

DECISIONS TAKEN BY THE FRC ON APPLICATIONS FOR EXEMPTION FROM CAP ON NON-AUDIT FEES

Regulation 13 of the Statutory Auditors and Third Country Auditors Regulations 2016 and Article 4(2) of the EU Audit Regulation (EU 537/2014) provide that the Competent Authority may, upon a request by the statutory auditor or the audit firm ('the applicant'), and on an exceptional basis, allow an exemption from the 70 per cent cap on fees for non-audit services for a period not exceeding two financial years.

In the UK, for the audit of a public interest entity, the cap will not apply until the fourth financial period commencing on or after 17 June 2016. For applications received, the FRC has committed to publishing those decisions in full, except where that would risk harming the commercial interests of an applicant. In those cases, the decision will be published in abridged form.

In the quarter ending 31 October 2023 the FRC is reporting on one application granted. Those marked ** relate to previous reporting periods in which the application could not be reported as the transaction or service it relates to was price sensitive at that time.

1. FRC granted a waiver to Deloitte LLP in respect of £1.222 million of reporting accounting work for Videndum PLC in relation to an equity raise.
2. ** The FRC granted a waiver to PWC LLP in respect of £0.9 million of reporting accounting work for Cineworld Group PLC in relation to a restructuring support agreement and associated fundraising.

Financial Reporting Council

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