

# STATES OF JERSEY



## **DRAFT COMPANIES (AMENDMENT No. 4) (JERSEY) REGULATIONS 2009 (APPOINTED DAY) ACT 201-**

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**Lodged au Greffe on 4th March 2010  
by the Minister for Economic Development**

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**STATES GREFFE**





Jersey

## **DRAFT COMPANIES (AMENDMENT No. 4) (JERSEY) REGULATIONS 2009 (APPOINTED DAY) ACT 201-**

### **REPORT**

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This Appointed Day Act will bring into force the main (and all remaining) provisions of the Companies (Amendment No. 4) (Jersey) Regulations 2009 (R&O.125/2009) (the “**Regulations**”) on 5th April 2010.

The Regulations were made by the States on 3rd December 2009. Regulations 1, 7 and 8 came into force 7 days after the Regulations were made. This Appointed Day Act will bring into force Regulation 4 (the main provision in the Regulations) and, automatically, the remaining Regulations 2, 3, 5 and 6.

The Regulations were proposed for 2 reasons. The first was to respond to the impact on Jersey-based auditors of European Union Directive 2006/43/EC (the “**Statutory Audit Directive**”). The second was to improve the Island’s level of compliance with an international standard issued by the International Organisation of Securities Commissions relating to accounting and auditing matters (commonly referred to as ‘IOSCO Principle 16’).

The principal legislative effect of the Regulations (see Regulation 4) is to insert into the Companies (Jersey) Law 1991 a revised Part 16 (which provides for matters relating to accounts and audits).

In immediate practical terms, the revised Part 16 will enable an oversight regime to be established for auditors of Jersey companies that have securities admitted to trading on a ‘regulated market’ (stock exchange) in the European Union (auditors whom the revised Part 16 refers to as, “**recognized auditors**”).

The oversight regime is designed to meet certain equivalence requirements set out in the Statutory Audit Directive for ‘third country’ (i.e. non-European Union) auditors and, accordingly, maintain the competitive position of Jersey recognized auditors.

Legislative provisions are also being introduced in Guernsey and the Isle of Man to provide for the establishment of similar auditor oversight regimes. The relevant agencies in each island (the Jersey Financial Services Commission, the States of Guernsey Commerce and Employment Department and the Isle of Man Financial Supervision Commission) are aiming for a common start date of 5th April 2010 for the oversight regimes in each island.

**Financial and manpower implications**

There are no financial or manpower implications for the States arising from the adoption of this Act. The costs of running the auditor oversight regime will be borne by those firms that register as recognized auditors.

## **Explanatory Note**

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The object of this Act is to bring the main provisions of the Companies (Amendment No. 4) (Jersey) Regulations 2009 into force on 5th April 2010. The main effect of those Regulations is to substitute Part 16 (Accounts and Audit) of the Companies (Jersey) Law 1991.





Jersey

**DRAFT COMPANIES (AMENDMENT No. 4)  
(JERSEY) REGULATIONS 2009 (APPOINTED DAY)  
ACT 201-**

*Made* [date to be inserted]

*Coming into force* [date to be inserted]

**THE STATES**, in pursuance of Regulation 8(1) of the Companies (Amendment No. 4) (Jersey) Regulations 2009<sup>1</sup>, have made the following Act –

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**1 Commencement of Regulations**

Regulation 4 of the Companies (Amendment No. 4) (Jersey) Regulations 2009<sup>2</sup> shall come into force on 5th April 2010.

**2 Citation**

This Act may be cited as the Companies (Amendment No. 4) (Jersey) Regulations 2009 (Appointed Day) Act 201-.

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- <sup>1</sup> *R&O.125/2009*  
<sup>2</sup> *R&O.125/2009*