October 2026
Changes to the Joint UK Audit Regulations

General

1. Amendments to the joint UK Audit Regulations are proposed to address matters raised by the FRC in relation to the 90 day maximum dispensation period, and to clarify for which breaches the dispensation period cannot be extended beyond 90 days in line with Companies Act 2006. These breaches are where an individual responsible for statutory audit work ceases to be eligible for appointment as a statutory auditor (regulation 2.02(d)); or a registered audit firm fails the audit qualified majority ownership test (regulations 2.03(b) and 2.03(c)).

2. In addition some minor amendments were made to correct minor errors.

Detailed changes

The amendments are described individually in the table below. They are set out in the order in which they arise in the document.

Reference	**Change and reason for change**
	Updated effective date to be added Updated year of copyright reference to 2026 Updated version number to 12
How to become and continue to be a registered auditor	
Email	For ICAEW change the name of Professional Standards Department to Regulation & Conduct Department
Telephone numbers	Delete the CAI Technical Enquiries number
Chapter 1 – GENERAL	
1.04	To be updated for the new effective date in due course.
1.05	Deleted – this related to the requirement for majority control which required compliance by 1 April 2025.
1.05A	Deleted – this related to the requirement for sole practitioners to appoint an alternate which required compliance by 1 December 2025.
Chapter 2- ELIGIBILITY, APPLICATION FOR REGISTRATION, CONTINUING OBLIGATIONS AND CESSATION OF REGISTRATION	
2.01	Guidance amended so that it is clear that the additional conditions in regulation 2.03 apply to firms that are not sole practices, or are sole practices that are incorporated, as follows (revised text underlined): "*For a firm which is a sole practice <u>that is not incorporated</u> this is achieved by regulation 2.02 which only allows registration if the practitioner holds an appropriate qualification. Additional*

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	conditions for firms that are not sole *practices, or are sole practices that are incorporated* *are set out in regulation 2.03. "*
2.19	Regulation amended to clarify that the strict 90-day limit for dispensation only applies where the particular eligibility requirements in 2.02c, 2.03b and 2.03c are breached.
2.19 guidance	The guidance which now follows regulation 2.19 has been clarified to the effect that for these types of eligibility breaches, the 90-day dispensation cannot be extended by the registration committee, and if the situation that led to the dispensation being granted is not rectified, then the ARC will take steps to withdraw the firm's registration. The guidance now reads: *"The period of 90 days dispensation cannot be extended by the Registration Committee. If a firm's loss of eligibility is not remedied within 90 days, the Registration Committee will take steps to withdraw the firm's registration pursuant to regulation 7.03. If a firm has been ineligible for 90 days or more, the Registration Committee cannot issue any dispensation."*
2.20 guidance	The guidance following 2.20 has been moved to follow 2.19 (see above).
Chapter 7 – REGULATORY ACTION	
7.03a	To clarify that the criteria referenced in regulation 2.03 applies to firms other than unincorporated sole practices, as follows (new text underlined): **"**7.03 The *Registration Committee* may withdraw a *firm's* registration or where appropriate, a *responsible individual's* registration, if: *a it considers that the firm no longer meets one or more of the eligibility requirements of regulations 2.02 or 2.03 (additional criteria for firms,* *other than sole practices that are not incorporated**); ..."*