

SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 4820 GIBRALTAR Thursday 11th February 2021

LEGAL NOTICE NO. 125 OF 2021.

EUROPEAN UNION (WITHDRAWAL) ACT 2019

FINANCIAL SERVICES (AUDIT) (MISCELLANEOUS AMENDMENTS) (EU EXIT) REGULATIONS 2021

In exercise of the powers conferred on the Minister by section 11 of the European Union (Withdrawal) Act 2019, the Minister has made these Regulations-

Title.

1. These Regulations may be cited as the Financial Services (Audit Regulation) (Miscellaneous Amendments) (EU Exit) Regulations 2021.

Commencement.

2. These Regulations are deemed to have come into operation on 1st January 2021.

Amendment of the Financial Services Act 2019.

3. In section 474(3) of the Financial Services Act 2019-

(a) in paragraph (a)(ii), for “485” substitute “483”; and

(b) for paragraphs (b) and (c), substitute-

“(b) a majority of the voting rights in the entity are held by-

(i) statutory auditors or audit firms approved under this Part; or

(ii) individuals or firms who are approved as statutory auditors in the United Kingdom;

(c) a majority (up to a maximum of 75%) of the members of the administrative or management body of the entity are-

(i) statutory auditors or audit firms approved under this Part; or

(ii) individuals or firms who are approved as statutory auditors in the United Kingdom; and”.

Amendment of the Audit Regulation.

4.(1) In Article 8 of the Audit Regulation, for paragraphs 2 and 3, substitute–

“2. The review shall be performed by an engagement quality control reviewer (the “reviewer”)–

(a) who shall be–

(i) a statutory auditor; or

(ii) an individual who is approved as a statutory auditor in the United Kingdom; and

(b) who is not involved in the performance of the statutory audit to which the review relates.

3. Where a statutory audit is carried out by–

(a) an audit firm, and all the statutory auditors were involved in carrying-out the statutory audit; or

(b) a statutory auditor who is not a partner or employee of an audit firm,

the audit firm or statutory auditor shall arrange for a review to be performed by another statutory auditor or by an individual approved as a statutory auditor in the United Kingdom. Documents or information disclosed to the reviewer for the purposes of this Article shall be subject to professional secrecy, but disclosure of documents or information to the reviewer for those purposes shall not constitute a breach.”.

(2) In this regulation, the “Audit Regulation” means Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

Dated: 11th February 2021.

A J ISOLA,
Minister with responsibility for financial services.

EXPLANATORY MEMORANDUM

These Regulations are made in exercise of the powers in section 11 of the European Union (Withdrawal) Act 2019, in order to address failures of retained EU law to operate effectively and other deficiencies arising from Gibraltar's withdrawal from the European Union. They amend section 474 of the Financial Services Act 2019 and Regulation (EU) No. 537/2014 as it forms part of the law of Gibraltar.