Annex B: The Exemption frameworks

Which exemption	What is excluded
The small companies accounting regime Exemptions: Sections 381 and 382 (and section 383 for parent companies of groups) Exclusions Section 384:	A public company (including a traded company), an insurer, a bank, an e-money issuer, a markets in financial instruments directive (MiFID) investment firm, an undertaking for the collective investment in transferable securities (UCITS) management company, a company carrying on insurance market activity, a scheme funder under a master trust pension scheme, or a member of ineligible group. An ineligible group is then defined as a group that includes as a member: a UK traded company or other entity, an entity other than a small company with a permission under Part 4A of the Financial Services and Markets Act 2000, an entity carrying on insurance market activity, a scheme funder under a master trust pension scheme, an e-money issuer; or a small company that is a credit institution, insurer, a markets in financial instruments directive investment firm or an undertakings for the collective investment in transferable securities management company.
The micro-entities accounting regime Exemptions: Section 384A Exclusions: Section 384B	A company already excluded from the small companies accounting regime, an investment undertaking or financial holding undertaking of the type that was defined in the accounting directive immediately before Brexit, an entity that would have been a credit institution of the type defined in the EU Capital Requirements Regulation immediately before Brexit and a company of the type that would have had to prepare accounts under the insurance accounts directive immediately before Brexit, a charity, a company that prepares consolidated accounts, or a company included in consolidated accounts.
The medium-sized companies accounting exemptions* Exemptions: Sections 465 (and 466 for parent companies of groups) Exclusions: Section 467	A public company (including a traded company), an e-money issuer, a company carrying on insurance market activity, a scheme under a master trust pension scheme, a company with a permission under Part 4A of the Financial Services and Markets Act 2000, or a member of ineligible group. An ineligible group is then defined as a group that includes as a member: a UK traded company or other entity, an entity other than a small company with a permission under Part 4A of the Financial Services and Markets Act 2000, an e-money issuer, an entity carrying on insurance market activity, a scheme under a master trust pension scheme; or a small company that is a markets in financial instruments directive investment firm or an undertaking for the collective investment in transferable securities management company.
The small companies audit exemption Exemptions: Section 477 (and section 479 for companies that are part of a group, whether as a parent or subsidiary) Exclusions: Section 478	A public company (including a traded company), an insurer, a bank, an e-money issuer, a markets in financial instruments directive investment firm, an undertaking for the collective investment in transferable securities management company, a company carrying on insurance market activity, a scheme funder under a master trust pension scheme or a special register body as defined in section 117(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 or an employers' association as defined in section 122 of that Act. A company that also does not qualify for audit exemption if for any time during the relevant financial year it was part of a non-small group or a group that at any time that year was an ineligible group. This is defined as a group that includes as a member: a UK traded company or other entity, an entity other than a small company with a permission under Part 4A of

Which exemption	What is excluded
	the Financial Services and Markets Act 2000, an entity carrying on insurance market activity, a scheme under a master trust pension scheme, an e-money issuer; or a small company that is a credit institution, insurer, or markets in financial instruments directive investment firm or an undertaking for the collective investment in transferable securities management company.
The dormant companies audit exemption Exemptions: Section 480 Exclusions: Section 481	Must qualify to prepare accounts under the small companies accounting regime or would have done so but for being a public company or a member of an ineligible group under that regime. However, the company must not be required to prepare consolidated accounts and must not be a traded company. The exclusions then repeat the other exclusions from the small companies accounting regime, apart from those relating to ineligible groups.
(*) Note: Though the Companies Act 2006 provides for medium-sized companies to claim various accounting exemptions, in fact these are limited by the UKGAAP accounting standards and UK adopted international standards such that all that may currently be claimed in practice are certain exemptions in respect of disclosures in the notes to the accounts of the remuneration paid to a company's auditors.	