

**PRA RULEBOOK: CRR FIRMS AND SII FIRMS: AUDIT COMMITTEE (AMENDMENT)  
INSTRUMENT 2021**

**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
  - (1) section 137G (The PRA’s general rules); and
  - (2) section 137T (General supplementary powers).
  
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

**Pre-conditions to making**

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority.
  
- D. The PRA published a draft of the proposed rules in accordance with section 138J(1)(b) of the Act, accompanied by the information listed in section 138J(2).
  
- E. No representations were made on the proposed rules pursuant to C or D above.

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- F. The PRA makes the rules in the Annex to this Instrument.

**Commencement**

- G. This instrument comes into force on 1 January 2022.

**Citation**

- H. This instrument may be cited as PRA Rulebook: CRR Firms and SII Firms: Audit Committee (Amendment) Instrument 2021.

**By order of the Prudential Regulation Committee**

2 November 2021

## Annex

## Amendments to the Audit Committee Part of the PRA Rulebook

In this Annex new text is underlined and deleted text is struck through.

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**2 AUDIT COMMITTEE**

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2.4 A *firm* must ensure that its *audit committee* performs at least the following functions:

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- (5) reviews and monitors the independence of the statutory auditor or the audit firm in accordance with, where applicable, paragraphs 2(3), 2(4), 3, 4(1), 4(2), 5 to 8 and 10 to 12 of Schedule 1 to the ~~Statutory Auditors and Third Country Auditors Regulations 2016 (SI 2016/XXX)~~ Statutory Auditors and Third Country Auditors Regulations 2016 (SI 2016/649) and, where applicable, Article 6 of the *Statutory Audit Regulation*, and in particular the suitability of the provision of non-audit services to the firm in accordance with Article 5 of the *Statutory Audit Regulation*; and

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