

*Disclaimer: This document was created by the Isle of Man Financial Services Authority (“the Authority”) to assist recognised auditors and other readers. The Authority accepts no liability for the document’s completeness and accuracy. Original legislation should always be consulted for legal purposes.*

Statutory Document No. 09/10 amended by SD 0307/2013,  
SD 2016/0102, SD 2017/0323 and SD 2019/0097<sup>1</sup>

COMPANIES ACT 1982  
COMPANIES ACT 2006

**ACCOUNTING (RECOGNISED AUDITORS)  
REGULATIONS 2010**

*Approved by Tynwald 16 March 2010*

*Coming into operation 5 April 2010: SD 09/10*

*(amendments in operation from 1 November 2013: SD 0307/2013)*

*(amendments in operation from 1 June 2016: SD 2016/0102)*

*(amendments in operation from 1 January 2018: SD 2017/0323)*

*(amendments in operation from exit day: [SD 2019/0097](#))*

The Isle of Man Financial Services Authority makes these Regulations under section 17C of the Companies Act 1982<sup>2</sup> and section 80E of the Companies Act 2006<sup>3</sup>.

**1 Title**

These Regulations are the Accounting (Recognised Auditors) Regulations 2010.

**2 Commencement**

If approved by Tynwald<sup>4</sup>, these Regulations come into operation on 5 April 2010.

**3 Interpretation**

In these Regulations —

“exempt company” means —

---

<sup>1</sup> [Amendments in red come into effect on ‘exit day’ - SD 2019/0097: European Union and Trade Act 2019 \(Deficiencies\) \(Isle of Man Financial Services Authority\) Regulations 2019, made by the Council of Ministers under the European Union and Trade Act 2019.](#)

<sup>2</sup> 1982 c.2. Section 17C was inserted by section 19 of the Companies (Amendment) Act 2009.

<sup>3</sup> 2006 c.13. Section 80E was inserted by section 29 of the Companies (Amendment) Act 2009.

<sup>4</sup> As required by section 17C(8) of the Act and section 80E(8) of the Companies Act 2006.

*Disclaimer: This document was created by the Isle of Man Financial Services Authority (“the Authority”) to assist recognised auditors and other readers. The Authority accepts no liability for the document’s completeness and accuracy. Original legislation should always be consulted for legal purposes.*

- (a) a company which is an issuer exclusively of outstanding debt securities admitted to trading on ~~a regulated market~~ a UK regulated market or an EU regulated market, the denomination per unit of which is, at the date of issue, at least –
- (i) Euro 50,000 (or the equivalent at the date of issue denominated in another currency) for a company admitted to trading on ~~a regulated market~~ a UK regulated market or an EU regulated market before 31 December 2010; or
  - (ii) Euro 100,000 (or the equivalent at the date of issue denominated in another currency) for a company admitted to trading on ~~a regulated market~~ a UK regulated market or an EU regulated market from 31 December 2010; or
- (b) an open-ended investment company defined in section 26 of the Collective Investment Schemes Act 2008;

“EU regulated market” means a regulated market as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended from time to time by EU law (whether before, on or after exit day);

“exit day” has the same meaning as in the [European Union and Trade Act 2019](#);

“the FRC” means The Financial Reporting Council Limited<sup>5</sup> (or any successor thereto);

“the ICAEW” means the Institute of Chartered Accountants in England and Wales;

“incorporated in the Island” includes companies incorporated, formed and registered or capable of being wound up under the Companies Act 1931<sup>6</sup>, and companies incorporated or continued under the Companies Act 2006 and limited liability companies formed under the Limited Liability Companies Act 1996<sup>7</sup>;

“market traded company” means a company incorporated in the Island, the transferable securities of which are admitted to trading on ~~a regulated market~~

<sup>5</sup> UK company 2486368

<sup>6</sup> XIII p.235

<sup>7</sup> 1996 c.19

*Disclaimer: This document was created by the Isle of Man Financial Services Authority (“the Authority”) to assist recognised auditors and other readers. The Authority accepts no liability for the document’s completeness and accuracy. Original legislation should always be consulted for legal purposes.*

UK regulated market or an EU regulated market, except where that company is an exempt company;

“recognised auditor” means an auditor that is entered on the register;

“the register” means the register of recognised auditors to be kept under section 14G of the Companies Act 1982;

~~“regulated market” has the same meaning as in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments<sup>8</sup> amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EEC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC;~~

“the Rules” means the Crown Dependencies’ Audit Rules and Guidance issued by the ICAEW from time to time (that is after as well as before the making of these Regulations), and which are issued for the purpose of ensuring that a recognised auditor, when auditing a market traded company, is subject in the Island to a system of oversight, quality assurance, investigation and penalties;

~~“transferable securities” has the same meaning as in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments<sup>9</sup> amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EEC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.~~

“transferable securities” —

(a) in respect of transferable securities which are admitted to trading on an EU regulated market, has the meaning given in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended from time to time by EU law (whether before, on or after exit day);

(b) in respect of transferable securities which are admitted to trading on a UK regulated market, has the meaning given in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012, as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (of Parliament) and as amended from time to time by that law;

*Disclaimer: This document was created by the Isle of Man Financial Services Authority (“the Authority”) to assist recognised auditors and other readers. The Authority accepts no liability for the document’s completeness and accuracy. Original legislation should always be consulted for legal purposes.*

“UK regulated market” has the meaning given in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012, as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (of Parliament) and as amended from time to time by that law.

#### **4 Qualification for appointment as auditor of a market traded company**

- (1) Notwithstanding sections 14 to 14H of the Companies Act 1982, or section 80C of the Companies Act 2006, only a recognised auditor that has agreed to be bound by the Rules and disciplinary procedures of the FRC and the ICAEW is qualified for appointment to a market traded company, or may describe itself or hold itself out in any manner that it is so qualified.
- (2) On ceasing to be eligible for appointment to the office of auditor of a market traded company, an auditor must immediately resign any office held as auditor of a market traded company, giving written notice to all such companies that the resignation is by reason of the application of this paragraph.

Made 27<sup>th</sup> January 2010.

John Cashen

---

Commissioner

John Aspden

---

Chief Executive

---

**EXPLANATORY NOTE**  
(This note is not part of the Regulations)

---

*Disclaimer: This document was created by the Isle of Man Financial Services Authority ("the Authority") to assist recognised auditors and other readers. The Authority accepts no liability for the document's completeness and accuracy. Original legislation should always be consulted for legal purposes.*

These Regulations specify that, irrespective of meeting the requirements to act as an auditor that are detailed in the Companies Act 1982 or Companies Act 2006, an auditor may not audit a market traded company (as defined in these Regulations) unless it is a recognised auditor and therefore bound by the Rules (as defined in these Regulations) and the disciplinary procedures of the Institute of Chartered Accountants in England and Wales and The Financial Reporting Council Limited, (formerly the Professional Oversight Board ("POB") of the Financial Reporting Council).

Amendments made in March 2019 mean the regime will apply to market traded companies that are admitted to trading on either UK or EU regulated markets after the UK's withdrawal from the EU.