work, including for PIEs	<p>To be confirmed in the Annual Return form.</p>

<p>Reg 4.1(iii)h) has, and will maintain, in place appropriate resources and an appropriate system of quality management to enable it to perform <del>PIE</del> Statutory Audit Work <b>for PIEs</b> to the required standards</p>	<p>The PIE Registered Audit Firm must notify the FRC of any changes (since its Application or most recent Annual Return) in its processes to ensure <b>that it has sufficient financial and non-financial resources and</b> an appropriate system of quality management to enable it to perform <del>PIE</del> Statutory Audit Work <b>for PIEs</b> to the required standards.</p>
<p>Reg 4.1(iii)i) has, and will maintain, governance arrangements, Principals, management and ownership interests in the PIE Registered Audit Firm, which are suitable to operate and/or control a business that carries out <del>PIE</del> Statutory Audit Work <b>for PIEs</b></p>	<p>The PIE Registered Audit Firm must notify the FRC of any changes (since its Application or most recent Annual Return) in its <del>processes to ensure</del> governance arrangements, Principals, management and ownership interests in the PIE Registered Audit Firm, <b>and demonstrate that these</b><del>which</del> are suitable to operate and/or control a business that carries out <del>PIE</del> Statutory Audit Work <b>for PIEs</b>.</p>
<p>Reg 4.1(iii)j) has<del>,</del> in place (or will have in place prior to commencing<del>,</del> any <del>PIE</del> Statutory Audit Work <b>for PIEs</b>), and will continue to have <b>in place</b> during the period that it is registered, at least the Minimum Level of Professional Indemnity Insurance and has supplied its Professional Indemnity Insurance information to the FRC</p>	<p>To be confirmed in the Annual Return form.</p> <p>The PIE Registered Audit Firm must confirm it meets the minimum requirements as set by its RSB. The PIE Registered Audit Firm should also confirm that its actual level of cover is commensurate with the size and risk of its portfolio of PIE audits. The PIE Registered Audit Firm may also wish to discuss any risk assessments that have been undertaken in respect of <b>Professional Indemnity Insurance</b> cover for its <del>PIE</del> Statutory Audit Work <b>for PIEs</b>.</p> <p><b>The FRC may request that the PIE Registered Audit Firm provides a copy of its Professional Indemnity Insurance policy schedule.</b></p>
<p>Reg 4.1(iii)k) has agreed that the FRC, the FRC's directors and staff and the FRC's Board and Committees cannot be held liable for damages for anything done or not done in dealing with the functions connected with registration under these Regulations, unless the act or omission is shown to have been in bad faith</p>	<p>To be confirmed in the Annual Return form.</p>

Reg 4.1(iii)l) has provided the FRC with the contact details of its Principal Authorised Contact	To be confirmed in the Annual Return form.
Reg 4.1(iii)m) has supplied and will supply information or documents that may be required by the FRC to demonstrate compliance with the Registration Requirements	To be confirmed in the Annual Return form.
<p>Reg 4.1(iii)n) commits to, and shall:</p> <ul style="list-style-type: none"> <li>i. comply with these Regulations, and other relevant regulations, procedures or rules of the FRC, including the Audit Firm Governance Code (where relevant);</li> <li>ii. comply with any Conditions and/or Undertakings attached to its entry on the PAR;</li> <li>iii. deal with the FRC, including its staff and representatives, in an open, cooperative and timely manner;</li> <li>iv. notify the FRC in writing as soon as possible, and in any event within 10 working days, of becoming aware of a Relevant Change; and</li> <li>v. comply with all relevant legislation, auditing standards, ethical standards and quality <del>control</del> management standards relating to PIE related Statutory Audit Work.</li> </ul>	To be confirmed in the Annual Return form. Continued compliance is a requirement of maintaining registration.

4963 The FRC may request a copy of the PIE Registered Audit Firm's RSB annual return from the firm's RSB.



- ~~5064~~ A PIE Registered Audit Firm must make its Annual Return to the FRC ~~within 30 days of the date for its Annual Return~~ on the same date that it submits its annual return to its RSB.<sup>910</sup> Where a PIE Registered Audit Firm fails to comply with this requirement, its PAR entry shall cease to have effect and will be removed, unless the FRC decides otherwise.<sup>1011</sup> A PIE Registered Audit Firm may request an extension or change to the date for making its Annual Return by emailing [registration@frc.org.uk](mailto:registration@frc.org.uk) before the date by which the Annual Return is due to be submitted, explaining the reasons for the request.
- ~~5165~~ Once the PIE Registered Audit Firm has made its Annual Return to the FRC, the FRC will consider the information provided and decide whether to take any further steps and/or amend the PAR.<sup>11</sup> If the FRC decides to take further steps, such as imposing Conditions and/or inviting the PIE Registered Audit Firm to agree Undertakings, the FRC will follow the processes set out in the Regulations (see section 4 below).

## Registration Reviews

~~5266~~ The purpose of Registration Reviews ~~will be~~ is to assess whether the PIE Registered Audit Firm, and each of its PIE Registered RIs, meets the Registration Requirements, and whether there is any reason in the public interest to amend the PAR.<sup>12</sup> As a result of a Registration Review, the FRC can, among other options, determine that it would be appropriate to:

- amend the PIE Registered Audit Firm's entry and/or the entries of any PIE Registered RIs on the PAR;
- attach, vary, or end Conditions, or extend or shorten the duration of Conditions, triggering the procedures under Part 8 of the Regulations;
- invite a PIE Registered Audit Firm and/or PIE Registered RI, as appropriate, to agree to Undertakings, or vary or amend existing Undertakings, triggering the procedures under Part 9 of the Regulations;
- vary, extend or end existing waivers, triggering the procedures under Part 10 of the Regulations;
- suspend the PIE Registered Audit Firm's and/or the PIE Registered RI's entry on the PAR, following the procedure under Part 11 of the Regulations;
- make an urgent decision regarding a PIE Registered Audit Firm's and/or the PIE Registered RI's entry on the PAR, following the procedure under Part 12 of the Regulations;

<sup>910</sup> Regulations, ~~paragraphs~~ 7.2b), 7.7b), 7.8b), 16.1.

<sup>1011</sup> Regulations, ~~paragraphs~~ 13.1c), 16.4.

<sup>11</sup> ~~Regulations, paragraph 16.7.~~

<sup>12</sup> Regulations, ~~paragraph~~ 16.7.



- remove the PIE Registered Audit Firm's and/or the PIE Registered RI's entry on the PAR, following the procedure under Part 13 of the Regulations; and/or
- take any other action under the applicable legal framework it deems appropriate.

67 Registration Reviews will take place periodically. Their frequency and the length of the relevant period covered by the Registration Review will depend on the number of PIEs in respect of which a PIE Registered Audit Firm undertakes Statutory Audit Work in the period covered by its most recent Annual Return. They are automatically triggered by a triggering event, generally based around the submission of an Annual Return, as set out in the table below.

68 In all cases, if the Annual Return date changes, the FRC has discretion to decide what the relevant period for the Registration Review shall be, to ensure that all periods during which the PIE Registered Audit Firm is registered on the PAR are subject to a Registration Review. The FRC may alter the length and frequency of a Registration Review.

Number of PIEs in respect of which Statutory Audit Work is undertaken	Guidance for PIE Registered Audit Firm
More than 20 PIEs	<p>Registration Review takes place once a year.</p> <p>Triggered by each submission of an Annual Return.</p> <p>The relevant period of each Registration Review will be the totality of the time between each Annual Return, save that the initial Registration Review will extend to the totality of the time between the PIE Registered Audit Firm's first entry on the PAR and its first Annual Return.</p>
Between 6 and 20 PIEs	<p>Registration Review takes place every two years.</p> <p>Triggered by every other submission of an Annual Return.</p> <p>The relevant period of each Registration Review will extend to the totality of the time between every other Annual Return, save that the first Registration Review's relevant period will extend to the totality of the time between the PIE Registered Audit Firm's first entry on the PAR and its second Annual Return.</p>
Fewer than 6 PIEs	<p>Registration Review takes place every three years.</p>

Triggered by every third submission of an Annual Return.

The relevant period of each Registration Review will extend to the totality of the time between three Annual Returns, save that the first Registration Review's relevant period will extend to the totality of the time between the PIE Registered Audit Firm's first entry on the PAR and its third Annual Return.

~~5369~~ The FRC will notify a PIE Registered Audit Firm by email (via the PAC) that a Registration Review will be taking place. The FRC will endeavour to give reasonable prior notice of such review. ~~Registration Reviews are carried out~~~~This review is~~ without prejudice to the FRC's ability to monitor and enforce compliance with the Registration Requirements at any time.

70 The FRC will complete Registration Reviews within 18 months of their commencement. Depending on the length and timing of a given Registration Review, Registration Reviews of the same PIE Registered Audit Firm covering two different relevant periods could be carried out at the same time. In that case, the two Registration Reviews will be performed and reported separately.

~~5471~~ When conducting a Registration Review (or monitoring compliance), the FRC may:

- request that the PIE Registered Audit Firm provide information and/or documents to demonstrate compliance with the Registration Requirements;
- request information from the relevant RSBs about the PIE Registered Audit Firm's and/or PIE Registered RIs' registration and/or membership, as appropriate;
- consider information provided to the FRC in the PIE Registered Audit Firm's Annual Return and/or notifications of a Relevant Change or change under ~~Regulation paragraph 15.65 of the Regulations; and~~
- consider any other information that is relevant to the FRC's assessment of whether the PIE Registered Audit Firm and each of its PIE Registered RIs meets the Registration Requirements and whether there is any reason in the public interest to amend the relevant PAR entries; ~~and~~
- exercise any other power under the Regulations, or arising under any legislation or enactment.

~~5572~~ The FRC will notify the PIE Registered Audit Firm (via the PAC) that the Registration Review has been completed, ~~within 20 working days of its completion. The FRC will consider the information provided as part of the Registration Review and will decide whether to amend the PAR. If the FRC decides to take further steps, such as imposing Conditions and/or inviting the PIE Registered Audit Firm or a PIE Registered RI to agree Undertakings~~those listed in

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paragraph 66 above, the FRC will follow the processes set out in the Regulations (discussed at section 4 below).

## Information from other sources

**5673** At any time, the FRC may gather information and/or take account of any information that is otherwise available to it from any source and which, in either case is relevant to its assessment of (1) whether the PIE Registered Audit Firm **and/or any** PIE Registered RI continues to meet the Registration Requirements and/or (2) public interest considerations.<sup>13</sup> This information **may** include ~~s~~ information from the RSBs, from other regulators and from within the FRC.

## 4. Measures on registration and removal from the PAR

### The public interest

**5774** The public interest is relevant to several of the FRC's decisions under the Regulations, including whether to grant an Application,<sup>14</sup> attach a Condition,<sup>15</sup> invite an Applicant, PIE Registered Audit Firm or PIE Registered RI to agree Undertakings,<sup>16</sup> grant a waiver,<sup>17</sup> suspend the PAR entry of a PIE Registered Audit Firm or PIE Registered RI,<sup>18</sup> make an urgent decision,<sup>19</sup> remove the PAR entry of a PIE Registered Audit Firm or a PIE Registered RI on an involuntary basis<sup>20</sup> or reinstate the PAR entry of a PIE Registered Audit Firm or PIE Registered RI.<sup>21</sup> ~~(The public interest is also relevant to decisions relating to the publication of certain decisions, which are discussed at section 7 below.)~~

**5875** Decisions made under the Regulations will be **made**~~taken~~ on a case-by-case basis. When considering the public interest in the context of decisions made under the Regulations, **other than publication decisions**, the FRC **may apply the General Principles for Considering the Public Interest in our Work**.<sup>22</sup> In addition, the FRC may consider the following factors:

- the need to protect the public, including users of financial statements and investors;
- the need to **declare and** uphold standards within the PIE audit market;
- the need to maintain public confidence in the PIE audit market;

<sup>13</sup> Regulations, ~~paragraph~~ 17.2.

<sup>14</sup> Regulations, ~~paragraph~~ 7.2.

<sup>15</sup> Regulations, ~~paragraph~~ 8.2.

<sup>16</sup> Regulations, ~~paragraph~~ 9.2.

<sup>17</sup> Regulations, ~~paragraph~~ 10.3.

<sup>18</sup> Regulations, ~~paragraph~~ 11.1.

<sup>19</sup> Regulations, ~~paragraph~~ 12.1.

<sup>20</sup> Regulations, ~~paragraph~~ 13.4.

<sup>21</sup> Regulations, ~~paragraph~~ 13.9.

<sup>22</sup> Please see [the FRC's General Principles for Considering the Public Interest in our Work \(dated November 2022\)](#).

- whether the negative impact of the decision on the Applicant, PIE Registered Audit Firm **and/or** PIE Registered RI would be disproportionate or would have an unnecessarily or excessively damaging effect;
- whether the decision would, in all the circumstances, be unjust for the Applicant, PIE Registered Audit Firm **and/or** PIE Registered RI; **and/or**
- any other matter that is relevant to the FRC's assessment of the public interest.

76 The public interest is also relevant to decisions relating to the publication of certain decisions, which are discussed at section 7 below. When considering the public interest in the context of publication decisions, the FRC may take into account the factors listed in Annex 1 to this guidance (PIE Auditor Registration Publication Policy).

## Conditions

~~59~~<sup>77</sup> The FRC may consider whether to attach Conditions:

- when granting an Application (see paragraph ~~38~~<sup>30</sup> above); or
- to the PAR entry of a PIE Registered Audit Firm or PIE Registered RI.

~~60~~<sup>78</sup> When considering whether to attach Conditions, the FRC will follow the process in Part 8 of the Regulations. This process, however, will not apply if the FRC makes an urgent decision to attach Conditions to an entry on the PAR in accordance with Part 12 of the Regulations (see paragraph ~~152~~<sup>127</sup> below).

## Attaching Conditions

~~61~~<sup>79</sup> The FRC may determine that Conditions are necessary either in the public interest or in order for the Applicant, the PIE Registered Audit Firm or the PIE Registered RI to meet the Registration Requirements.<sup>~~22~~<sup>23</sup></sup>

~~62~~<sup>80</sup> Where the FRC is considering attaching Conditions, it will, as appropriate:

- write to the Applicant (via the PAC) to notify them that the FRC is considering granting their Application subject to Conditions; or
- write to the PIE Registered Audit Firm or PIE Registered RI (via the PAC) to notify them that the FRC is considering attaching Conditions to their PAR entry; and
- invite the Applicant, PIE Registered Audit Firm or PIE Registered RI, as appropriate, to provide written representations within the specified Notice Period.<sup>~~23~~<sup>24</sup></sup>

<sup>22</sup><sup>23</sup> Regulation~~s~~, paragraph 8.2.

<sup>23</sup><sup>24</sup> Regulation~~s~~, paragraph 8.3.

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~~63~~<sup>81</sup> Once representations have been received, or if no response is received within the Notice Period, the FRC will reach a final decision on whether, as appropriate:<sup>-24</sup><sup>25</sup>

- the Application should be granted with Conditions; or
- Conditions should be attached to the PIE Registered Audit Firm's, or PIE Registered RI's, PAR entry.

~~64~~<sup>82</sup> In relation to an Application, the FRC may decide instead to:

- grant the Application without Conditions or to seek to agree Undertakings, as an alternative to Conditions; or
- refuse the Application.

~~65~~<sup>83</sup> In relation to a PAR entry, the FRC may decide instead to:

- seek to agree Undertakings with the PIE Registered Audit Firm or PIE Registered RI, as an alternative to Conditions; or
- consider whether another measure, including suspension or removal from the PAR, would be appropriate.

## Notification and publication of Conditions

~~66~~<sup>84</sup> If the FRC decides to:

- Grant an Application subject to Conditions, the FRC will issue a Registration Notice to the Applicant (via the PAC), which will indicate, amongst other things, that the Application has been granted subject to Conditions, specify the date from which the Conditions will take effect, and set out the terms of the Conditions.<sup>-25</sup><sup>26</sup>
- Attach Conditions to a PAR entry, the FRC will issue a Formal Notification to the PIE Registered Audit Firm or PIE Registered RI (via the PAC), which will specify the date from which the Conditions will take effect and set out the terms of the Conditions.<sup>-26</sup><sup>27</sup>

~~67~~<sup>85</sup> The publication of Conditions is addressed in section 7 below.

## Monitoring compliance with Conditions

~~68~~<sup>86</sup> The FRC will monitor compliance with the terms of Conditions as described in section 3 above.

~~69~~<sup>87</sup> Where the FRC attaches Conditions to a PIE Registered RI's PAR entry, the PIE Registered Audit Firm should provide the FRC with details of the system it has in place to monitor the PIE Registered RI's compliance with the terms of those Conditions.<sup>-27</sup><sup>28</sup>

<sup>24</sup><sup>25</sup> Regulation~~s~~, paragraph 8.3d).

<sup>25</sup><sup>26</sup> Regulation~~s~~, paragraph 7.7.

<sup>26</sup><sup>27</sup> Regulation~~s~~, paragraph 8.4.

<sup>27</sup><sup>28</sup> Regulation~~s~~, paragraph 8.5.

88 If a PIE Registered Audit Firm and/or PIE Registered RI is subject to a Condition requiring them to obtain the FRC's prior approval before accepting new PIE audits, the PIE Registered Audit Firm and/or PIE Registered RI must notify the FRC of the earliest of the following events:

- their intention to submit a tender bid to be appointed as Statutory Auditor of a PIE;
- their submission of a tender bid to be appointed as Statutory Auditor of a PIE;
- the success of their tender bid to be appointed as Statutory Auditor of a PIE and the award of one or more such contracts;
- the signature of one or more contracts to be appointed as Statutory Auditor of a PIE;
- their formal appointment as Statutory Auditor of a PIE; and/or
- when any of their existing non-PIE audit engagements becomes a PIE engagement.

### Extending, shortening the duration of, ~~v~~arying or ending Conditions

~~70~~89 The FRC may extend or shorten the duration of, vary or end the Conditions attached to a PAR entry, either on its own initiative or having considered ~~upon~~ request from the PIE Registered Audit Firm or PIE Registered RI. <sup>28</sup>29 A request should be made by the PAC by email to [registration@frc.org.uk](mailto:registration@frc.org.uk) and should:

- specify the relevant Conditions; and
- for a request to extend or shorten the duration of a Condition, explain why the Condition's duration should be extended or shortened; or
- for a request to vary a Condition, explain why the Condition should be varied; or
- for a request to end a Condition, explain how the PIE Registered Audit Firm or PIE Registered RI meets the Registration Requirements and/or why the Condition is no longer necessary in the public interest, providing any relevant evidence. Evidence may be sent by email or uploaded to the dedicated FRC Registration SharePoint site.

~~71~~90 If the FRC is considering extending the duration of, or varying, the Conditions, it will, in general, follow the process of seeking written representations in Part 8 of the Regulations (~~see paragraph 62 above~~). This process, however, will not apply if the FRC makes an urgent decision to vary Conditions in accordance with Part 12 of the Regulations (see section 5 below).

~~72~~91 If the FRC decides to end the Conditions on its own initiative, the FRC does not need to follow Regulation 8.3. When the FRC decides to end the Conditions, it will notify the PIE Registered

<sup>28</sup>29 Regulations, ~~paragraph~~ 8.8.

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Audit Firm or PIE Registered RI of its decision in a Formal Notification sent to the PIE Registered Audit Firm or to the PIE Registered RI, as appropriate (via the PAC).<sup>2930</sup>

## Undertakings

~~73~~<sup>92</sup> The FRC may consider whether to agree Undertakings: <sup>3031</sup>

- with an Applicant, in relation to their Application (see paragraph ~~38~~<sup>30</sup> above);
- with a PIE Registered Audit Firm or a PIE Registered RI, in relation to their PAR entry.

~~74~~<sup>93</sup> In both of these cases, the FRC will follow the process in Part 9 of the Regulations.

## Agreeing Undertakings

~~75~~<sup>94</sup> The FRC may determine that Undertakings are necessary either in the public interest or in order for the Applicant, PIE Registered Audit Firm or PIE Registered RI to meet the Registration Requirements.<sup>3132</sup> Where Undertakings are being considered, the FRC will:

- write to the Applicant, PIE Registered Audit Firm or PIE Registered RI (via the PAC), setting out the reasons why Undertakings are thought necessary, and outlining the proposed Undertakings; and
- propose Undertakings which it considers address the specific issues identified, as well as the individual circumstances of the Applicant, PIE Registered Audit Firm or PIE Registered RI.

~~76~~<sup>95</sup> The Applicant, PIE Registered Audit Firm or PIE Registered RI will usually be given the opportunity to comment on the proposed Undertakings within a timeframe set out by the FRC. They may, for example, wish to suggest practical amendments to the proposed Undertakings.

~~77~~<sup>96</sup> Once any amendments have been agreed, or if none have been requested, the FRC will write to the Applicant, PIE Registered Audit Firm or PIE Registered RI with an invitation to agree Undertakings.<sup>3233</sup> The Applicant, PIE Registered Audit Firm or PIE Registered RI must respond in writing within 10 working days, **or such other period of time as may be agreed between the FRC and the Applicant, PIE Registered Audit Firm or PIE Registered RI, as appropriate** (via the PAC) to confirm whether they agree to the Undertakings.<sup>3334</sup>

## Notification and publication of Undertakings

~~78~~<sup>97</sup> Once the Undertakings have been agreed, the FRC will send, as appropriate:

<sup>2930</sup> Regulations, ~~paragraph~~ 8.9~~8~~.

<sup>3031</sup> Regulations, ~~paragraph~~ 9.1 and 9.3.

<sup>3132</sup> Regulations, ~~paragraph~~ 9.2.

<sup>3233</sup> Regulations, ~~paragraph~~ 9.3.

<sup>3334</sup> Regulations, ~~paragraph~~ 9.3.

- a Registration Notice to the Applicant, which will indicate that the Application has been granted subject to the agreed Undertakings; or
- a Formal Notification to the PIE Registered Audit Firm or PIE Registered RI (via the PAC), which will indicate that Undertakings have been agreed.

~~79~~<sup>34</sup>98 The Registration Notice or Formal Notification will include the date from which the Undertakings take effect.<sup>35</sup>

~~80~~<sup>35</sup>99 The publication of Undertakings is addressed in section 7 below.

## Monitoring compliance with Undertakings

~~81~~<sup>35</sup>100 The FRC will monitor compliance with the terms of Undertakings as described in section 3 above.

~~82~~<sup>35</sup>101 Where the FRC agrees Undertakings with a PIE Registered RI, the PIE Registered Audit Firm should provide the FRC with details of the system it has in place to monitor the PIE Registered RI's compliance with the terms of the Undertakings.<sup>36</sup>

<sup>36</sup>102 If a PIE Registered Audit Firm and/or PIE Registered RI is subject to an Undertaking requiring them to obtain the FRC's prior approval before accepting a new appointment as Statutory Auditor of a PIE, the PIE Registered Audit Firm and/or PIE Registered RI(s) must notify the FRC of the earliest of the following events:

- their intention to submit a tender bid to be appointed as Statutory Auditor of a PIE;
- their submission of a tender bid to be appointed as Statutory Auditor of a PIE;
- the success of their tender bid to be appointed as Statutory Auditor of a PIE and the award of one or more such contracts;
- the signature of one or more contracts to be appointed as Statutory Auditor of a PIE;
- their formal appointment as Statutory Auditor of a PIE; and/or
- whether any of their existing non-PIE audit engagements becomes a PIE engagement.

~~83~~<sup>36</sup>103 Any PIE Registered Audit Firm or PIE Registered RI which is subject to Undertakings must notify the FRC as soon as possible, and at least within 10 working days, if they have reason to believe that they have (or may have) breached<sup>7</sup> or will (or may in the future) breach, the terms of any Undertaking.<sup>37</sup>

<sup>34</sup>~~35~~ Regulations, ~~paragraph~~ 9.4.

<sup>35</sup>~~36~~ Regulations, ~~paragraph~~ 9.5.

<sup>36</sup>~~37~~ Regulations, ~~paragraph~~ 9.7.



## Varying or ending Undertakings

~~84~~104 Once Undertakings are in place, the FRC may vary **an Undertaking with the PIE Registered Audit Firm's or PIE Registered RI's agreement**, or end the Undertakings, either on its own initiative or **having considered a request from the relevant** ~~upon the~~ PIE Registered Audit Firm's or PIE Registered RI's ~~request~~.<sup>3738</sup> A request should be made by the PAC by email to [registration@frc.org.uk](mailto:registration@frc.org.uk) and should:

- specify the relevant Undertaking; and
- for a request to vary an Undertaking, explain why the Undertaking should be varied; or
- for a request to end an Undertaking, explain how the PIE Registered Audit Firm or PIE Registered RI meets the Registration Requirements and/or why the Undertaking is no longer necessary in the public interest, providing any relevant evidence. Evidence may be sent by email or uploaded to the dedicated FRC **Registration** SharePoint site.

105 The FRC will evaluate the request and may seek additional information and evidence. The FRC does not need to follow the procedure under Regulation 9.3 when ending or varying an Undertaking in accordance with a PIE Registered Audit Firm or PIE Registered RI's request.

106 When the FRC is considering varying or ending an Undertaking on its own initiative, the FRC will contact the PIE Registered Audit Firm's or PIE Registered RI (via the PAC).

- if the proposed variation would make the Undertaking more onerous or extend its duration, the FRC will follow the procedure under Regulation 9.3.
- if the proposed variation would make the Undertaking less onerous or shorten its duration, and the subject of the Undertaking is in agreement, the FRC may follow a shortened version of the procedure under Regulation 9.3.
- if the FRC proposes to end the Undertaking, the FRC may do so without following the procedure under Regulation 9.3 or obtaining the PIE Registered Audit Firm's or PIE Registered RI's agreement.

~~85~~107 Any decision ~~If the FRC decides~~ to vary or end the Undertakings, ~~it~~ will be notified to the PIE Registered Audit Firm or PIE Registered RI ([via the PAC](#)) ~~of its decision~~ in a Formal Notification ([via the PAC](#)).<sup>3839</sup>

## Where Undertakings are not agreed

~~86~~108 If an agreement on Undertakings is not reached, or if a response to the invitation to agree Undertakings is not received within the specified timeframe, the FRC may consider whether, as appropriate:

<sup>3738</sup> Regulation ~~5, paragraph~~ 9.8.

<sup>3839</sup> Regulation ~~5, paragraph~~ 9.8.

- to grant the Application(s) without Undertakings;
- to refuse the Application(s);
- to grant the Application(s) with Conditions;
- to apply Conditions to the PIE Registered Audit Firm's or PIE Registered RI's PAR entry;
- to suspend or remove the PIE Registered Audit Firm's or PIE Registered RI's PAR entry.

## Waivers

<sup>87</sup>~~109~~ Where a PIE Registered Audit Firm or PIE Registered RI becomes aware that they do not, or may not in the future, meet one or more Registration Requirements, they may request that the FRC waives their compliance with such requirements.<sup>-39</sup><sup>40</sup> A PIE Registered Audit Firm and/or PIE Registered RI ~~They~~ must ~~also~~ notify the FRC as soon as possible and in any event within 10 working days of becoming aware that they do not, or may not in the future, meet one or more Registration Requirements (see paragraph ~~45~~<sup>37</sup> above).<sup>-40</sup><sup>41</sup>

### Requesting a waiver

~~88~~<sup>110</sup> A PIE Registered Audit Firm's, or PIE Registered RI's, request for a waiver:

- must include the matters set out in ~~Regulation paragraph~~ 10.2 ~~of the Regulations~~;
- should be made by an email (with the subject "Request for waiver") to [registration@frc.org.uk](mailto:registration@frc.org.uk); and
- should usually be sent by the PAC.

~~89~~<sup>111</sup> Only a PIE Registered Audit Firm or a PIE Registered RI may request a waiver. If an Applicant is aware that they do not, or may not in the future, meet one or more Registration Requirements, they should highlight this in their Application. As discussed above in section 2, the FRC may consider whether to grant the Application subject to Undertakings and/or Conditions.

~~90~~<sup>112</sup> The FRC will consider the PIE Registered Audit Firm's, or PIE Registered RI's, request and may grant a waiver if it is satisfied that the requirements of ~~Regulation paragraph~~ 10.3 ~~of the Regulations~~ are met.

### Notification and publication of a waiver

~~91~~<sup>113</sup> The FRC will notify the PIE Registered Audit Firm or PIE Registered RI of its decision whether to grant a waiver in a Formal Notification sent to the PIE Registered Audit Firm or PIE Registered RI, as appropriate (via the PAC).<sup>-41</sup><sup>42</sup> If the FRC decides to grant a waiver, the Formal

<sup>39</sup><sup>40</sup> Regulations, ~~paragraph~~ 10.1.

<sup>40</sup><sup>41</sup> Regulations, ~~paragraphs~~ 15.3, 15.4d), 15.4g) and 15.7.

<sup>41</sup><sup>42</sup> Regulations, ~~paragraph~~ 10.4.

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Notification will set out the matters in ~~Regulation paragraph 10.4 of the Regulations~~. The FRC has the discretion to grant a waiver with an effective date prior to the date of the decision and will provide reasons should it exercise this discretion. In no case will the effective date be more than 10 working days prior to the date of application for the waiver.

~~92~~114 The publication of waivers is addressed in section 7 below.

## **Monitoring compliance with the terms of a waiver**

~~93~~115 The FRC will monitor the PIE Registered Audit Firm's or PIE Registered RI's compliance with the terms of a waiver as described in section 3 above.

## **Reviewing a waiver**

116 All waivers will be subject to review.<sup>43</sup> As a result of the review, the FRC may extend the length of the waiver, vary or end the waiver. The frequency of the review will depend on the length of the original waiver.

- If the original length of the waiver is more than six months, the FRC will begin the review process no less than 30 working days before the waiver's end date.
- If the original length of the waiver is six months or less, the FRC will begin the review process no less than 10 working days before the waiver's end date.

117 The FRC will set out its decision to extend, vary or end the waiver in a Formal Notification which shall confirm:

- the decision;
- the reasons for the decision;
- if the waiver is extended, the extended period for which the waiver will apply and any terms or conditions attached to the waiver;
- if the waiver is varied, the starting date of the variation, the period for which the varied waiver will apply, and any terms or conditions attached to the waiver; and
- if the waiver is ended, extended or varied, any other steps that the FRC requires the PIE Registered Audit Firm or PIE Registered RI to take in connection with the waiver.

## **Varying, extending or ending a waiver other than in the course of a review**

~~94~~118 Once the waiver is in place, the FRC may at any time vary, extend or end it, either on its own initiative or having considered a request from a ~~upon the~~ PIE Registered Audit Firm's or PIE

<sup>43</sup> Regulation 10.5.

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Registered RI's ~~request~~.<sup>4244</sup> A request should be made by the PAC by email to [registration@frc.org.uk](mailto:registration@frc.org.uk) and should:

- specify the waiver already in place; and
- for a request to vary or extend a waiver, address the matters set out in ~~Regulation paragraph~~ 10.2 ~~of the Regulations~~; or
- for a request to end a waiver, explain how the PIE Registered Audit Firm or PIE Registered RI ~~now~~ meets the Registration Requirements, providing any relevant evidence. Evidence may be sent by email or uploaded to the dedicated FRC ~~Registration~~ SharePoint site.

~~95~~119 If the FRC decides to vary, extend or end the waiver, it will notify the PIE Registered Audit Firm or PIE Registered RI of its decision in a Formal Notification (via the PAC) ~~which shall set out the matters listed in paragraph 117 above.~~

~~96~~120 If the PIE Registered Audit Firm or PIE Registered RI makes repeated requests to extend the waiver, the FRC may consider whether other measures, including Conditions on the PIE Registered Audit Firm's or PIE Registered RI's PAR entry, would be appropriate.

## Suspension

~~97~~121 When considering whether to suspend a PIE Registered Audit Firm's, or PIE Registered RI's, PAR entry, the FRC will follow the process in Part 11 of the Regulations. This process, however, will not apply if the FRC makes an urgent decision to suspend an entry on the PAR in accordance with Part 12 of the Regulations (see section 5 below).

### Suspending an entry

~~98~~122 The FRC may determine that suspension from the PAR is necessary in the public interest (see paragraph ~~75~~<sup>57</sup> above), and/or because the PIE Registered Audit Firm or PIE Registered RI is not complying (or will not comply) with the Registration Requirements, and/or because without suspension, the PIE Registered Audit Firm's or PIE Registered RI's continued entry on the PAR would be likely to have an adverse effect on a PIE.<sup>4345</sup>

~~99~~123 Where the FRC is considering a suspension, it will write to the PIE Registered Audit Firm or PIE Registered RI (via the PAC) in accordance with ~~Regulation paragraph~~ 11.3 ~~of the Regulations~~.

~~100~~124 Once representations have been received, or if no response is received during the Notice Period, the FRC will reach a final decision on whether to suspend the PIE Registered Audit Firm's or PIE Registered RI's PAR entry and the length of any suspension.<sup>4446</sup>

<sup>4244</sup> ~~Regulations, paragraph~~ 10.6~~5~~.

<sup>4345</sup> ~~Regulations, paragraph~~ 11.1.

<sup>4446</sup> ~~Regulations, paragraph~~ 11.3e).

<sup>401</sup><sup>125</sup>Where the FRC has suspended a PIE Registered Audit Firm's, or PIE Registered RI's, PAR entry, the FRC may require the PIE Registered Audit Firm or PIE Registered RI, as appropriate, to take certain actions, such as resigning from ongoing ~~PIE~~ Statutory Audit Work ~~for~~ ~~PIEs~~.<sup>-4547</sup> When considering whether to require a PIE Registered Audit Firm or a PIE Registered RI to take a certain action, the FRC will take into account all relevant factors, including the public interest (see paragraph ~~75~~<sup>57</sup> above).

## Notification and publication of suspension

<sup>402</sup><sup>126</sup>If the FRC decides to suspend a PIE Registered Audit Firm's or PIE Registered RI's PAR entry, the FRC will issue a Formal Notification of the suspension to the PIE Registered Audit Firm or PIE Registered RI, as appropriate (via the PAC). The Formal Notification will specify the length of the suspension and the date from which it will take effect.<sup>-4648</sup>

<sup>403</sup><sup>127</sup>While a PIE Registered Audit Firm or PIE Registered RI's PAR entry is suspended, their name will remain on the PAR, with a note stating that the entry is suspended. The publication of suspensions is addressed in section 7 below.

## Extending, shortening, or ending a suspension

<sup>404</sup><sup>128</sup>The FRC may end or shorten a suspension at any time, either

- on ~~the FRC's~~its own initiative, in which case the FRC does not need to follow the procedure set out in Regulation 11.3; or
- upon request from the PIE Registered Audit Firm or PIE Registered RI.<sup>-4749</sup> A request should be made by the PAC by email to [registration@frc.org.uk](mailto:registration@frc.org.uk). The request~~it~~ should explain why the suspension should be ended, with reference to the matters in Regulation~~paragraph~~ 11.1~~of the Regulations~~, and provide any relevant evidence. Evidence may be sent by email or uploaded to the dedicated FRC Registration SharePoint site. Depending on the length of the suspension, the FRC may require a suspended PIE Registered Audit Firm or PIE Registered RI to demonstrate whether they meet all the Registration Requirements.<sup>4850</sup>

<sup>405</sup><sup>129</sup>The FRC may also extend a suspension at any time. Where the FRC is considering extending the suspension, it will, in general, follow the process of seeking written representations in Part 11 of the Regulations (see paragraph ~~123~~<sup>99</sup> above).<sup>-4951</sup> This process, however, will not apply if the FRC makes an urgent decision to extend a suspension in accordance with Part 12 of the Regulations (see section 5 below).

<sup>4547</sup> Regulations~~, paragraph~~ 11.7.

<sup>4648</sup> Regulations~~, paragraph~~ 11.4.

<sup>4749</sup> Regulations~~, paragraph~~ 11.6.

<sup>4850</sup> Regulations~~, paragraph~~ 11.7.

<sup>4951</sup> Regulations~~, paragraph~~ 11.6.

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## Removal

~~106~~<sup>130</sup>A PIE Registered Audit Firm's, or PIE Registered RI's, PAR entry may be removed when:

- the PIE Registered Audit Firm or PIE Registered RI requests the removal from the PAR<sup>-50</sup><sup>52</sup> and the FRC grants that request ("voluntary removal", see paragraph ~~132~~<sup>107</sup> below); or
- the FRC decides on its own initiative to remove the entry from the PAR ("involuntary removal", see paragraph ~~139~~<sup>114</sup> below);<sup>-51</sup><sup>53</sup> and/or
- the entry ceases to have effect in accordance with ~~Regulation paragraph~~ 13.1 (for a PIE Registered Audit Firm) or ~~Regulation paragraph~~ 13.2 (for a PIE Registered RI) ~~of the Regulations~~ (see paragraph ~~145~~<sup>120</sup> below).

### Voluntary removal

~~107~~<sup>131</sup>The Regulations provide for the removal of a PIE Registered Audit Firm or PIE Registered RI from the PAR on a voluntary basis.<sup>-52</sup><sup>54</sup>

~~108~~<sup>132</sup>A PIE Registered Audit Firm or PIE Registered RI may ask the FRC to remove their entry from the PAR by completing a request for removal form.<sup>-53</sup><sup>55</sup> The PIE Registered Audit Firm or PIE Registered RI (via the PAC) must:

- email the FRC at [registration@frc.org.uk](mailto:registration@frc.org.uk) to request access to the online request for removal form (which is an MS Forms document); and
- complete the request for removal form, explaining why the PIE Registered Audit Firm or PIE Registered RI requests the removal of their entry from the PAR.

~~109~~<sup>133</sup>A PIE Registered Audit Firm may also request removal of a PIE Registered RI's PAR entry.<sup>-54</sup><sup>56</sup> The PIE Registered Audit Firm (via the PAC) must:

- email the FRC at [registration@frc.org.uk](mailto:registration@frc.org.uk) to request access to the online request for removal form; and
- complete the request for removal form, explaining the circumstances of the PIE Registered Audit Firm's request.

~~110~~<sup>134</sup>The FRC will usually copy the PIE Registered RI into all correspondence with the PAC relating to the removal of the PIE Registered RI's PAR entry (except in exceptional circumstances ~~or where the RI has not provided the FRC their personal contact details~~).

<sup>50</sup><sup>52</sup> ~~Regulations, paragraph~~ 13.3.

<sup>51</sup><sup>53</sup> ~~Regulations, paragraph~~ 13.4.

<sup>52</sup><sup>54</sup> ~~Regulations, paragraph~~ 13.3.

<sup>53</sup><sup>55</sup> ~~Regulations, paragraph~~ 13.3a).

<sup>54</sup><sup>56</sup> ~~Regulations, paragraph~~ 13.3b); and c).

~~111~~135 Upon receipt of a request for removal under ~~Regulation paragraph 13.3 of the Regulations~~, the FRC may decide to:

- grant the request and remove the PIE Registered Audit Firm's, or PIE Registered RI's, entry from the PAR; or
- refuse the request and consider whether another measure, including involuntary removal of the PIE Registered Audit Firm's, or PIE Registered RI's, entry from the PAR, would be appropriate.

~~112~~136 If the FRC decides to remove the PIE Registered Audit Firm's, or PIE Registered RI's, entry from the PAR on a voluntary basis, the FRC ~~should~~ may send a Formal Notification to the PIE Registered Audit Firm or PIE Registered RI, as appropriate (via the PAC). The Formal Notification will include the matters listed in ~~Regulation paragraph 13.6 of the Regulations~~.

~~113~~137 The publication of removal from the PAR on a voluntary basis is addressed in section 7 below.

## Involuntary removal

~~114~~138 The FRC may decide it is necessary to remove a PIE Registered Audit Firm's, or PIE Registered RI's, entry from the PAR for one or more of the reasons set out in ~~Regulation paragraph 13.4 of the Regulations~~.

~~115~~139 Where the FRC is considering removing a PIE Registered Audit Firm's, or PIE Registered RI's, entry from the PAR, it will write to the PIE Registered Audit Firm or PIE Registered RI (via the PAC) in accordance with ~~Regulation paragraph 13.5 of the Regulations~~.

~~116~~140 Once representations have been received, or if no response is received during the Notice Period, the FRC may decide to:

- remove the PAR entry; or
- consider whether another measure, including suspension, would be appropriate.

~~117~~141 If the FRC decides to remove an entry from the PAR on an involuntary basis, the FRC will issue a Formal Notification of the removal of a PIE Registered Audit Firm to the PIE Registered Audit Firm (via the PAC) and will issue a Formal Notification of the removal of a PIE Registered RI to ~~or the~~ PIE Registered RI and/or the PIE Registered Audit Firm, in accordance with paragraph 13 above, as appropriate, ~~via the PAC~~.<sup>5557</sup> The Formal Notification will include the matters listed in ~~Regulation paragraph 13.6 of the Regulations~~ and will specify the earliest date on which the PIE Registered Audit Firm or PIE Registered RI may re-apply to be entered onto the PAR (see paragraph ~~148~~123 below).<sup>56</sup>

<sup>5557</sup> ~~Regulations, paragraph 13.6.~~

<sup>56</sup> ~~Regulations, paragraph 13.7~~



~~118~~<sup>142</sup> The FRC will usually copy the PIE Registered RI into all correspondence with the PAC relating to the removal of the PIE Registered RI's PAR entry (except in exceptional circumstances ~~or where the RI has not provided the FRC their personal contact details~~).

~~119~~<sup>143</sup> The publication of removal from the PAR on an involuntary basis is addressed in section 7 below.

## Registration ceasing to have effect

~~120~~<sup>144</sup> An entry on the PAR will cease to have effect upon the occurrence of one or more of the events in ~~Regulation paragraph~~ 13.1 (for PIE Registered Audit Firms) and ~~Regulation paragraph~~ 13.2 (for PIE Registered RIs) ~~of the Regulations~~.

~~121~~<sup>145</sup> ~~Regulations Paragraphs~~ 13.1-a) and b) provide that a PIE Registered Audit Firm's PAR entry will cease to have effect if the ~~audit~~ firm ceases to be registered with an RSB as a Statutory Auditor, or if the ~~audit~~ firm ceases to exist. Similarly, ~~Regulations Paragraphs~~ 13.2-a) to c) provide that a PIE Registered RI's PAR entry will cease to have effect if they are no longer employed by or a Principal of the PIE Registered Audit Firm which designated them as an RI, if they cease to be a Statutory Auditor or RI, or if their designating ~~audit~~ firm ceases to be registered on the PAR. In these situations, the FRC would expect to receive a request for voluntary removal from the PIE Registered Audit Firm or PIE Registered RI, as appropriate (see paragraphs ~~132 and 133~~<sup>108</sup> above). If the PIE Registered Audit Firm or PIE Registered RI, as appropriate, does not submit a removal request to the FRC, the FRC may decide to remove the relevant PAR entry on an involuntary basis (see paragraph ~~139~~<sup>114</sup> above).

~~122~~<sup>146</sup> ~~Regulations Paragraphs~~ 13.1-e) and 13.2-e) provide that a PIE Registered Audit Firm's, or PIE Registered RI's, PAR entry will cease to have effect if it is determined under the Audit Enforcement Procedure<sup>5758</sup> ~~or the Accountancy Scheme~~<sup>59</sup> (or any analogous procedure operated by the FRC from time to time) that the PIE Registered Audit Firm or PIE Registered RI must not undertake ~~PIE~~ Statutory Audit Work for PIEs or be entered on~~to~~ the PAR. In this situation, the FRC may issue the PIE Registered Audit Firm or PIE Registered RI, as appropriate, with a Formal Notification (via the PAC).

## Reinstatement and applying to be on the register again

~~123~~<sup>147</sup> Audit firms which, or RIs who, have been removed from the PAR may re-apply for PAR registration.

~~124~~<sup>148</sup> Where the FRC has removed a PAR entry on:

- ~~on~~ a voluntary basis, the Applicant may re-apply to be entered on~~to~~ the PAR at any time.

<sup>5758</sup> [Auditors I Enforcement Division I Audit Enforcement Procedure I Financial Reporting Council \(frc.org.uk\)](#)

<sup>59</sup> [FRC's Accountancy Scheme](#).



- ~~on~~ an involuntary basis, the FRC may specify the earliest date on which the audit firm or RI, as appropriate, may re-apply.<sup>-5860</sup>

~~125~~<sup>149</sup>In each case, the audit firm or RI, as appropriate, will be required to complete an Application ~~form~~ and the FRC will decide whether the Application meets the Registration Requirements, and whether there is any reason in the public interest not to grant the Application (see section 2 and paragraph ~~75~~<sup>57</sup> above). The FRC may consider the Applicant's previous removal from the PAR if it is relevant to the Application.

~~126~~<sup>150</sup>The FRC may also decide to reinstate an entry on the PAR at any time if it considers that it is in the public interest to do so.<sup>-5961</sup>

## 5. Urgent decisions

~~127~~<sup>151</sup>The FRC may make an urgent decision to suspend a PAR entry, to attach Conditions to a PAR entry, ~~or~~ to vary the Conditions attached to a PAR entry, ~~or to extend the duration of an existing suspension or existing Conditions,~~ without following the processes in Regulations~~paragraphs~~ 8.3 and 11.3~~of the Regulations (see paragraphs 99 and 62 above),~~ if it considers that it is in the public interest to do so.<sup>-6062</sup>

### Where an urgent decision has been made

~~128~~<sup>152</sup>Where the FRC has made an urgent decision, it will follow the process in Regulation~~paragraph~~ 12.2~~of the Regulations.~~

~~129~~<sup>153</sup>Once representations have been received, or if no response is received ~~by the deadline by which written representations were invited during the Notice Period,~~ the FRC will decide whether to maintain or amend its decision.<sup>-6163</sup> If, following consideration of any written representations, the FRC amends its decision,<sup>64</sup> that will be considered the FRC's final decision and further written representations will not be invited. The provisions of Part 14 will apply to that decision.

~~130~~<sup>154</sup>The publication of urgent decisions is addressed in section 7 below.

<sup>5860</sup> Regulations~~, paragraph~~ 13.6.b)~~7~~.

<sup>5961</sup> Regulations~~, paragraph~~ 13.9.

<sup>6062</sup> Regulations~~, paragraph~~ 12.1.

<sup>6163</sup> Regulations~~, paragraph~~ 12.2e).

<sup>64</sup> Regulation 12.2e).

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## Monitoring compliance with an urgent decision

~~131~~155 Where the FRC has made an urgent decision to suspend, or to extend the duration of an existing suspension of, a PAR entry, the FRC will monitor compliance with any instructions issued in relation to the suspension, as set out in paragraph 125~~101~~ and in section 3 above.

~~132~~156 Where the FRC has made an urgent decision to attach Conditions to a PAR entry, or to vary or extend the duration of existing Conditions attached to a PAR entry, the FRC will monitor compliance with the terms of the Conditions, as set out in paragraph 86~~68~~ and section 3 above.

## Extending or ~~ending~~ shortening a suspension

~~133~~157 The FRC may extend or shorten a suspension imposed by an urgent decision. Where the FRC is considering extending or shortening a suspension, before reaching:

- an urgent decision, it will comply with the process in Part 12; or
- a decision that is not urgent, it will comply with the processes in Regulation paragraph 11.3 (see paragraphs 123 and 124~~99~~ above) ~~or Part 12 (as appropriate)~~.<sup>61</sup>

## Extending or shortening the duration of, or ~~v~~Varying, a Condition

~~134~~158 The FRC may extend or shorten the duration of, or vary, Conditions attached to a PAR entry by an urgent decision. Where the FRC is considering extending or shortening the duration of, or varying, a Condition, before reaching:

- an urgent decision, it will comply with the process in Part 12; or
- a decision that is not urgent, it will comply with the processes in Regulation paragraph 8.3 (see paragraphs 80 and 81 above) ~~or Part 12 (as appropriate)~~.<sup>62</sup>

## ~~Ending a suspension or Conditions~~

~~135 The FRC may end a suspension or Conditions at any time, either on the FRC's own initiative or upon request from the PIE Registered Audit Firm or PIE Registered RI. A request should be made by the PAC by email to [registration@frc.org.uk](mailto:registration@frc.org.uk) and should explain why the suspension or Conditions should be ended, with reference to the matters in paragraph 11.1 or paragraph 8.2 of the Regulations (as appropriate), and provide any relevant evidence. Evidence may be sent by email or uploaded to the dedicated FRC SharePoint site.~~

## 6. Internal Reviews and Appeals

### Internal Review

~~136~~159 The grounds for Internal Review, and the procedure to be followed by the FRC in conducting an Internal Review, of certain decisions made in respect of an Application or PAR

entry can be found in Part 14 of the Regulations. An Internal Review may be requested by a PIE Registered Audit Firm, a PIE Registered RI or an Applicant.<sup>-6465</sup> The FRC may also, of its own initiative, decide to conduct an Internal Review.<sup>-6566</sup> An Internal Review may be requested in relation to only part of the relevant decision, rather than the decision in its entirety, but if an Internal Review is undertaken it will be open to the internal reviewer to consider, and make a decision on, the entirety of that decision.

<sup>137160</sup>A request for Internal Review should be sent to [registration@frc.org.uk](mailto:registration@frc.org.uk), using the form which is available on the FRC website<sup>6667</sup>. It should be submitted with supporting evidence where necessary.

<sup>138161</sup>A request for Internal Review should be made promptly and, in any event, within 20 working days of the date of the relevant Registration Decision (or such other deadline as the FRC decides is necessary in the public interest)<sup>-6768</sup>. Requests made outside this timeframe will only be considered in exceptional circumstances. Any exceptional circumstances relied on should be set out and fully explained in the request for Internal Review.

<sup>139162</sup>If the request has not been lodged in accordance with [Regulation paragraph 14.1](#) (and no exceptional circumstances have been advanced and/or accepted by the FRC) and/or there is not an arguable case that one or more of the grounds in [Regulation paragraph 14.4](#) is satisfied, the FRC may decide that an Internal Review should not be undertaken. If the FRC decides that an Internal Review should not be undertaken, the FRC will communicate the decision to the party who has requested the Internal Review.

<sup>140163</sup>If the request has been lodged in accordance with [Regulation paragraph 14.1](#) (or where exceptional circumstances have been advanced and accepted by the FRC) and there is an arguable case that one or more of the grounds in [Regulation paragraph 14.4](#) is satisfied, the FRC will undertake an Internal Review. If the FRC decides that an Internal Review should be undertaken, the FRC will communicate the decision to the party who has requested the Internal Review.

<sup>141164</sup>The Internal Review will be conducted by a person or persons who are at least as senior as the original decision maker(s) and who was not/were not involved in the original decision ("internal reviewer").<sup>-6869</sup> The internal reviewer(s) will have the power to make a decision under [Regulation paragraph 14.6](#) ~~of the Regulations~~.

<sup>142165</sup>Once the internal reviewer(s) has/have made a decision, the FRC will communicate the outcome of the Internal Review to any relevant parties in a Formal Notification, in accordance with [Regulation paragraph 14.7](#) ~~of the Regulations~~.

<sup>62</sup>~~Regulations, paragraph 12.4.~~

<sup>63</sup>~~Regulations, paragraph 12.4.~~

<sup>6465</sup> ~~Regulations, paragraph 14.1.~~

<sup>6566</sup> ~~Regulations, paragraph 14.2.~~

<sup>6667</sup> [Public Interest Entity \(PIE\) Auditor Registration | Financial Reporting Council \(frc.org.uk\)](https://www.frc.org.uk/public-interest-entity-pie-auditor-registration)

<sup>6768</sup> ~~Regulations, paragraph 14.1.~~

<sup>6869</sup> ~~Regulations, paragraph 14.5.~~

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## When does a Registration Decision take effect if subject to Internal Review?

~~143~~<sup>166</sup>~~Regulation paragraph 14.7 of the Regulations~~ provides for the effective date for a Registration Decision that is the subject of an Internal Review.

## Appeal

~~144~~<sup>167</sup>The grounds of Appeal, and the procedure to be followed by the FRC and the PIE Registration Tribunal Panel in conducting Appeals, against the outcome of an Internal Review can be found in Part 14 of the Regulations and in the Appeal Rules at Annex ~~1~~<sup>2</sup> to the Regulations. The option to appeal a decision only becomes available once the Internal Review process outlined above has been exhausted.

~~145~~<sup>168</sup>A Notice of Appeal should be sent to [registration@frc.org.uk](mailto:registration@frc.org.uk), using the form which is available on the FRC website<sup>6970</sup>. It should be submitted with supporting evidence where necessary.

~~146~~<sup>169</sup>A Notice of Appeal must be submitted in writing to the FRC within 20 working days of the date of the Formal Notification of the outcome of the Internal Review<sup>7071</sup>, and should include the information outlined in Rule 3.3 of the Appeal Rules. The scope of the Appeal and the grounds stated in the Notice of Appeal cannot be amended except with the ~~permission~~<sup>leave</sup> of the PIE Registration Tribunal Panel.<sup>7172</sup>

~~147~~<sup>170</sup>When the FRC receives a Notice of Appeal, a person from the Tribunal Panel will be appointed to consider whether to give permission to bring the Appeal. Permission will be granted where there is an arguable case for an Appeal on one or more of the grounds in ~~Regulation paragraph 14.15 of the Regulations~~ and the Appeal was lodged in accordance with ~~Regulation paragraph 14.8 of the Regulations~~. The Parties will be notified of the decision.

~~148~~<sup>171</sup>If permission is given to bring the Appeal, a PIE Registration Tribunal Panel will be appointed to determine the Appeal, either on the papers or by way of Appeal Hearing. The PIE Registration Tribunal Panel may, in accordance with ~~Regulations paragraphs 14.10 and 14.11 of the Regulations~~, make a decision under ~~Rule 3.10 of the Appeal Rules~~, including an order for the Costs of an Appeal to be paid by a Party.

~~149~~<sup>172</sup>The PIE Registration Tribunal will issue a written decision, which it will send to the relevant parties.<sup>7273</sup>

~~150~~<sup>173</sup>An Appellant may withdraw its appeal at any time before a decision is issued by the PIE Registration Tribunal Panel.<sup>7374</sup>

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<sup>6970</sup> [Public Interest Entity \(PIE\) Auditor Registration | Financial Reporting Council \(frc.org.uk\)](https://www.frc.org.uk/public-interest-entity-pie-auditor-registration)

<sup>7071</sup> ~~Regulations, paragraph 14.8.~~

<sup>7172</sup> Appeal Rules, Rule 3.4.

<sup>7273</sup> Appeal Rules, ~~Rule 3.10~~<sup>4</sup>.

<sup>7374</sup> Appeal Rules, ~~Rule 3.12.~~

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## When does a Registration Decision take effect if subject to Appeal?

~~151~~<sup>174</sup>Where there is an Appeal against the outcome of an Internal Review of any decision other than a decision made as an urgent decision, the outcome of the Internal Review will not take effect until the conclusion of the Appeals process, unless the FRC determines that any deferral would not be in the public interest.

175 Where there is an Appeal against the outcome of an Internal Review of a decision made as an urgent decision, the outcome of the Internal Review will take effect on the date set in accordance with Regulation 14.7a), unless the FRC determines that such an effective date would not be in the public interest.

## 7. Publication

~~152~~<sup>176</sup>The Regulations provide that certain decisions made under the Regulations may or shall be published, with the manner of such publication being determined by the FRC. Specifically:

- Undertakings<sup>75</sup>, waivers<sup>76</sup> and voluntary removal decisions<sup>77</sup> may be published on the PAR, and/or on the PIE auditor registration page(s) of the FRC's website, if the FRC believes that it would be in the public interest to do so;
- Conditions may be published on the PAR, and/or on the PIE auditor registration page(s) of the FRC's website, unless the FRC believes that it would not be in the public interest to do so<sup>78</sup>; suspensions<sup>79</sup>, and urgent decisions<sup>80</sup> shall be published on the PAR, and/or on the PIE auditor registration page(s) of the FRC's website, unless the FRC believes that it would not be in the public interest to do so; and
- involuntary removal<sup>81</sup> decisions shall be published on the PAR, and/or on the PIE auditor registration page(s) of the FRC's website, unless the FRC believes that it would not be in the public interest to do so.

~~153~~<sup>177</sup>The FRC's PIE Auditor Registration Publication Policy sets out, amongst other things, how decisions as to publication will be considered and how decisions may be published. This policy is set out in Annex 1 to this Guidance.

~~154~~<sup>178</sup>From time to time, the FRC may publish thematic reports or other information about the operation of the PAR and the registration process.<sup>82</sup> Amongst other things, these reports may

<sup>75</sup> ~~Regulations, paragraph 14.12.~~

<sup>75</sup> ~~Regulations, paragraph 9.9.~~

<sup>76</sup> ~~Regulations, paragraph 10.10.~~<sup>7</sup>

<sup>77</sup> ~~Regulations, paragraph 13.8.~~

<sup>78</sup> ~~Regulations, paragraph 8.10.~~<sup>9</sup>

<sup>79</sup> ~~Regulations, paragraph 11.8.~~<sup>5</sup>

<sup>80</sup> ~~Regulations, paragraph 12.8.~~<sup>3</sup>

<sup>81</sup> ~~Regulations, paragraph 13.7.~~<sup>8</sup>

<sup>82</sup> ~~Regulations, paragraph 17.8.~~

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provide examples of why Applications have been refused, and why measures (such as Conditions) have been applied to a PAR entry. Thematic reports will not identify individuals, audit firms, or PIE audit engagements without the consent of the parties affected.

## 8. General Rules

- 179 Any Formal Notification, Registration Notice, other decision, order, or other document which needs to be served in accordance with Regulation 17.9a) may be sent, at the FRC's choice, as:
- a (PDF or other) file attached to the email;
  - a link to a SharePoint site (or other online platform that the FRC might use in the future) included in the text of an email;
  - a link to a file sharing site included in the text of an email; or
  - a link to access and send email via an email security site platform.
- 180 If the PIE Registered Audit Firm, PIE Registered RI, Applicant or other entity or individual subject to the PAR Regulations experience any technical difficulties accessing a file, email or any links sent in accordance with paragraph 179 above, they must notify the FRC as soon as possible, and in any event within one working day of identifying the problem.

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# Annex 1: Publication Policy

## PIE Auditor Registration Publication Policy

- 1 This policy applies to matters which are the subject of a decision under the Financial Reporting Council ("~~FRC~~")'s 'Public Interest Entity ("~~PIE~~") Auditor Registration Regulations'. References to Regulations are to the PIE Auditor Registration Regulations unless otherwise stated.
- 2 As the Competent Authority for Audit Regulation in the UK, pursuant to the Statutory Auditors and Third Country Auditors Regulations 2016 ("~~SATCAR 2016~~"), the FRC is ultimately responsible for the ~~oversight of~~ and enforcement ~~and oversight of regarding~~ the adequate execution of statutory audit, ~~and reclaimed and will retain and perform directly the task of establishing~~ and ~~maintaining~~ maintains the PIE Auditor Register ("~~PAR~~") of those Statutory Auditors and Statutory Audit Firms who are approved to undertake Statutory Audit Work for PIEs.
- 3 Publicity about actions taken by the FRC under the PIE Auditor Registration Regulations contributes to transparency and public confidence in the FRC's PAR.
- 4 The FRC will ensure that the PAR is published ~~and shall determine the manner in which it is published~~.
- 5 The PIE Auditor Registration Regulations set out the expectations in respect of publishing certain decisions made as part of the registration process. ~~The manner of such publication shall be determined by the FRC~~. Specifically:
  - Undertakings<sup>83</sup>, waivers<sup>84</sup> and voluntary removal decisions<sup>85</sup> may be published on the PAR, ~~and/or on the PIE auditor registration page(s) of the FRC's website~~, if the FRC believes ~~that~~ it would be in the public interest to do so.
  - Conditions may be published on the PAR, ~~and/or on the PIE auditor registration page(s) of the FRC's website~~, unless the FRC believes ~~that~~ it would not be in the public interest to do so<sup>86</sup>.
  - suspensions<sup>87</sup>, and urgent decisions<sup>88</sup> shall be published on the PAR, ~~and/or on the PIE auditor registration page(s) of the FRC's website~~, unless the FRC believes that it would not be in the public interest to do so.

<sup>83</sup> Regulations, ~~paragraph~~ 9.9.

<sup>84</sup> Regulations, ~~paragraph~~ 10.10~~7~~.

<sup>85</sup> Regulations, ~~paragraph~~ 13.8.

<sup>86</sup> Regulations, ~~paragraph~~ 8.10~~9~~.

<sup>87</sup> Regulations, ~~paragraph~~ 11.8~~5~~.

<sup>88</sup> Regulations, ~~paragraph~~ 12.8~~3~~.



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- Involuntary removal<sup>89</sup> decisions shall be published on the PAR, and/or on the PIE auditor registration page(s) of the FRC's website, unless the FRC believes that it would not be in the public interest to do so.
- 6 Decisions of the PIE Registration Tribunal Panel shall be published (unless the PIE Registration Tribunal Panel determines that it is not in the public interest to do so)<sup>90</sup>. The PIE Registration Tribunal Panel will determine the length of any such publication.
- 7 Decisions in relation to unsuccessful applications to be entered on the PAR will not usually be published (unless they are subject to an Appeal, in which case paragraph 6 above applies).
- 8 Where the FRC makes a decision as to a matter that:
- is to be published on the PAR, or
  - amends a matter that is already published on the PAR,
- then, the PAR shall be updated on the date that the decision takes effect or as soon as reasonably practicable thereafter. Each Condition, Undertaking, waiver and/or suspension that has been published on the PAR will be removed from the PAR on the expiry of the relevant Condition, Undertaking, waiver and/or suspension (as appropriate), or as soon as reasonably practicable after such expiry.
- 9 Where the FRC decides to remove a PIE Registered Audit Firm and/or PIE Registered Responsible Individual (RI) from the PAR on an involuntary basis and to publish that decision, the decision may remain on the PIE auditor registration page of the FRC's website (~~<https://www.frc.org.uk/auditors/audit-firm-supervision/public-interest-entity-auditor-registration>~~) until the later of:
- the last date on which the involuntary removal has effect,<sup>91</sup> and
  - any date stipulated by the FRC<sup>92</sup> as the earliest date upon which the relevant audit firm or individual may re-apply to be entered on the PAR,
- but will normally be removed from the website on or before the aforementioned later date (or as soon as reasonably practicable thereafter) unless there are public interest reasons to maintain the announcement on the FRC's website beyond that date.
- 10 Where the PIE Registration Tribunal Panel has made a decision that is either to be published on the PAR or requires changes to any entry on the PAR, the PAR shall be updated on the date that the decision takes effect or as soon as reasonably practicable thereafter.

<sup>89</sup> Regulations, ~~paragraph~~ 13.7~~8~~.

<sup>90</sup> Regulations, ~~paragraph~~ 14.13.

<sup>91</sup> Regulation 13.6~~b~~.

<sup>92</sup> Regulation 13.6~~8~~.



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## FRC publication decisions

- 11 Decisions as to publication of the matters set out at [paragraph 5](#) above will be considered on a case-by-case basis. The FRC will balance the public interest with any detriment that may be caused to the individual, the audit firm or a PIE audit engagement. This balancing exercise may include consideration of the following factors:
- the need to protect the public, including users of financial statements and investors;
  - the need to declare and uphold standards within the PIE audit market;
  - the need to maintain public confidence in the PIE audit market by reporting regulatory action taken in the face of [serious or significant failings](#)~~wrongdoing, incompetence~~ or a lack of audit firm resilience;
  - whether the negative impact of publication on the [Applicant, PIE Registered A](#)udit [F](#)irm and/or [PIE Registered Responsible Individual \("RI"\)](#) would be disproportionate or would have an unnecessarily or excessively damaging effect;
  - whether publication of the decision would, in all the circumstances, be unjust for the [Applicant, PIE Registered A](#)udit [F](#)irm and/or [PIE Registered RI](#);
  - whether publicising the decision would have a negative impact on a PIE audit engagement or on market resilience;
  - any other matter that is relevant to FRC's assessment of the public interest.
- 12 Where details of a decision are to be published, the FRC may also publish its rationale for making the decision to publish such details.
- 13 In general, Undertakings, waivers and voluntary removals are less likely to be published on the PAR than other measures because the publication of such measures is less likely to meet the public interest test. Matters involving higher levels of public interest may lead to Conditions, suspension or involuntary removal, and therefore are more likely to be published on the PAR and/or the PIE auditor registration page(s) of the FRC's website [~~\(https://www.frc.org.uk/auditors/audit-firm-supervision/public-interest-entity-auditor-registration\)~~](https://www.frc.org.uk/auditors/audit-firm-supervision/public-interest-entity-auditor-registration).
- 14 Nonetheless, the publication decision will ultimately rest on the individual circumstances of the case.
- 15 Subject to paragraph 16, a decision as to a matter that is to be published will not be published:
- a) before the expiry of the period within which an Internal Review (or, where there has been an Internal Review, the period within which an Appeal) can be requested in respect of that decision, and

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- b) in the event of an Internal Review or Appeal of that decision, until that process has concluded.
- 16 The FRC will usually publish urgent decisions to suspend registration, [extend an existing suspension](#), or to apply, [extend the duration of](#), or vary, Conditions to an entry on the PAR in accordance with Part 12 of the Regulations as soon as is reasonably practicable on or after the date the decision takes effect notwithstanding any Internal Review or Appeal.

## **Manner of publication**

- 17 Where a decision is to be published, it will appear on the PAR or the PIE auditor registration page(s) of the FRC's website (~~<https://www.frc.org.uk/auditors/audit-firm-supervision/public-interest-entity-auditor-registration>~~).
- 18 Where it considers it to be in the public interest to do so, the FRC or the Tribunal Panel may, in addition to publishing a decision on the PAR [and](#)/or the PIE auditor registration page, publish a press announcement concerning the decision.
- 19 Press announcements will normally be made promptly and, save as required otherwise by this Policy or law:
- a) the announcement will usually take the form of a short statement on the FRC's website setting out brief factual details of the decision or action in question, and
  - b) where considered appropriate in all the circumstances, may contain links to related detailed decision documents.
- 20 In certain circumstances, and where not contravening the FRC's statutory publication requirements, the FRC may decide to vary the form or procedure in which it publishes an announcement made under this Policy.

Issued by the Conduct Committee with effect from [DATE].

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## Annex 2: Appeal Hearings Guidance

### Guidance for Appeal Hearings held under the Public Interest Entity (PIE) Auditor Registration Regulations

1. Annex 1<sup>2</sup> of the Public Interest Entity (PIE) Auditor Registration Regulations sets out the Appeal Rules and the process and procedure for Appeal Hearings before the PIE Registration Tribunal Panel.
2. The order of proceedings for any Appeal before the PIE Registration Tribunal Panel shall be as directed by the Chair.

#### Case Management

3. The PIE Registration Tribunal Panel may provide the Parties with case management directions upon the request of a Party or at the Chair's own volition.

#### Deliberations

4. At any stage when the PIE Registration Tribunal Panel needs to deliberate, this must be undertaken in the absence of the Parties. A Convener may attend the PIE Registration Tribunal Panel during their private deliberations.

#### Convener

5. The Convener will keep a record, or ensure a record is kept, of all decisions made by the PIE Registration Tribunal Panel and the reasons for them.

#### Decision on the Papers of Appeal Hearing

6. The Chair of the PIE Registration Tribunal Panel has discretion to decide whether the Appeal will be determined on the papers (i.e. without an oral hearing) or whether there will be an Appeal Hearing. The Chair's decision in this respect shall be final.
7. An Appeal will be considered on the papers if the Chair considers that it is fair in all the circumstances to do so. It may be appropriate where:
  - the Appellant states in their Notice of Appeal that it requests the matter to be considered on the papers only;<sup>93</sup>
  - the grounds of the Appeal concern points of law only;
  - the disputed factual and/or legal issues are of limited complexity;

<sup>93</sup> See paragraph 3.3d) of the Appeal Rules.

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- the same or similar legal issues have been decided before by the PIE Registration Tribunal Panel or the judiciary;
  - no witness evidence or expert witness evidence is required to be heard; or
  - the Chair considers that it is in the public interest for the Appeal to be considered on the papers.
8. An Appeal Hearing will be listed if the Chair considers that it is fair in all the circumstances to do so. An Appeal Hearing may be appropriate where:
- There is a disputed question of fact that should be resolved by hearing live evidence;
  - Cross-examination of witnesses and expert witnesses is required;
  - The complexity of the factual and/or legal issues suggest that an Appeal Hearing is appropriate;
  - Credibility and veracity are at issue in the Appeal;
  - The Appeal raises novel and/or complex legal issues which have not previously been adjudicated on by the PIE Registration Tribunal Panel or the judiciary; or
  - The Chair considers that it is in the public interest for an Appeal Hearing to be listed.

## Record of Appeal Hearing

96. The PIE Registration Tribunal Panel, assisted by the Convener, must ensure all Appeal Hearings are recorded in writing or electronic form. Any Party to the proceedings must, on application to the PIE Registration Tribunal Panel, be furnished with a transcript of the record of any part of the Appeal Hearing at which that Party was entitled to be present.
107. The only exception to the above provision is that the private deliberations of the PIE Registration Tribunal Panel must not be recorded.

## Witness Evidence

118. A Party may not call a person to be a witness or an expert witness at an oral hearing unless the PIE Registration Tribunal Panel ~~determines otherwise~~ grants permission and that Party has provided to the other Party a written statement of evidence provided by the witness or an expert witness, (which includes an attestation and signature by the person making it,) in accordance with case management directions.
129. The PIE Registration Tribunal Panel may permit a Party to adduce evidence, including expert witness evidence, that was not before the maker of the Registration Decision or the internal reviewer, if the PIE Registration Tribunal Panel is content that there is a good reason as to why that evidence was not before the earlier decision maker.

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1310. The Chair or the PIE Registration Tribunal Panel may refuse to allow a witness or an expert witness to give evidence or to give evidence on a particular matter if the Chair or the PIE Registration Tribunal Panel is not satisfied that the witness or expert witness is in a position to produce relevant testimony for the purposes of the Appeal or if the evidence should have been disclosed at an earlier stage of the process.

141. The PIE Registration Tribunal Panel may give such directions as are appropriate in relation to:

- ensuring details which may identify a witness or expert witness not being revealed in public;
- the questioning of any witnesses or expert witness;
- any special measures required to receive evidence from a witness or an expert witness.

152. Witnesses and expert witnesses are required to take an oath, or to affirm, before they give their oral evidence.

## Non-attendance of the Appellant

163. Where the Appellant has failed to attend an Appeal Hearing, the Chair or PIE Registration Tribunal Panel may:

- if it is satisfied that notification of the Appeal Hearing was properly given:
  - continue in the Appellant's absence;
  - adjourn and ask the Convener to seek confirmation from the Appellant in writing that it has withdrawn its Appeal;
- adjourn to an alternative date.

## Postponements and Adjustments

174. The Chair may, of the Chair's own volition or upon the application of a Party, postpone an Appeal Hearing.

185. The PIE Registration Tribunal Panel may, of its own volition or upon the application of a Party, adjourn the proceedings at any stage.

196. In considering whether to postpone or adjourn an Appeal Hearing, the Chair or PIE Registration Tribunal Panel shall have regard to all relevant factors including any representations from the Parties in particular, as to fairness, the public interest and costs.

## Representation

2017. At any oral hearing, the Parties may represent themselves or be represented by:

- a solicitor or counsel; or
- another person at the discretion of the PIE Registration Tribunal Panel provided that the person is not a witness or expert witness in the case.

Issued by the Conduct Committee with effect from [DATE].



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