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 January 2022 the FRC is reporting on four applications 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 PwC LLP in respect of £1.3-1.55 million of reporting accountant work for easyJet PLC to support a proposed admission of new ordinary shares of the Company to the premium listing segment of the Official List and to trading on the London Stock Exchange.

2. ** FRC granted a waiver to PwC LLP in respect of £0.915 million of reporting accountant work for Synthomer PLC to support a proposed Class 1 acquisition by the group.

3. ** FRC granted a waiver to PwC LLP in respect of £0.25-3 million of reporting accountant work for Equiniti Group PLC to support a proposed US debt issuance.

4. FRC granted a waiver to KPMG LLP in respect of the non-audit services fee cap as it applies to ASI L&P, for £1.25-1.27 million of reporting accounting work to support a proposed Class I transaction by the ultimate parent of ASI L&P.

Financial Reporting Council

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