

## Withdrawal of draft regulations introducing additional corporate reporting for large UK companies

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On 16 October 2023, the UK government announced the withdrawal of draft corporate reporting regulations that were expected to introduce new corporate reporting obligations under the Companies Act 2006 on certain large UK incorporated companies.

On 16 October 2023, the Department for Business & Trade (DBT) announced in a [press release](#) the withdrawal of the [Draft Companies \(Strategic Report and Directors' Report\) \(Amendment\) Regulations 2023](#) (Regulations) after consultation with companies raised concerns about imposing additional reporting requirements.

The Regulations, which were laid before Parliament on 19 July 2023, were expected to amend Part 15 of the Companies Act 2006 (Companies Act) to introduce additional corporate reporting requirements on certain large UK incorporated companies, including an annual resilience statement, a distributable profits figure and distribution policy statement, a material fraud statement and a triennial audit and assurance policy statement, as proposed by the government in '[Restoring Trust in Audit and Corporate Governance](#)', published in May 2022 (see our [client update](#)). The Regulations would have applied to all UK companies (being companies incorporated under the Companies Act) with a high level of employees (750 employees or more) and a high level of turnover (an annual turnover of at least £750 million).

Since July, the UK government has completed a call for evidence on existing non-financial reporting requirements, which has identified a strong appetite from businesses and investors for reform, including to simplify and streamline existing reporting requirements. In its press release, the DBT outlined that instead of going ahead with the Regulations, the UK government will pursue options to reduce the burden of red tape to ensure the UK is one of the best places in the world to do business. The DBT also noted that the UK government remains committed to wider audit and corporate governance reform, including establishing a new Audit, Reporting and Governance Authority to replace the existing Financial Reporting Council and that it will bring forward legislation to deliver these reforms when parliamentary time allows.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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