



Companies (Audit, Investigations and Community Enterprise) Act 2004

2004 CHAPTER 27

An Act to amend the law relating to company auditors and accounts, to the provision that may be made in respect of certain liabilities incurred by a company's officers, and to company investigations; to make provision for community interest companies; and for connected purposes. [28th October 2004]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART 1

AUDITORS, ACCOUNTS, DIRECTORS' LIABILITIES AND INVESTIGATIONS

CHAPTER 1

AUDITORS

Recognised supervisory bodies

^{F1} Additional requirements for recognition of supervisory bodies

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Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F1 Ss. 1-6 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), **Sch. 2 Pt. 1** (with arts. 7, 12)

F12 Arrangements to which additional requirements for recognition relate

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Textual Amendments

F1 Ss. 1-6 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), **Sch. 2 Pt. 1** (with arts. 7, 12)

Delegation of Secretary of State's functions in relation to auditors

F13 Delegation of functions by Secretary of State to new or existing body

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Textual Amendments

F1 Ss. 1-6 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), **Sch. 2 Pt. 1** (with arts. 7, 12)

F14 Circumstances in which Secretary of State may delegate functions to existing body

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Textual Amendments

F1 Ss. 1-6 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), **Sch. 2 Pt. 1** (with arts. 7, 12)

F15 Supplementary provisions about delegation orders

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Textual Amendments

F1 Ss. 1-6 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), **Sch. 2 Pt. 1** (with arts. 7, 12)

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Auditors' qualifications

F16 Approval of overseas qualifications for auditors

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Textual Amendments

F1 Ss. 1-6 repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

Services provided by auditors

F27 Disclosure of services provided by auditors and related remuneration

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Textual Amendments

F2 Ss. 7-10 repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

CHAPTER 2

ACCOUNTS AND REPORTS

Auditing of accounts

F28 Auditors' rights to information

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Textual Amendments

F2 Ss. 7-10 repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

F29 Statement in directors' report as to disclosure of information to auditors

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Textual Amendments

F2 Ss. 7-10 repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

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Defective accounts

F²10 Persons authorised to apply to court in connection with defective accounts

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Textual Amendments

- F2** Ss. 7-10 repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

F³11 Disclosure of tax information by Inland Revenue to facilitate application for declaration that accounts are defective

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Textual Amendments

- F3** S. 11(1)(2) repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

F⁴12 Power of person authorised to require documents, information and explanations

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Textual Amendments

- F4** S. 12 repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

Directors' reports

F⁵13 Power to specify bodies who may issue reporting standards

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Textual Amendments

- F5** S. 13 repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

Supervision of accounts and reports

14 Supervision of periodic accounts and reports of issuers of listed securities

- (1) The Secretary of State may make an order appointing a body (“the prescribed body”) to exercise the functions mentioned in subsection (2).

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- (2) The functions are—
- (a) keeping under review periodic accounts and reports that are produced by issuers of [^{F6}transferable] securities and are required to comply with any accounting requirements imposed by [^{F7}Part 6] rules; and
 - (b) if the prescribed body thinks fit, informing the Financial Services Authority of any conclusions reached by the body in relation to any such accounts or report.
- (3) A body may be appointed under this section if it is a body corporate or an unincorporated association which appears to the Secretary of State—
- (a) to have an interest in, and to have satisfactory procedures directed to, monitoring compliance by issuers of [^{F8}transferable] securities with accounting requirements imposed by [^{F9}Part 6] rules in relation to periodic accounts and reports produced by such issuers; and
 - (b) otherwise to be a fit and proper body to be appointed.
- (4) But where the order is to contain any requirements or other provisions specified under subsection (8), the Secretary of State may not appoint a body unless, in addition, it appears to him that the body would, if appointed, exercise its functions as a prescribed body in accordance with any such requirements or provisions.
- (5) A body may be appointed either generally or in respect of any of the following, namely—
- (a) any particular class or classes of issuers,
 - (b) any particular class or classes of periodic accounts or reports,
- and different bodies may be appointed in respect of different classes within either or both of paragraphs (a) and (b).
- (6) In relation to the appointment of a body in respect of any such class or classes, subsections (2) and (3) are to be read as referring to issuers, or (as the case may be) to periodic accounts or reports, of the class or classes concerned.
- (7) Where—
- (a) a body is so appointed, but
 - (b) the Financial Services Authority requests the body to exercise its functions under subsection (2) in relation to any particular issuer of [^{F10}transferable] securities in relation to whom those functions would not otherwise be exercisable,
- the body is to exercise those functions in relation to that issuer as well.
- (8) An order under this section may contain such requirements or other provisions relating to the exercise of functions by the prescribed body as appear to the Secretary of State to be appropriate.
- (9) If the prescribed body is an unincorporated association, any relevant proceedings may be brought by or against that body in the name of any body corporate whose constitution provides for the establishment of the body.
- For this purpose “relevant proceedings” means proceedings brought in or in connection with the exercise of any function by the body as a prescribed body.
- (10) Where an appointment is revoked, the revoking order may make such provision as the Secretary of State thinks fit with respect to pending proceedings.

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(11) The power to make an order under this section is exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

(12) In this section [^{F11}and sections 15A to 15E below] —

^{F12}[^{F13} “Part 6 rules” has] the meaning given by section 103(1) of the Financial Services and Markets Act 2000 (c. 8) (interpretation of Part 6);

^{F14}“issuer” has the meaning given by section 102A(6) of that Act;]]

“periodic” accounts and reports means accounts and reports which are required by [^{F15}Part 6] rules to be produced periodically.

^{F16}“issuer” has the meaning given by section 102A(6) of that Act;]

Textual Amendments

- F6** Word in s. 14(2)(a) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(2)(a)**
- F7** Words in s. 14(2)(a) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(2)(b)**
- F8** Word in s. 14(3)(a) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(3)(a)**
- F9** Words in s. 14(3)(a) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(3)(b)**
- F10** Word in s. 14(7)(b) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(4)**
- F11** Words in s. 14(12) inserted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 232(1)** (with arts. 6, 11, 12)
- F12** Words in s. 14(12) substituted (1.7.2005) by [The Prospectus Regulations 2005 \(S.I. 2005/1433\)](#), reg. 1(1), **Sch. 3 para. 5**
- F13** Words in s. 14(12) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(5)(a)**
- F14** Words in s. 14(12) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(5)(b)**
- F15** Word in s. 14(12) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(5)(c)**
- F16** Words in s. 14(12) added (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), s. 1300(1), **Sch. 15 para. 14(5)(d)**

Commencement Information

- I1** S. 14 in force at 1.1.2005 by [S.I. 2004/3322](#), art. 2(1), **Sch. 1**

^{F17}15 Application of sections 15A to 15E

^{F18}(1) The provisions of sections 15A to 15E have effect in relation to bodies appointed under section 14 (supervision of accounts and reports of issuers of transferable securities).

(2) In those sections—

- (a) “prescribed body” means a body appointed under that section; and
- (b) references to the functions of a prescribed body are to its functions under that section.]]

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Textual Amendments

- F17** Ss. 15-15E substituted for s. 15 (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 232(2)** (with arts. 6, 11, 12)
- F18** S. 15 repealed (N.I.) (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 2** (with arts. 6, 11, 12)

[^{F19}15A. Disclosure of information by tax authorities

- (1) The Commissioners for Her Majesty's Revenue and Customs may disclose information to a prescribed body for the purposes of its functions.
- (2) This section applies despite any statutory or other restriction on the disclosure of information.
Provided that, in the case of personal data within the meaning of the Data Protection Act 1998, information is not to be disclosed in contravention of that Act.
- (3) Information disclosed to a prescribed body under this section—
 - (a) may only be used for the purposes of its functions, and
 - (b) must not be further disclosed except to the person to whom the information relates.
- (4) A person who contravenes subsection (3) commits an offence unless—
 - (a) the person did not know, and had no reason to suspect, that the information had been disclosed under this section, or
 - (b) the person took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
- (5) A person guilty of an offence under subsection (4) is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales or Scotland, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
 - (ii) in Northern Ireland, to imprisonment for a term not exceeding three months, or to a fine not exceeding the statutory maximum (or both).
- (6) In subsection (5)(b)(i) as it applies in relation to England and Wales in the case of an offence committed before section 154(1) of the Criminal Justice Act 2003 comes into force, for “twelve months” substitute “six months”.
- (7) Sections 400, 401 and 403 of the Financial Services and Markets Act 2000 (supplementary provisions relating to offences) apply in relation to an offence under this section.

Textual Amendments

- F19** Ss. 15-15E substituted for s. 15 (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 232(2)** (with arts. 6, 11, 12)

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15B. Power of prescribed body to require documents, information and explanations

- (1) This section applies where it appears to a prescribed body that there is, or may be, a question whether the periodic accounts and reports produced by an issuer of transferable securities comply with any accounting requirements imposed by Part 6 rules.
- (2) The prescribed body may require any of the persons mentioned in subsection (3) to produce any document, or to provide any information or explanations, that the body may reasonably require for the purpose of its functions.
- (3) Those persons are—
 - (a) the issuer;
 - (b) any officer, employee, or auditor of the issuer;
 - (c) any persons who fell within paragraph (b) at a time to which the document or information required by the prescribed body relates.
- (4) If a person fails to comply with such a requirement, the prescribed body may apply to the court.
- (5) If it appears to the court that the person has failed to comply with a requirement under subsection (2), it may order the person to take such steps as it directs for securing that the documents are produced or the information or explanations are provided.
- (6) A statement made by a person in response to a requirement under subsection (2) or an order under subsection (5) may not be used in evidence against him in any criminal proceedings.
- (7) Nothing in this section compels any person to disclose documents or information in respect of which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.
- (8) In this section—
 - “the court” means the High Court or the Court of Session; and
 - “document” includes information recorded in any form.

Textual Amendments

F19 Ss. 15-15E substituted for s. 15 (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 232\(2\)](#) (with arts. 6, 11, 12)

15C. Restrictions on disclosure of information obtained under compulsory powers

- (1) This section applies to information (in whatever form) obtained in pursuance of a requirement or order under section 15B (power of prescribed body to require documents etc) that relates to the private affairs of an individual or to any particular business.
- (2) No such information may, during the lifetime of that individual or so long as that business continues to be carried on, be disclosed without the consent of that individual or the person for the time being carrying on that business.
- (3) This does not apply—

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- (a) to disclosure permitted by section 15D (permitted disclosure of information obtained under compulsory powers), or
 - (b) to the disclosure of information that is or has been available to the public from another source.
- (4) A person who discloses information in contravention of this section commits an offence, unless—
- (a) the person did not know, and had no reason to suspect, that the information had been disclosed under section 15B, or
 - (b) the person took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
- (5) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales or Scotland, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
 - (ii) in Northern Ireland, to imprisonment for a term not exceeding six months, or to a fine not exceeding the statutory maximum (or both).
- (6) In subsection (5)(b)(i) as it applies in relation to England and Wales in the case of an offence committed before section 154(1) of the Criminal Justice Act 2003 comes into force, for “twelve months” substitute “six months”.

Textual Amendments

F19 Ss. 15-15E substituted for s. 15 (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 232\(2\)](#) (with arts. 6, 11, 12)

15D. Permitted disclosure of information obtained under compulsory powers

- (1) The prohibition in section 15C of the disclosure of information obtained in pursuance of a requirement or order under section 15B (power of prescribed body to require documents etc) that relates to the private affairs of an individual or to any particular business has effect subject to the following exceptions.
- (2) It does not apply to the disclosure of information for the purpose of facilitating the carrying out by the prescribed body of its functions.
- (3) It does not apply to disclosure to—
- (a) the Secretary of State,
 - (b) the Department of Enterprise, Trade and Investment for Northern Ireland,
 - (c) the Treasury,
 - (d) the Bank of England,
 - (e) the Financial Services Authority, or
 - (f) the Commissioners for Her Majesty’s Revenue and Customs.
- (4) It does not apply to disclosure—

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- (a) for the purpose of assisting a body designated by an order under section 1252 of the Companies Act 2006 (delegation of functions of the Secretary of State) to exercise its functions under Part 42 of that Act (statutory auditors);
 - (b) with a view to the institution of, or otherwise for the purposes of, disciplinary proceedings relating to the performance by an accountant or auditor of his professional duties;
 - (c) for the purpose of enabling or assisting the Secretary of State or the Treasury to exercise any of their functions under any of the following—
 - (i) the Companies Acts (as defined in section 2 of the Companies Act 2006),
 - (ii) Part 5 of the Criminal Justice Act 1993 (insider dealing),
 - (iii) the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989,
 - (iv) the Company Directors Disqualification Act 1986 or the Company Directors Disqualification (Northern Ireland) Order 2002,
 - (v) the Financial Services and Markets Act 2000;
 - (d) for the purpose of enabling or assisting the Department of Enterprise, Trade and Investment for Northern Ireland to exercise any powers conferred on it by the enactments relating to companies, directors' disqualification or insolvency;
 - (e) for the purpose of enabling or assisting the Bank of England to exercise its functions;
 - (f) for the purpose of enabling or assisting the Commissioners for Her Majesty's Revenue and Customs to exercise their functions;
 - (g) for the purpose of enabling or assisting the Financial Services Authority to exercise its functions under any of the following—
 - (i) the legislation relating to friendly societies or to industrial and provident societies,
 - (ii) the Building Societies Act 1986,
 - (iii) Part 7 of the Companies Act 1989,
 - (iv) the Financial Services and Markets Act 2000; or
 - (h) in pursuance of any Community obligation.
- (5) It does not apply to disclosure to a body exercising functions of a public nature under legislation in any country or territory outside the United Kingdom that appear to the prescribed body to be similar to its functions for the purpose of enabling or assisting that body to exercise those functions.
- (6) In determining whether to disclose information to a body in accordance with subsection (5), the prescribed body must have regard to the following considerations—
- (a) whether the use which the other body is likely to make of the information is sufficiently important to justify making the disclosure;
 - (b) whether the other body has adequate arrangements to prevent the information from being used or further disclosed other than—
 - (i) for the purposes of carrying out the functions mentioned in that subsection, or
 - (ii) for other purposes substantially similar to those for which information disclosed to the prescribed body could be used or further disclosed.

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- (7) Nothing in this section authorises the making of a disclosure in contravention of the Data Protection Act 1998.

Textual Amendments

F19 Ss. 15-15E substituted for s. 15 (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 232(2)** (with arts. 6, 11, 12)

15E. Power to amend categories of permitted disclosure

- (1) The Secretary of State may by order amend section 15D(3), (4) and (5).
- (2) An order under this section must not—
- (a) amend subsection (3) of that section (UK public authorities) by specifying a person unless the person exercises functions of a public nature (whether or not he exercises any other function);
 - (b) amend subsection (4) of that section (purposes for which disclosure permitted) by adding or modifying a description of disclosure unless the purpose for which the disclosure is permitted is likely to facilitate the exercise of a function of a public nature;
 - (c) amend subsection (5) of that section (overseas regulatory authorities) so as to have the effect of permitting disclosures to be made to a body other than one that exercises functions of a public nature in a country or territory outside the United Kingdom.
- (3) The power to make an order under this section is exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.]

Textual Amendments

F19 Ss. 15-15E substituted for s. 15 (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 232(2)** (with arts. 6, 11, 12)

Bodies concerned with accounting standards etc.

16 Grants to bodies concerned with accounting standards etc.

- (1) The Secretary of State may make grants to any body carrying on activities concerned with any of the matters set out in subsection (2).
- (2) The matters are—
- (a) issuing accounting standards;
 - (b) issuing standards in respect of matters to be contained in reports required to be produced by auditors or company directors;
 - (c) investigating departures from standards within paragraph (a) or (b) or from the accounting requirements of [^{F20}the Companies Act 2006] or any requirements of directly applicable Community legislation relating to company accounts;
 - (d) taking steps to secure compliance with such standards or requirements;

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- (e) keeping under review periodic accounts and reports that are produced by issuers of listed securities and are required to comply with any accounting requirements imposed by listing rules;
 - (f) establishing, maintaining or carrying out arrangements within [^{F21}paragraph 21, 22, 23(1) or 24(1) of Schedule 10 to the Companies Act 2006;]
 - (g) exercising functions of the Secretary of State under [^{F22}Part 42 of that Act] ;
 - (h) carrying out investigations into public interest cases arising in connection with the performance of accountancy functions by members of professional accountancy bodies;
 - (i) holding disciplinary hearings relating to members of such bodies following the conclusion of such investigations;
 - (j) deciding whether (and, if so, what) disciplinary action should be taken against members of such bodies to whom such hearings related;
 - (k) supervising the exercise by such bodies of regulatory functions in relation to their members;
 - [^{F23}(ka) exercising functions of the Independent Supervisor appointed under Chapter 3 of Part 42 of the Companies Act 2006;]
 - [^{F24}(kb) establishing, maintaining or carrying out arrangements within paragraph 1 or 2 of Schedule 12 to the Companies Act 2006;]
 - [^{F25}(l) issuing standards to be applied in actuarial work;
 - (m) issuing standards in respect of matters to be contained in reports or other communications required to be produced or made by actuaries or in accordance with standards within paragraph (l);
 - (n) investigating departures from standards within paragraph (l) or (m);
 - (o) taking steps to secure compliance with standards within paragraph (l) or (m);
 - (p) carrying out investigations into public interest cases arising in connection with the performance of actuarial functions by members of professional actuarial bodies;
 - (q) holding disciplinary hearings relating to members of professional actuarial bodies following the conclusion of investigations within paragraph (p);
 - (r) deciding whether (and, if so, what) disciplinary action should be taken against members of professional actuarial bodies to whom hearings within paragraph (q) related;
 - (s) supervising the exercise by professional actuarial bodies of regulatory functions in relation to their members;
 - (t) overseeing or directing any of the matters mentioned above.]
- (3) A grant may be made to a body within subsection (1) in respect of any of its activities.
- (4) For the purposes of this section—
- (a) a body is to be regarded as carrying on any subsidiary activities of the body; and
 - (b) a body's "subsidiary activities" are activities carried on by any of its subsidiaries or by any body established under its constitution or under the constitution of such a subsidiary.
- (5) In this section—
- “accountancy functions” means functions performed as an accountant, whether in the capacity of auditor or otherwise;

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“company” means a company within the meaning of the Companies Act 1985 (c. 6) [^{F26}or the 1986 Order];

[^{F27} “listed securities” and “listing rules” have the meaning given by section 103(1) of the Financial Services and Markets Act 2000 (c. 8) (interpretation of Part 6);

“issuer”, in relation to listed securities, has the meaning given by section 102A(6)(b) of the Financial Services and Markets Act 2000 (meaning of “securities” etc.);]

“professional accountancy body” means—

- (a) a supervisory body which is recognised for the purposes of [^{F28}Part 42 of the Companies Act 2006] , or
- (b) a qualifying body, as defined by [^{F29}section 1220] of that Act, which enforces rules as to the performance of accountancy functions by its members,

and references to the members of professional accountancy bodies include persons who, although not members of such bodies, are subject to their rules in performing accountancy functions;

[^{F30} “ professional actuarial body ” means—

- (a) the Institute of Actuaries, or
- (b) the Faculty of Actuaries in Scotland,

and the “members” of a professional actuarial body include persons who, although not members of the body, are subject to its rules in performing actuarial functions;]

“public interest cases” means matters which raise or appear to raise important issues affecting the public interest;

“regulatory functions”, in relation to professional accountancy bodies, means any of the following functions—

- (a) investigatory or disciplinary functions exercised by such bodies in relation to the performance by their members of accountancy functions,
- (b) the setting by such bodies of standards in relation to the performance by their members of accountancy functions, and
- (c) the determining by such bodies of requirements in relation to the education and training of their members;

[^{F30} “ regulatory functions ”, in relation to professional accountancy bodies, means any of the following functions—

- (a) investigatory or disciplinary functions exercised by such bodies in relation to the performance by their members of actuarial functions,
- (b) the setting by such bodies of standards in relation to the performance by their members of actuarial functions, and
- (c) the determining by such bodies of requirements in relation to the education and training of their members;]

“subsidiary” has the meaning given by section 736 of the Companies Act 1985 [^{F31}or Article 4 of the 1986 Order].

[^{F32} “ the 1986 Order ” means the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6)).]

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[^{F33}(6) In their application to Scotland, subsection (2)(a) to (t) are to be read as referring only to matters provision relating to which would be outside the legislative competence of the Scottish Parliament.]

(7) Omit section 256(3) of the Companies Act 1985 (c. 6) (grants to bodies concerned with issuing accounting standards etc.), which is superseded by this section.

Textual Amendments

- F20** Words in s. 16(2)(c) substituted (6.4.2008) by *The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948)*, art. 2(2), **Sch. 1 para. 233** (with arts. 6, 11, 12)
- F21** Words in s. 16(2)(f) substituted (6.4.2008) by *Companies Act 2006 (c. 46)*, s. 1300(2), **Sch. 14 para. 1(2)(a)**; S.I. 2007/3495, art. 3(1)(u) (with arts. 7, 12)
- F22** Words in s. 16(2)(g) substituted (6.4.2008) by *Companies Act 2006 (c. 46)*, s. 1300(2), **Sch. 14 para. 1(2)(b)**; S.I. 2007/3495, art. 3(1)(u) (with arts. 712)
- F23** S. 16(2)(ka) inserted (6.4.2008) by *Companies Act 2006 (c. 46)*, **ss. 1238**, 1300(2); S.I. 2007/3495, art. 3(1)(u) (with arts. 7, 12)
- F24** S. 16(2)(kb) inserted (6.4.2008) by *Companies Act 2006 (c. 46)*, **ss. 1247**, 1300(2); S.I. 2007/3495, art. 3(1)(u) (with arts. 7, 12)
- F25** S. 16(2)(l)-(t) substituted for s. 16(2)(l) (8.11.2006) by *Companies Act 2006 (c. 46)*, **ss. 1274(2)**, 1300(1)
- F26** Words in s. 16(5) inserted (8.11.2006) by *Companies Act 2006 (c. 46)*, **ss. 1276(4)(a)**, 1300(1)
- F27** Words in s. 16(5) substituted (1.7.2005) by *The Prospectus Regulations 2005 (S.I. 2005/1433)*, reg. 1(1), **Sch. 3 para. 6**
- F28** Words in s. 16(5) substituted (6.4.2008) by *Companies Act 2006 (c. 46)*, s. 1300(2), **Sch. 14 para. 1(3)(a)**; S.I. 2007/3495, art. 3(1)(u) (with arts. 712)
- F29** Words in s. 16(5) substituted (6.4.2008) by *Companies Act 2006 (c. 46)*, s. 1300(2), **Sch. 14 para. 1(3)(b)**; S.I. 2007/3495, art. 3(1)(u) (with arts. 712)
- F30** Words in s. 16(5) inserted (8.11.2006) by *Companies Act 2006 (c. 46)*, **ss. 1274(3)**, 1300(1)
- F31** Words in s. 16(5) inserted (8.11.2006) by *Companies Act 2006 (c. 46)*, **ss. 1276(4)(b)**, 1300(1)
- F32** Words in s. 16(5) inserted (8.11.2006) by *Companies Act 2006 (c. 46)*, **ss. 1276(4)(c)**, 1300(1)
- F33** S. 16(6) substituted (8.11.2006) by *Companies Act 2006 (c. 46)*, **ss. 1276(2)**, 1300(1)

Commencement Information

- I2** S. 16 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), **Sch. 1**

17 Levy to pay expenses of bodies concerned with accounting standards etc.

- (1) For the purpose of meeting any part of the expenses of a grant-aided body, the Secretary of State may by regulations provide for a levy to be payable to that body (“the specified recipient”) by bodies or persons which are specified, or are of a description specified, in the regulations.
- (2) For the purposes of this section—
- (a) “grant-aided body” means a body to whom the Secretary of State has paid, or is proposing to pay, grant under section 16; and
 - (b) any expenses of any body carrying on subsidiary activities of the grant-aided body (within the meaning of that section) are to be regarded as expenses of the grant-aided body.
- (3) The power to specify (or to specify descriptions of) bodies or persons must be exercised in such a way that the levy is only payable by—

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

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- (a) bodies corporate to which the Secretary of State considers that any of the activities of the specified recipient, or any of its subsidiary activities, are relevant to a significant extent, or
 - (b) bodies or persons who the Secretary of State considers have a major interest in any of those activities being carried on.
- (4) Regulations under this section may in particular—
- (a) specify the rate of the levy and the period in respect of which it is payable at that rate;
 - (b) make provision as to the times when, and the manner in which, payments are to be made in respect of the levy.
- (5) In determining the rate of the levy payable in respect of a particular period, the Secretary of State—
- (a) must take into account the amount of any grant which is to be or has been made to the specified recipient in respect of that period under section 16;
 - (b) may take into account estimated as well as actual expenses of that body in respect of that period.
- (6) Any amount of levy payable by any body or person is a debt due from the body or person to the specified recipient, and is recoverable accordingly.
- (7) The specified recipient must—
- (a) keep proper accounts in respect of amounts of levy received, and
 - (b) prepare in relation to each levy period a statement of account relating to such amounts in such form and manner as is specified in the regulations.
- (8) Those accounts must be audited, and the statement certified, by persons appointed by the Secretary of State.
- (9) The power to make regulations under this section is exercisable by statutory instrument.
- (10) Regulations to which this subsection applies may not be made unless a draft of the regulations has been laid before, and approved by a resolution of, each House of Parliament.
- (11) Subsection (10) applies to—
- (a) the first regulations under this section, and
 - (b) any other regulations under this section that would result in any change in the bodies or persons by whom the levy is payable.
- (12) Otherwise, any statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.

Commencement Information

I3 S. 17 in force at 1.1.2005 by [S.I. 2004/3322](#), [art. 2\(1\)](#), [Sch. 1](#)

18 Exemption from liability

- (1) Where a grant has been paid by the Secretary of State to a body under section 16, this section prevents any liability in damages arising in respect of certain acts or omissions

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occurring during the period of 12 months beginning with the date on which the grant was paid.

(2) In this section—

“the exemption period” means the period of 12 months mentioned in subsection (1);

“a relevant body” means the body mentioned in that subsection or a body carrying on any subsidiary activities of that body (within the meaning of section 16);

“section 16(2) activities” means activities concerned with any of the matters set out in section 16(2).

(3) Neither a relevant body, nor any person who is (or is acting as) a member, officer or member of staff of a relevant body, is to be liable in damages for anything done, or omitted to be done, during the exemption period for the purposes of or in connection with—

- (a) the carrying on of any section 16(2) activities of the body, or
- (b) the purported carrying on of any such activities.

(4) Subsection (3) does not apply—

- (a) if the act or omission is shown to have been in bad faith; or
- (b) so as to prevent an award of damages in respect of the act or omission on the grounds that it was unlawful as a result of section 6(1) of the Human Rights Act 1998 (c. 42) (acts of public authorities incompatible with Convention rights).

Commencement Information

I4 S. 18 in force at 1.1.2005 by [S.I. 2004/3322](#), art. 2(1), [Sch. 1](#)

CHAPTER 3

DIRECTORS' LIABILITIES

F34F34 ... Relaxation of prohibition on provisions protecting directors etc. from liability

Textual Amendments

F34 S. 19 repealed (1.10.2007 for the repeal of s. 19(1), 6.4.2008 in so far as not already in force) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/2194](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 712Sch. 3 para. 48); [S.I. 2007/3495](#), art. 8(a), [Sch. 2 Pt. 1](#) (with arts. 712)

Commencement Information

I5 S. 19 in force at 6.4.2005 by [S.I. 2004/3322](#), art. 2(2), [Sch. 2](#) (with arts. 4-13)

F3520 Funding of director's expenditure on defending proceedings

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F35 S. 20 repealed (1.10.2007) by Companies Act 2006 (c. 46), s. 1300(2), Sch. 16; S.I. 2007/2194, art. 8, Sch. 2 Pt. 1 (with arts. 7, 12, Sch. 3 para. 48)

Commencement Information

I6 S. 20 in force at 6.4.2005 by S.I. 2004/3322, art. 2(2), Sch. 2 (with arts. 4-13)

CHAPTER 4

INVESTIGATIONS

21 Power to require documents and information

For section 447 of the Companies Act 1985 (c. 6) substitute—

“447 Power to require documents and information

- (1) The Secretary of State may act under subsections (2) and (3) in relation to a company.
- (2) The Secretary of State may give directions to the company requiring it—
 - (a) to produce such documents (or documents of such description) as may be specified in the directions;
 - (b) to provide such information (or information of such description) as may be so specified.
- (3) The Secretary of State may authorise a person (an investigator) to require the company or any other person—
 - (a) to produce such documents (or documents of such description) as the investigator may specify;
 - (b) to provide such information (or information of such description) as the investigator may specify.
- (4) A person on whom a requirement under subsection (3) is imposed may require the investigator to produce evidence of his authority.
- (5) A requirement under subsection (2) or (3) must be complied with at such time and place as may be specified in the directions or by the investigator (as the case may be).
- (6) The production of a document in pursuance of this section does not affect any lien which a person has on the document.
- (7) The Secretary of State or the investigator (as the case may be) may take copies of or extracts from a document produced in pursuance of this section.
- (8) A “document” includes information recorded in any form.
- (9) In relation to information recorded otherwise than in legible form, the power to require production of it includes power to require the production of a copy of

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it in legible form or in a form from which it can readily be produced in visible and legible form.”

Commencement Information

I7 S. 21 in force at 6.4.2005 by S.I. 2004/3322, art. 2(2), Sch. 2 (with arts. 4-13)

22 Protection in relation to certain disclosures

After section 448 of the Companies Act 1985 (c. 6) insert—

“448A Protection in relation to certain disclosures: information provided to Secretary of State

- (1) A person who makes a relevant disclosure is not liable by reason only of that disclosure in any proceedings relating to a breach of an obligation of confidence.
- (2) A relevant disclosure is a disclosure which satisfies each of the following conditions—
 - (a) it is made to the Secretary of State otherwise than in compliance with a requirement under this Part;
 - (b) it is of a kind that the person making the disclosure could be required to make in pursuance of this Part;
 - (c) the person who makes the disclosure does so in good faith and in the reasonable belief that the disclosure is capable of assisting the Secretary of State for the purposes of the exercise of his functions under this Part;
 - (d) the information disclosed is not more than is reasonably necessary for the purpose of assisting the Secretary of State for the purposes of the exercise of those functions;
 - (e) the disclosure is not one falling within subsection (3) or (4).
- (3) A disclosure falls within this subsection if the disclosure is prohibited by virtue of any enactment.
- (4) A disclosure falls within this subsection if—
 - (a) it is made by a person carrying on the business of banking or by a lawyer, and
 - (b) it involves the disclosure of information in respect of which he owes an obligation of confidence in that capacity.
- (5) An enactment includes an enactment—
 - (a) comprised in, or in an instrument made under, an Act of the Scottish Parliament;
 - (b) comprised in subordinate legislation (within the meaning of the Interpretation Act 1978);
 - (c) whenever passed or made.”

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Commencement Information

I8 S. 22 in force at 6.4.2005 by S.I. 2004/3322, art. 2(2), Sch. 2 (with arts. 4-13)

23 Power to enter and remain on premises

After section 453 of the Companies Act 1985 (c. 6) insert—

“453A Power to enter and remain on premises

- (1) An inspector or investigator may act under subsection (2) in relation to a company if—
 - (a) he is authorised to do so by the Secretary of State, and
 - (b) he thinks that to do so will materially assist him in the exercise of his functions under this Part in relation to the company.
- (2) An inspector or investigator may at all reasonable times—
 - (a) require entry to relevant premises, and
 - (b) remain there for such period as he thinks necessary for the purpose mentioned in subsection (1)(b).
- (3) Relevant premises are premises which the inspector or investigator believes are used (wholly or partly) for the purposes of the company’s business.
- (4) In exercising his powers under subsection (2), an inspector or investigator may be accompanied by such other persons as he thinks appropriate.
- (5) A person who intentionally obstructs a person lawfully acting under subsection (2) or (4)—
 - (a) is guilty of an offence, and
 - (b) is liable on conviction to a fine.
- (6) Sections 732 (restriction on prosecutions), 733 (liability of individuals for corporate default) and 734 (criminal proceedings against unincorporated bodies) apply to the offence under subsection (5).
- (7) An inspector is a person appointed under section 431, 432 or 442.
- (8) An investigator is a person authorised for the purposes of section 447.

453B Power to enter and remain on premises: procedural

- (1) This section applies for the purposes of section 453A.
- (2) The requirements of subsection (3) must be complied with at the time an inspector or investigator seeks to enter relevant premises under section 453A(2)
 - (a).
- (3) The requirements are—
 - (a) the inspector or investigator must produce evidence of his identity and evidence of his appointment or authorisation (as the case may be);
 - (b) any person accompanying the inspector or investigator must produce evidence of his identity.

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- (4) The inspector or investigator must, as soon as practicable after obtaining entry, give to an appropriate recipient a written statement containing such information as to—
- (a) the powers of the investigator or inspector (as the case may be) under section 453A;
 - (b) the rights and obligations of the company, occupier and the persons present on the premises,
- as may be prescribed by regulations.
- (5) If during the time the inspector or investigator is on the premises there is no person present who appears to him to be an appropriate recipient for the purposes of subsection (8), the inspector or investigator must as soon as reasonably practicable send to the company—
- (a) a notice of the fact and time that the visit took place, and
 - (b) the statement mentioned in subsection (4).
- (6) As soon as reasonably practicable after exercising his powers under section 453A(2), the inspector or investigator must prepare a written record of the visit and—
- (a) if requested to do so by the company he must give it a copy of the record;
 - (b) in a case where the company is not the sole occupier of the premises, if requested to do so by an occupier he must give the occupier a copy of the record.
- (7) The written record must contain such information as may be prescribed by regulations.
- (8) If the inspector or investigator thinks that the company is the sole occupier of the premises an appropriate recipient is a person who is present on the premises and who appears to the inspector or investigator to be—
- (a) an officer of the company, or
 - (b) a person otherwise engaged in the business of the company if the inspector or investigator thinks that no officer of the company is present on the premises.
- (9) If the inspector or investigator thinks that the company is not the occupier or sole occupier of the premises an appropriate recipient is—
- (a) a person who is an appropriate recipient for the purposes of subsection (8), and (if different)
 - (b) a person who is present on the premises and who appears to the inspector or investigator to be an occupier of the premises or otherwise in charge of them.
- (10) A statutory instrument containing regulations made under this section is subject to annulment in pursuance of a resolution of either House of Parliament.”

Commencement Information

19 S. 23 in force at 6.4.2005 by S.I. 2004/3322, art. 2(2), Sch. 2 (with arts. 4-13)

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

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24 Failure to comply with certain requirements

After section 453B of the Companies Act 1985 (c. 6) (inserted by section 23) insert—

“453C Failure to comply with certain requirements

- (1) This section applies if a person fails to comply with a requirement imposed by an inspector, the Secretary of State or an investigator in pursuance of either of the following provisions—
 - (a) section 447;
 - (b) section 453A.
- (2) The inspector, Secretary of State or investigator (as the case may be) may certify the fact in writing to the court.
- (3) If, after hearing—
 - (a) any witnesses who may be produced against or on behalf of the alleged offender;
 - (b) any statement which may be offered in defence,
 the court is satisfied that the offender failed without reasonable excuse to comply with the requirement, it may deal with him as if he had been guilty of contempt of the court.”

Commencement Information

I10 S. 24 in force at 6.4.2005 by [S.I. 2004/3322](#), art. 2(2), [Sch. 2](#) (with arts. 4-13)

CHAPTER 5

SUPPLEMENTARY

25 Minor and consequential amendments

- (1) Schedule 2 (minor and consequential amendments relating to Part 1) has effect.
- (2) That Schedule has effect subject to the modifications set out in subsection (3)—
 - (a) in relation to England and Wales, in the case of an offence committed before section 154(1) of the Criminal Justice Act 2003 (c. 44) comes into force, and
 - (b) in relation to Scotland.
- (3) The modifications are—
 - (a) the amendment in paragraph 10(2) has effect as if for “12 months” there were substituted “ 6 months ”;
 - (b) the amendment in paragraph 10(3) has effect as if for “12 months”, in both places where it occurs, there were substituted “ 3 months ”;
 - (c) the amendment in paragraph 10(4) has effect as if for “12 months” there were substituted “ 6 months ”;
 - (d) the amendment in paragraph 26(2) has effect as if for “12 months” there were substituted “ 6 months ”; and

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- (e) the amendment in paragraph 26(3) has effect as if for “12 months” there were substituted “ 6 months ”.

Commencement Information

- I11** S. 25 in force at 1.1.2005 for specified purposes by [S.I. 2004/3322](#), art. 2(1), **Sch. 1**
I12 S. 25 in force at 6.4.2005 for specified purposes by [S.I. 2004/3322](#), art. 2(2), **Sch. 2** (with arts. 4-13)
I13 S. 25 in force at 1.7.2005 in so far as not already in force by [S.I. 2004/3322](#), art. 2(3), **Sch. 3**

PART 2

COMMUNITY INTEREST COMPANIES

Modifications etc. (not altering text)

- C1** Pt. 2 modified (1.1.2007 for specified purposes, 20.1.2007 for specified purposes, 6.4.2007 for specified purposes, 1.10.2007 for specified purposes, 1.11.2007 for specified purposes, 15.12.2007 for specified purposes, 6.4.2008 for specified purposes, 1.10.2008 for specified purposes) by [Companies Act 2006 \(c. 46\)](#), ss. 1161-1171, 1173, 1174, 1300(2), **Sch. 7**, **Sch. 8**; [S.I. 2006/3428](#), art. 2(2)(f)(g), 3(2)(c)(d)(3) (with arts. 6,8(2)); [S.I. 2007/1093](#), art. 2(1)(d)(2)(h) (with arts. 4, 6, 8(2),11(1)); [S.I. 2007/2194](#), arts. 2(3)(k), 3(2)(c), 4(2)(a) (with arts. 4, 6, 7, 8(2), 11(1),12,Sch. 1 para. 21); [S.I. 2007/3495](#), arts. 3(1)(o)-(r)(t)(3)(i)(j), 5(3)(b)(c) (with arts. 7, 12)
- C2** Pt. 2 extended (Northern Ireland) (1.1.2007 for specified purposes, 20.1.2007 for specified purposes, 6.4.2007 in so far as not already in force) by [Companies Act 2006 \(c. 46\)](#), **ss. 1284(1)**, 1300(2); [S.I. 2006/3428](#), arts. 2(2)(h), 3(2)(e), 4(3)(c) (with arts. 6, 8(2),Sch. 1 para. 15) (which transitional provisions in Sch. 1 are revoked (1.10.2009) by [S.I. 2008/2860](#), arts. 1(2), 6(1)(a) (with arts. 5, 8, Sch. 2)); [S.I. 2007/1093](#), art. 2(1)(e) (with arts. 3, 4, 7, 11(1), 12); [S.I. 2006/3428](#), arts. 2(2)(h), 3(2)(e), 4(3)(c) (with arts. 6,8(2),Sch. 1 para. 15) (which transitional provisions in Sch. 1 are revoked (1.10.2009) by [S.I. 2008/2860](#), arts. 1(2), 6(1)(a) (with arts. 5, 8, Sch. 2)); [S.I. 2007/1093](#), art. 2(1)(e) (with arts. 3, 4, 7,11(1),12)
- C3** Pt. 2 excluded (20.1.2007 for specified purposes, 6.4.2007 for specified purposes, 1.10.2007 for specified purposes, 6.4.2008 for specified purposes, 1.10.2008 for specified purposes) by [Companies Act 2006 \(c. 46\)](#), **ss. 1129**, 1300(2) (with s. 1133); [S.I. 2006/3428](#), art. 3(2)(b) (with arts. 6,8(2)); [S.I. 2007/1093](#), art. 2(2)(c) (with arts. 4,11(1)); [S.I. 2007/2194](#), art. 2(1)(l)(3)(h) (with arts. 7,12); [S.I. 2007/3495](#), arts. 3(3)(g), 5(3)(a) (with arts. 7, 12)
- C4** Pt. 2 modified (20.1.2007 for specified purposes) by [Companies Act 2006 \(c. 46\)](#), **ss. 583**, 1300(2); [S.I. 2006/3428](#), art. 3(3) (with arts. 6, 8(2))
- C5** Pt. 2 restricted (20.1.2007 for specified purposes) by [Companies Act 2006 \(c. 46\)](#), **ss. 1156(2)**, 1300(2); [S.I. 2006/3428](#), art. 3(3) (with arts. 6,8(2))
- C6** Pt. 2 power to apply (with modifications) conferred (20.1.2007) by [Companies Act 2006 \(c. 46\)](#), **ss. 1043(2)**, 1300(2); [S.I. 2006/3428](#), art. 3(3) (with arts. 6,8(2))
- C7** Pt. 2 modified (20.1.2007 for specified purposes) by [Companies Act 2006 \(c. 46\)](#), **ss. 1081(6)**, 1300(2); [S.I. 2006/3428](#), art. 3(3) (with arts. 6,8(2))
- C8** Pt. 2 power to apply conferred (20.1.2007) by [Companies Act 2006 \(c. 46\)](#), **ss. 1042(1)**, 1300(2); [S.I. 2006/3428](#), art. 3(3) (with arts. 6,8(2))
- C9** Pt. 2 modified (20.1.2007 for specified purposes, 6.4.2007 for specified purposes, 1.10.2007 for specified purposes, 6.4.2008 for specified purposes, 1.10.2008 for specified purposes) by [Companies Act 2006 \(c. 46\)](#), **ss. 1125(1)**, 1300(2) (with s. 1133); [S.I. 2006/3428](#), art. 3(2)(b) (with arts. 6,8(2)); [S.I. 2007/1093](#), art. 2(2)(c) (with arts. 4,11(1)); [S.I. 2007/2194](#), art. 2(1)(l)(3)(h) (with arts. 7, 12); [S.I. 2007/3495](#), arts. 3(3)(g), 5(3)(a) (with arts. 7,12)

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- C10** Pt. 2 modified (20.1.2007 for specified purposes, 6.4.2007 for specified purposes, 1.10.2007 for specified purposes, 6.4.2008 for specified purposes, 1.10.2008 for specified purposes) by Companies Act 2006 (c. 46), **ss. 1131**, 1300(2) (with s. 1133); S.I. 2006/3428, art. 3(2)(b) (with arts. 68(2)); S.I. 2007/1093, art. 2(2)(c) (with arts. 4,11(1)); S.I. 2007/2194, art. 2(1)(l)(3)(h) (with arts. 7,12); S.I. 2007/3495, arts. 3(3)(g), 5(3)(a) (with arts. 7, 12)
- C11** Pt. 2 modified (6.4.2007 for specified purposes, 1.10.2007 for specified purposes, 1.11.2007 for specified purposes, 6.4.2008 for specified purposes) by Companies Act 2006 (c. 46), **ss. 546**, 1300(2); S.I. 2007/1093, art. 2(2)(a) (with arts. 411(1)); S.I. 2007/2194, arts. 2(3)(e), 3(2)(a) (with arts. 712); S.I. 2007/3495, art. 3(3)(d) (with arts. 712)
- C12** Pt. 2 modified (6.4.2007 for specified purposes) by Companies Act 2006 (c. 46), **ss. 558**, 1300(2) (with s. 559); S.I. 2007/1093, art. 2(2)(b) (with arts. 4,11(1))
- C13** Pt. 2 modified (6.4.2007 for specified purposes) by Companies Act 2006 (c. 46), **ss. 1060(3)(4)**, 1300(2); S.I. 2006/3428, art. 4(3)(a) (with arts. 6,8(2))
- C14** Pt. 2 modified (6.4.2007) by The Companies Acts (Unregistered Companies) Regulations 2007 (S.I. 2007/318), regs. 1(2), 4, 5 (with reg. 6)
- C15** Pt. 2 modified (1.10.2007 for specified purposes, 6.4.2008 for specified purposes) by Companies Act 2006 (c. 46), **s. 540(1)(4)**, 1300(2); S.I. 2007/2194, art. 2(3)(c) (with arts. 712); S.I. 2007/3495, art. 3(3)(b) (with arts. 712)
- C16** Pt. 2 modified (1.10.2007) by Companies Act 2006 (c. 46), **ss. 288(1)**, 1300(2) (with s. 281(4)); S.I. 2007/2194, art. 2(1)(f) (with arts. 7, 12, Sch. 1 para. 13, Sch. 3 para. 24) (which transitional provisions in Sch. 1 are amended (6.4.2008) by S.I. 2007/3495, art. 10(1)(b) (with S.I. 2008/674, arts. 2(3), 5, Sch. 3 para. 4) and revoked (1.10.2009) by S.I. 2008/2860, art. 6(1)(c)(2) (with art. 8, Sch. 2))
- C17** Pt. 2 modified (1.10.2007 for specified purposes, 1.11.2007 for specified purposes) by Companies Act 2006 (c. 46), **ss. 1158**, 1300(2); S.I. 2007/2194, arts. 2(3)(i), 3(2)(b) (with arts. 7,12 Sch. 1 para. 21) (which transitional provisions in Sch. 1 are revoked (1.10.2009) by S.I. 2008/2860, art. 6(1)(c)(2) (with art. 8, Sch. 2))
- C18** Pt. 2 modified (1.10.2007 for specified purposes, 6.4.2008 for specified purposes) by Companies Act 2006 (c. 46), **ss. 545**, 1300(2); S.I. 2007/2194, art. 2(3)(d) (with arts. 712); S.I. 2007/3495, art. 3(3)(c) (with arts. 712)
- C19** Pt. 2 modified (1.10.2007 for specified purposes, 6.4.2008 for specified purposes) by Companies Act 2006 (c. 46), **ss. 629**, 1300(2); S.I. 2007/2194, art. 2(3)(g) (with arts. 712); S.I. 2007/3495, art. 3(3)(f) (with arts. 712)
- C20** Pt. 2 modified (1.10.2007 for specified purposes, 6.4.2008 for specified purposes) by Companies Act 2006 (c. 46), **ss. 548**, 1300(2); S.I. 2007/2194, art. 2(3)(f) (with arts. 712); S.I. 2007/3495, art. 3(3)(e) (with arts. 712)
- C21** Pt. 2 modified (6.4.2008) by Companies Act 2006 (c. 46), **ss. 437(3)**, 1300(2); S.I. 2007/3495, art. 3(1)(d) (with arts. 7912 Sch. 4 para. 6)
- C22** Pt. 2 modified (6.4.2008) by Companies Act 2006 (c. 46), **ss. 738**, 1300(2); S.I. 2007/3495, art. 3(1)(g) (with arts. 712)

Introductory

26 Community interest companies

- (1) There is to be a new type of company to be known as the community interest company.
- (2) In accordance with this Part—
 - (a) a company limited by shares or a company limited by guarantee and not having a share capital may be formed as or become a community interest company, and
 - (b) a company limited by guarantee and having a share capital may become a community interest company.

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- (3) A community interest company established for charitable purposes is to be treated as not being so established and accordingly—
- (a) is not [^{F36}an English charity or a Northern Ireland charity], and
 - (b) must not be [^{F37}entered in the Scottish Charity Register].

Textual Amendments

F36 Words in s. 26(3)(a) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 1](#) (with art. 11(1))

F37 Words in s. 26(3)(b) substituted (1.4.2006) by [Charities and Trustee Investment \(Scotland\) Act 2005 \(Consequential Provisions and Modifications\) Order 2006 \(S.I. 2006/242\)](#), art. 1(3), [Sch. para. 8\(2\)](#)

Commencement Information

I14 S. 26 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

27 Regulator

- (1) There is to be an officer known as the Regulator of Community Interest Companies (referred to in this Part as “the Regulator”).
- (2) The Secretary of State must appoint a person to be the Regulator.
- (3) The Regulator has such functions relating to community interest companies as are conferred or imposed by or by virtue of this Act or any other enactment.
- (4) The Regulator must adopt an approach to the discharge of those functions which is based on good regulatory practice, that is an approach adopted having regard to—
 - (a) the likely impact on those who may be affected by the discharge of those functions,
 - (b) the outcome of consultations with, and with organisations representing, community interest companies and others with relevant experience, and
 - (c) the desirability of using the Regulator’s resources in the most efficient and economic way.
- (5) The Regulator may issue guidance, or otherwise provide assistance, about any matter relating to community interest companies.
- (6) The Secretary of State may require the Regulator to issue guidance or otherwise provide assistance about any matter relating to community interest companies which is specified by the Secretary of State.
- (7) Any guidance issued under this section must be such that it is readily accessible to, and capable of being easily understood by, those at whom it is aimed; and any other assistance provided under this section must be provided in the manner which the Regulator considers is most likely to be helpful to those to whom it is provided.
- (8) Schedule 3 (further provisions about the Regulator) has effect.

Commencement Information

I15 S. 27 in force at 1.1.2005 by [S.I. 2004/3322](#), art. 2(1), [Sch. 1](#)

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28 Appeal Officer

- (1) There is to be an officer known as the Appeal Officer for Community Interest Companies (referred to in this Part as “the Appeal Officer”).
- (2) The Secretary of State must appoint a person to be the Appeal Officer.
- (3) The Appeal Officer has the function of determining appeals against decisions and orders of the Regulator which under or by virtue of this Act or any other enactment lie to the Appeal Officer.
- (4) An appeal to the Appeal Officer against a decision or order of the Regulator may be brought on the ground that the Regulator made a material error of law or fact.
- (5) On such an appeal the Appeal Officer must—
 - (a) dismiss the appeal,
 - (b) allow the appeal, or
 - (c) remit the case to the Regulator.
- (6) Where a case is remitted the Regulator must reconsider it in accordance with any rulings of law and findings of fact made by the Appeal Officer.
- (7) Schedule 4 (further provisions about the Appeal Officer) has effect.

Commencement Information

I16 S. 28 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

29 Official Property Holder

- (1) There is to be an officer known as the Official Property Holder for Community Interest Companies (referred to in this Part as “the Official Property Holder”).
- (2) The Regulator must appoint a member of the Regulator’s staff to be the Official Property Holder.
- (3) The Official Property Holder has such functions relating to property of community interest companies as are conferred or imposed by or by virtue of this Act or any other enactment.
- (4) Schedule 5 (further provisions about the Official Property Holder) has effect.

Commencement Information

I17 S. 29 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

Requirements

30 Cap on distributions and interest

- (1) Community interest companies must not distribute assets to their members unless regulations make provision authorising them to do so.

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- (2) If regulations authorise community interest companies to distribute assets to their members, the regulations may impose limits on the extent to which they may do so.
- (3) Regulations may impose limits on the payment of interest on debentures issued by, or debts of, community interest companies.
- (4) Regulations under this section may make provision for limits to be set by the Regulator.
- (5) The Regulator—
 - (a) may set a limit by reference to a rate determined by any other person (as it has effect from time to time), and
 - (b) may set different limits for different descriptions of community interest companies.
- (6) The Regulator must (in accordance with section 27)—
 - (a) undertake appropriate consultation before setting a limit, and
 - (b) in setting a limit, have regard to its likely impact on community interest companies.
- (7) Regulations under this section may include power for the Secretary of State to require the Regulator to review a limit or limits.
- (8) Where the Regulator sets a limit he must publish notice of it in the Gazette.

Commencement Information

I18 S. 30 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

31 Distribution of assets on winding up

- (1) Regulations may make provision for and in connection with the distribution, on the winding up of a community interest company, of any assets of the company which remain after satisfaction of the company's liabilities.
- (2) The regulations may, in particular, amend or modify the operation of any enactment or instrument.

Commencement Information

I19 S. 31 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

32 Memorandum and articles

- (1) The memorandum of a community interest company must state that the company is to be a community interest company.
- (2) [^{F38}Section 7(1) of the 1985 Act or Article 18(1) of the 1986 Order] (articles) applies in relation to a community interest company limited by shares as if it were a company limited by guarantee (so that articles must be registered).
- (3) The memorandum and articles of a community interest company of any description—

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- (a) must at all times include such provisions as regulations require to be included in the memorandum and articles of every community interest company or a community interest company of that description, and
 - (b) must not include such provisions as regulations require not to be so included.
- (4) The provisions required by regulations under subsection (3)(a) to be included in the memorandum or articles of a community interest company may (in particular) include—
- (a) provisions about the transfer and distribution of the company’s assets (including their distribution on a winding up),
 - (b) provisions about the payment of interest on debentures issued by the company or debts of the company,
 - (c) provisions about membership of the company,
 - (d) provisions about the voting rights of members of the company,
 - (e) provisions about the appointment and removal of directors of the company, and
 - (f) provisions about voting at meetings of directors of the company.
- (5) The memorandum and articles of a community interest company are of no effect to the extent that they—
- (a) are inconsistent with provisions required to be included in the memorandum or articles of the company by regulations under subsection (3)(a), or
 - (b) include provisions required not to be included by regulations under subsection (3)(b).
- (6) Regulations may make provision for and in connection with restricting the ability of a community interest company under [^{F39}section 4 of the 1985 Act or Article 15 of the 1986 Order] to alter its memorandum with respect to the statement of its objects.

Textual Amendments

F38 Words in s. 32(2) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 2\(a\)](#) (with art. 11(1))

F39 Words in s. 32(6) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 2\(b\)](#) (with art. 11(1))

Commencement Information

I20 S. 32 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

33 Names

- (1) The name of a community interest company which is not a public company must end with—
- (a) “community interest company”, or
 - (b) “c.i.c.”.
- (2) But the name of such a company may (instead) end with—
- (a) “cwmni buddiant cymunedol”, or
 - (b) “c.b.c.”,

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if the memorandum of the company states that the company's registered office is to be situated in Wales.

(3) The name of a community interest company which is a public company must end with—

- (a) “community interest public limited company”, or
- (b) “community interest p.l.c.”.

(4) But the name of such a company may (instead) end with—

- (a) “cwmni buddiant cymunedol cyhoeddus cyfyngedig”, or
- (b) “cwmni buddiant cymunedol c.c.c.”,

if the memorandum of the company states that the company's registered office is to be situated in Wales.

(5) [^{F40}Section 25 of the 1985 Act or Article 35 of the 1986 Order] (company name to end with “public limited company” or “limited” or equivalent) does not apply to community interest companies.

(6) Schedule 6 (further provisions about names) has effect.

Textual Amendments

F40 Words in s. 33(5) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 3](#) (with art. 11(1))

Commencement Information

I21 S. 33 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

34 Community interest company reports

(1) The directors of a community interest company must prepare in respect of each financial year a report about the company's activities during the financial year (a “community interest company report”).

(2) [^{F41}Regulations must make provision] requiring the directors of a community interest company to deliver to the registrar of companies a copy of the community interest company report.

(3) Regulations—

- (a) must make provision requiring community interest company reports to include information about the remuneration of directors,
- (b) may make provision as to the form of, and other information to be included in, community interest company reports, and
- (c) may apply provisions of ^{F42}...[^{F43} the Companies Act 2006] relating to directors' reports to community interest company reports (with any appropriate modifications).

(4) The registrar of companies must forward to the Regulator a copy of each community interest company report delivered to the registrar by virtue of this section.

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Textual Amendments

- F41** Words in s. 34(2) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 234(2)(a)** (with arts. 6, 11, 12)
- F42** Words in s. 34(3)(c) repealed (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), Sch. 1 para. 234(2)(b), **Sch. 2** (with arts. 6, 11, 12)
- F43** Words in s. 34(3)(c) substituted (1.10.2007) by [Companies Act 2006 \(Commencement No.3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), art. 1(3)(a), **Sch. 4 para. 104** (with art. 12)

Commencement Information

- I22** S. 34 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), **Sch. 3**

35 Community interest test and excluded companies

- (1) This section has effect for the purposes of this Part.
- (2) A company satisfies the community interest test if a reasonable person might consider that its activities are being carried on for the benefit of the community.
- (3) An object stated in the memorandum of a company is a community interest object of the company if a reasonable person might consider that the carrying on of activities by the company in furtherance of the object is for the benefit of the community.
- (4) Regulations may provide that activities of a description prescribed by the regulations are to be treated as being, or as not being, activities which a reasonable person might consider are activities carried on for the benefit of the community.
- (5) “Community” includes a section of the community (whether in ^[F44]the United Kingdom] or anywhere else); and regulations may make provision about what does, does not or may constitute a section of the community.
- (6) A company is an excluded company if it is a company of a description prescribed by regulations.

Textual Amendments

- F44** Words in s. 35(5) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), **Sch. 4 para. 5** (with art. 11(1))

Commencement Information

- I23** S. 35 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), **Sch. 3**

Becoming a community interest company

36 New companies

- (1) If a company is to be formed as a community interest company, the documents delivered to the registrar of companies under ^[F45]section 10 of the 1985 Act or Article 21 of the 1986 Order] (memorandum, articles and statement of names

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and particulars of directors and secretary) must be accompanied by the prescribed formation documents.

- (2) “The prescribed formation documents” means such statutory declarations or other declarations or statements as are required by regulations to accompany the documents delivered under that section, in such form as may be approved in accordance with the regulations.
- (3) On receiving the documents delivered under that section and the prescribed formation documents the registrar of companies must (instead of registering the memorandum and articles)—
 - (a) forward a copy of each of the documents to the Regulator, and
 - (b) retain the documents pending the Regulator’s decision.
- (4) The Regulator must decide whether the company is eligible to be formed as a community interest company.
- (5) A company is eligible to be formed as a community interest company if—
 - (a) the memorandum and articles comply with the requirements imposed by and by virtue of section 32 and the company’s name complies with section 33, and
 - (b) the Regulator, having regard to the documents delivered under [^{F46}section 10 of the 1985 Act or Article 21 of the 1986 Order], the prescribed formation documents and any other relevant considerations, considers that the company will satisfy the community interest test and is not an excluded company.
- (6) The Regulator must give notice of the decision to the registrar of companies (but the registrar is not required to record it).
- (7) If the Regulator gives notice of a decision that the company is eligible to be formed as a community interest company, [^{F47}section 12 of the 1985 Act or Article 23 of the 1986 Order] (registration of memorandum and articles) applies; and if the registrar registers the memorandum and articles he must also retain and record the prescribed formation documents.
- (8) The certificate of incorporation under [^{F48}section 13 of the 1985 Act or Article 24 of the 1986 Order] (effect of registration) is to contain a statement that the company is a community interest company.
- (9) The fact that the certificate of incorporation contains such a statement is conclusive evidence that the company is a community interest company.
- (10) If the Regulator decides that the company is not eligible to be formed as a community interest company, any subscriber to the memorandum may appeal to the Appeal Officer against the decision.

Textual Amendments

- F45** Words in s. 36(1) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 6\(a\)](#) (with art. 11(1))
- F46** Words in s. 36(5)(b) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 6\(a\)](#) (with art. 11(1))

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F47 Words in s. 36(7) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 6\(b\)](#) (with art. 11(1))

F48 Words in s. 36(8) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 6\(c\)](#) (with art. 11(1))

Commencement Information

I24 S. 36 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

37 Existing companies: requirements

- (1) If a company is to become a community interest company, the company must—
- by special resolution alter its memorandum to state that it is to be a community interest company,
 - by special resolutions under [^{F49}the Companies Act 2006] make such alterations of its memorandum and articles as it considers necessary to comply with requirements imposed by and by virtue of section 32 or otherwise appropriate in connection with becoming a community interest company, and
 - by special resolution change its name to comply with section 33.

[^{F50}(2) Section 30 of the Companies Act 2006 (copies of resolutions to be forwarded to the registrar of companies) must be complied with in relation to each of the special resolutions at the same time.]

- (3) If the special resolutions include one under [^{F51}section 4 or 17 of the 1985 Act or Article 15 or 28 of the 1986 Order] (alterations of memorandum)—
- copies of the special resolutions must not be forwarded to the registrar of companies before the relevant date, and
 - [^{F52}section 30(1) of the Companies Act 2006] has effect in relation to them as if it referred to 15 days after the relevant date.

(4) If an application is made under [^{F53}section 5 of the 1985 Act or Article 16 of the 1986 Order] (objection to alteration of memorandum ^{F54}...), the relevant date is—

- the date on which the court determines the application (or, if there is more than one application, the date on which the last to be determined by the court is determined), or
- such later date as the court may order.

(5) If there is no application under [^{F55}section 5 of the 1985 Act or Article 16 of the 1986 Order], the relevant date is the end of the period for making such an application.

(6) The copies of the special resolutions forwarded to the registrar of companies must be accompanied by—

- a copy of the memorandum and articles of the company as altered by the special resolutions, and
- the prescribed conversion documents.

(7) “The prescribed conversion documents” means such statutory declarations or other declarations or statements as are required by regulations to accompany the copies of the special resolutions, in such form as may be approved in accordance with the regulations.

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Textual Amendments

- F49** Words in s. 37(1)(b) substituted (1.10.2007) by Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 1(3)(a), **Sch. 4 para. 105(2)** (with art. 12)
- F50** S. 37(2) substituted (1.10.2007) by Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 1(3)(a), **Sch. 4 para. 105(3)** (with art. 12)
- F51** Words in s. 37(3) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 7(c)** (with art. 11(1))
- F52** Words in s. 37(3)(b) substituted (1.10.2007) by Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 1(3)(a), **Sch. 4 para. 105(4)** (with art. 12)
- F53** Words in s. 37(4) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 7(e)(i)** (with art. 11(1))
- F54** Words in s. 37(4) omitted (6.4.2007) by virtue of The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 7(e)(ii)** (with art. 11(1))
- F55** Words in s. 37(5) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 7(f)** (with art. 11(1))

Commencement Information

- I25** S. 37 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), **Sch. 3**

38 Existing companies: decisions etc.

- (1) On receiving under section 37 the copies of the special resolutions, the memorandum and articles as altered by the special resolutions and the prescribed conversion documents, the registrar of companies must (instead of recording the special resolutions and entering a new name on the register)—
 - (a) forward a copy of each of the documents to the Regulator, and
 - (b) retain the documents pending the Regulator’s decision.
- (2) The alterations of the memorandum and articles made by the special resolutions are to take effect only as provided by this section.
- (3) The Regulator must decide whether the company is eligible to become a community interest company.
- (4) A company is eligible to become a community interest company if—
 - (a) the memorandum and articles as altered by the special resolutions comply with the requirements imposed by and by virtue of section 32 and the company’s name as so altered complies with section 33, and
 - (b) the Regulator, having regard to the special resolutions, the memorandum and articles as altered, the prescribed conversion documents and any other relevant considerations, considers that the company will satisfy the community interest test and is not an excluded company.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (5) The Regulator must give notice of the decision to the registrar of companies (but the registrar is not required to record it).
- (6) If the Regulator gives notice of a decision that the company is eligible to become a community interest company, [^{F56}section 28(6) of the 1985 Act or Article 38(6) of the 1986 Order] (registration of new name) applies; and if the registrar of companies enters the new name of the company on the register the registrar must also retain and record the special resolutions and the prescribed conversion documents.
- (7) On the special resolutions being recorded, the alterations to the company's articles and memorandum made by the special resolutions take effect.
- (8) The certificate of incorporation under [^{F57}section 28(6) of the 1985 Act or Article 38(6) of the 1986 Order] is to contain a statement that the company is a community interest company.
- (9) The fact that the certificate of incorporation contains such a statement is conclusive evidence that the company is a community interest company.
- (10) If the Regulator decides that the company is not eligible to become a community interest company, the company may appeal to the Appeal Officer against the decision.

Textual Amendments

F56 Words in s. 38(6) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 8](#) (with art. 11(1))

F57 Words in s. 38(8) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 8](#) (with art. 11(1))

Commencement Information

I26 S. 38 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

39 Existing companies: [^{F58}English] charities

- (1) A [^{F59}company that is an English charity] may not by special resolution change its name to comply with section 33 without the prior written consent of the [^{F60}Charity Commission].
- (2) If a [^{F59}company that is an English charity] contravenes subsection (1), the [^{F60}Charity Commission] may apply to the High Court for an order quashing any altered certificate of incorporation issued under section 28(6) of [^{F61}the 1985 Act].
- (3) If a [^{F59}company that is an English charity] becomes a community interest company, that does not affect the application of—
 - (a) any property acquired under any disposition or agreement previously made otherwise than for full consideration in money or money's worth, or any property representing property so acquired,
 - (b) any property representing income which has previously accrued, or
 - (c) the income from any such property.

^{F62}(4)

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Textual Amendments

- F58** Words in s. 39 heading inserted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 9\(a\)](#) (with art. 11(1))
- F59** Words in s. 39 substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 9\(b\)](#) (with art. 11(1))
- F60** Words in s. 39(1)(2) substituted (27.2.2007) by [Charities Act 2006 \(c. 50\)](#), s. 79(2), [Sch. 8 para. 201](#); [S.I. 2007/309](#), art. 2, [Sch.](#); [S.I. 2007/309](#), art. 2, [Sch.](#)
- F61** Words in s. 39(2) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 9\(c\)](#) (with art. 11(1))
- F62** S. 39(4) omitted (6.4.2007) by virtue of [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 9\(d\)](#) (with art. 11(1))

Commencement Information

- I27** S. 39 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

40 Existing companies: Scottish charities

- (1) A ^{F63}company that is a Scottish charity] may not become a community interest company.
- (2) If a ^{F63}company that is a Scottish charity] purports by special resolution to change its name to comply with section 33, the Commissioners of Inland Revenue may apply to the Court of Session for an order quashing any altered certificate of incorporation issued under section 28(6) of ^{F64}the 1985 Act].
- (3) Regulations may repeal subsections (1) and (2); and subsections (4) to (7) have effect on and after the day on which regulations under this subsection come into force.
- (4) A ^{F63}Scottish charitable company] may not by special resolution change its name to comply with section 33 without the prior written consent—
 - (a) if the company’s registered office is situated in Scotland, of the Scottish Charity Regulator, or
 - (b) if the company’s registered office is situated in England and Wales (or Wales), of both the Scottish Charity Regulator and the ^{F65}Charity Commission].
- (5) If a ^{F63}company that is a Scottish charity] contravenes subsection (4)(a), the Scottish Charity Regulator may apply to the Court of Session for an order quashing any altered certificate of incorporation issued under section 28(6) of ^{F66}the 1985 Act] (c. 6).
- (6) If a ^{F63}company that is a Scottish charity] contravenes subsection (4)(b), the Scottish Charity Regulator or the ^{F67}Charity Commission] may apply to the High Court for such an order.
- (7) If a ^{F63}company that is a Scottish charity] becomes a community interest company, ^{F68}it shall continue to be under a duty to apply—
 - (a) any property previously acquired, or any property representing property previously acquired,
 - (b) any property representing income which has previously accrued, or

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(c) the income from any such property.

in accordance with its purposes as set out in its entry in the Scottish Charity Register immediately before it became a community interest company.]

F⁶⁹(8)

F⁷⁰(9)

Textual Amendments

- F63** Words in s. 40 substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 10(a)** (with art. 11(1))
- F64** Words in s. 40(2) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 10(b)** (with art. 11(1))
- F65** Words in s. 40(4)(b) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 202**; S.I. 2007/309, art. 2, Sch.
- F66** Words in s. 40(5) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 10(b)** (with art. 11(1))
- F67** Words in s. 40(6) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 202**; S.I. 2007/309, art. 2, Sch.
- F68** Words in s. 40(7) substituted (1.4.2006) by Charities and Trustee Investment (Scotland) Act 2005 (Consequential Provisions and Modifications) Order 2006 (S.I. 2006/242), art. 1(3), **Sch. para. 8(3)(a)**
- F69** S. 40(8) omitted (6.4.2007) by virtue of The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 10(c)** (with art. 11(1))
- F70** S. 40(9) repealed (1.4.2006) by Charities and Trustee Investment (Scotland) Act 2005 (Consequential Provisions and Modifications) Order 2006 (S.I. 2006/242), art. 1(3), **Sch. para. 8(3)(c)**

Commencement Information

- I28** S. 40 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), **Sch. 3**

[^{F71}40A. Existing companies: Northern Ireland charities

- (1) A company that is a Northern Ireland charity may not become a community interest company.
- (2) If a company that is a Northern Ireland charity purports by special resolution to change its name to comply with section 33, the Commissioners of Her Majesty's Revenue and Customs may apply to the High Court for an order quashing any altered certificate of incorporation under Article 38(6) of the 1986 Order .]

Textual Amendments

- F71** S. 40A inserted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 11** (with art. 11(1))

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Supervision by Regulator

41 Conditions for exercise of supervisory powers

- (1) In deciding whether and how to exercise the powers conferred by sections 42 to 51 the Regulator must adopt an approach which is based on the principle that those powers should be exercised only to the extent necessary to maintain confidence in community interest companies.
- (2) No power conferred on the Regulator by—
 - (a) section 45 (appointment of director),
 - (b) section 46 (removal of director),
 - (c) section 47 (appointment of manager), or
 - (d) section 48 (property),
 is exercisable in relation to a community interest company unless the company default condition is satisfied in relation to the power and the company.
- (3) The company default condition is satisfied in relation to a power and a company if it appears to the Regulator necessary to exercise the power in relation to the company because—
 - (a) there has been misconduct or mismanagement in the administration of the company,
 - (b) there is a need to protect the company's property or to secure the proper application of that property,
 - (c) the company is not satisfying the community interest test, or
 - (d) if the company has community interest objects, the company is not carrying on any activities in pursuit of those objects.
- (4) The power conferred on the Regulator by section 49 (transfer of shares etc.) is not exercisable in relation to a community interest company unless it appears to the Regulator that the company is an excluded company.

Commencement Information

I29 S. 41 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

42 Investigation

- (1) The Regulator may—
 - (a) investigate the affairs of a community interest company, or
 - (b) appoint any person (other than a member of the Regulator's staff) to investigate the affairs of a community interest company on behalf of the Regulator.
- (2) Subsection (1)(b) is in addition to paragraph 5 of Schedule 3 (powers of Regulator exercisable by authorised members of staff) and does not affect the application of that paragraph to the Regulator's power under subsection (1)(a).
- (3) Schedule 7 (further provision about investigations under this section) has effect.

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Commencement Information

I30 S. 42 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

43 Audit

- (1) The Regulator may by order require a community interest company to allow the annual accounts of the company to be audited by a qualified auditor appointed by the Regulator.
- (2) A person is a qualified auditor if he is eligible for appointment [^{F72}as a statutory auditor under Part 42 of the Companies Act 2006] .
- (3) [^{F73}Sections 499 to 501 of the Companies Act 2006] (auditor's rights to information) apply in relation to an auditor appointed under this section ^{F74}...
- (4) On completion of the audit the auditor must make a report to the Regulator on such matters and in such form as the Regulator specifies.
- (5) The expenses of the audit, including the remuneration of the auditor, are to be paid by the Regulator.
- (6) An audit under this section is in addition to, and does not affect, any audit required by or by virtue of any other enactment.

Textual Amendments

- F72** Words in s. 43(2) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 31 (with arts. 6, 11, 12)
- F73** Words in s. 43(3) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 234(3) (with arts. 6, 11, 12)
- F74** Words in s. 43(3) repealed (1.10.2007) by Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 1(3)(a), Sch. 4 para. 106, Sch. 5 (with art. 12)

Commencement Information

I31 S. 43 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

44 Civil proceedings

- (1) The Regulator may bring civil proceedings in the name and on behalf of a community interest company.
- (2) Before instituting proceedings under this section the Regulator must give written notice to the company stating—
 - (a) the cause of action,
 - (b) the remedy sought, and
 - (c) a summary of the facts on which the proceedings are to be based.
- (3) Any director of the company may apply to the court for an order—
 - (a) that proposed proceedings are not to be instituted under this section, or
 - (b) that proceedings instituted under this section are to be discontinued.

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- (4) On an application under subsection (3) the court may make such order as it thinks fit.
- (5) In particular the court may (as an alternative to ordering that proposed proceedings are not to be instituted under this section or that proceedings instituted under this section are to be discontinued) order—
 - (a) that the proposed proceedings may be instituted under this section, or the proceedings instituted under this section may be continued, on such terms and conditions as the court thinks fit,
 - (b) that any proceedings instituted by the company are to be discontinued, or
 - (c) that any proceedings instituted by the company may be continued on such terms and conditions as the court thinks fit.
- (6) The Regulator must indemnify the company against any costs (or expenses) incurred by it in connection with proceedings brought under this section.
- (7) Any costs (or expenses)—
 - (a) awarded to the company in connection with proceedings brought under this section, or
 - (b) incurred by the company in connection with the proceedings and which it is agreed should be paid by a defendant (or defender),
 are to be paid to the Regulator.

Commencement Information

I32 S. 44 in force at 1.7.2005 by [S.I. 2004/3322, art. 2\(3\)](#), [Sch. 3](#)

45 Appointment of director

- (1) The Regulator may by order appoint a director of a community interest company.
- (2) The person appointed may be anyone whom the Regulator thinks appropriate, other than a member of the Regulator's staff.
- (3) A person may be appointed as a director of a company under this section—
 - (a) whether or not the person is a member of the company, and
 - (b) irrespective of any provision made by the memorandum or articles of the company or a resolution of the company^{F75}
- (4) An order appointing a person to be a director of a company under this section must specify the terms on which the director is to hold office; and those terms have effect as if contained in a contract between the director and the company.
- (5) The terms specified must include the period for which the director is to hold office, and may include terms as to the remuneration of the director by the company.
- (6) A director appointed under this section has all the powers of the directors appointed by the company (including powers exercisable only by a particular director or class of directors).
- (7) A director appointed under this section may not be removed by the company, but may be removed by the Regulator at any time.
- (8) Where—

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- (a) a person is appointed to be a director of the company under this section, or
- (b) a person so appointed ceases to be a director of the company,
- the obligation which would otherwise be imposed on the company under [F76 section 288(2) of the 1985 Act or Article 296(2) of the 1986 Order] (requirement that company notify change among directors to registrar) is instead an obligation of the Regulator.
- (9) But if subsection (10) applies, section 288(2) [F77 or Article 296(2)] applies as if the period within which the Regulator must send a notification to the registrar of companies is 14 days from the date on which the Regulator receives notification under that subsection.
- (10) Where a person appointed to be a director of the company under this section ceases to be a director of the company (otherwise than by removal under subsection (7)), the company must give notification of that fact to the Regulator in a form approved by the Regulator before the end of the period of 14 days beginning with the date on which the person ceases to be a director.
- (11) If the company fails to comply with subsection (10) it commits an offence.
- (12) A person guilty of an offence under subsection (11) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (13) The company may appeal to the Appeal Officer against an order under this section.

Textual Amendments

- F75** Words in s. 45(3)(b) repealed (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), Sch. 1 para. 234(4), [Sch. 2](#) (with arts. 6, 11, 12)
- F76** Words in s. 45(8) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 13\(a\)](#) (with art. 11(1))
- F77** Words in s. 45(9) inserted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 13\(b\)](#) (with art. 11(1))

Commencement Information

- I33** S. 45 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

46 Removal of director

- (1) The Regulator may by order remove a director of a community interest company.
- (2) If a person has been removed under subsection (1)—
- (a) the company may not subsequently appoint him a director of the company, and
- (b) any assignment to the person of the office of director of the company is of no effect (even if approved by special resolution of the company).
- (3) The Regulator may by order suspend a director of the company pending a decision whether to remove him.
- (4) The maximum period for which a director may be suspended under subsection (3) is one year.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

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- (5) If the Regulator suspends a director under subsection (3) the Regulator may give directions in relation to the performance of the director's functions.
- (6) The Regulator may discharge an order made under subsection (1).
- (7) The discharge of an order made under subsection (1) does not reinstate the person removed by the order as a director of the company, but on the discharge of the order subsection (2) ceases to apply to the person.
- (8) The Regulator must from time to time review any order made under subsection (3) and, if it is appropriate to do so, discharge the order.
- (9) Before making an order under subsection (1) or (3) in relation to a director, the Regulator must give at least 14 days' notice to—
 - (a) the director, and
 - (b) the company.
- (10) Where an order is made in relation to a director under subsection (1) or (3) the director may appeal against the order—
 - (a) in England and Wales [^{F78}or Northern Ireland], to the High Court, or
 - (b) in Scotland, to the Court of Session.
- (11) The Regulator must, before the end of the period of 14 days beginning with the date on which—
 - (a) an order under subsection (1) is made or discharged,
 - (b) an order under subsection (3) is made or discharged or expires, or
 - (c) an order under subsection (1) or (3) is quashed on appeal,
 give notification of that event to the registrar of companies in a form approved by the registrar of companies.
- (12) Where subsection (11) imposes an obligation to notify the registrar of companies of an event, [^{F79}section 288(2) of the 1985 Act or Article 296(2) of the 1986 Order] (requirement that company notify change among directors to registrar) does not apply in respect of the event.

Textual Amendments

- F78** Words in s. 46(10)(a) inserted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 14\(a\)](#) (with art. 11(1))
- F79** Words in s. 46(12) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 14\(b\)](#) (with art. 11(1))

Commencement Information

- I34** S. 46 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

47 Appointment of manager

- (1) The Regulator may by order appoint a manager in respect of the property and affairs of a community interest company.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

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- (2) The person appointed may be anyone whom the Regulator thinks appropriate, other than a member of the Regulator's staff.
- (3) An order under subsection (1) may make provision as to the functions to be exercised by, and the powers of, the manager.
- (4) The order may in particular provide—
 - (a) for the manager to have such of the functions of the company's directors as are specified in the order, and
 - (b) for the company's directors to be prevented from exercising any of those functions.
- (5) In carrying out his functions the manager acts as the company's agent; and a person dealing with the manager in good faith and for value need not inquire whether the manager is acting within his powers.
- (6) The appointment of the manager does not affect—
 - (a) any right of any person to appoint a receiver or manager of the company's property (including any right under section 51 of the Insolvency Act 1986 (c. 45) [^{F80}(power to appoint receiver under law of Scotland)]), or
 - (b) the rights of a receiver or manager appointed by a person other than the Regulator.
- (7) The manager's functions are to be discharged by him under the supervision of the Regulator; and the Regulator must from time to time review the order by which the manager is appointed and, if it is appropriate to do so, discharge it in whole or in part.
- (8) In particular, the Regulator must discharge the order on the appointment of a person to act as administrative receiver, administrator, provisional liquidator or liquidator of the company.
- (9) The Regulator may apply to the court for directions in relation to any matter arising in connection with the manager's functions or powers.
- (10) On an application under subsection (9) the court may give such directions or make such orders as it thinks fit.
- (11) The costs of any application under subsection (9) are to be paid by the company.
- (12) Regulations may authorise the Regulator—
 - (a) to require a manager to make reports,
 - (b) to require a manager to give security (or, in Scotland, to find caution) for the due exercise of the manager's functions, and
 - (c) to remove a manager in circumstances prescribed by the regulations.
- (13) Regulations may—
 - (a) provide for a manager's remuneration to be payable from the property of the company, and
 - (b) authorise the Regulator to determine the amount of a manager's remuneration and to disallow any amount of remuneration in circumstances prescribed by the regulations.
- (14) The company may appeal to the Appeal Officer against an order under this section.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F80 Words in s. 47(6)(a) inserted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 15](#) (with art. 11(1))

Commencement Information

I35 S. 47 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

48 Property

- (1) The Regulator may by order—
 - (a) vest in the Official Property Holder any property held by or in trust for a community interest company, or
 - (b) require persons in whom such property is vested to transfer it to the Official Property Holder.
- (2) The Regulator—
 - (a) may order a person who holds property on behalf of a community interest company, or on behalf of a trustee of a community interest company, not to part with the property without the Regulator’s consent, and
 - (b) may order any debtor of a community interest company not to make any payment in respect of the debtor’s liability to the company without the Regulator’s consent.
- (3) The Regulator may by order restrict—
 - (a) the transactions which may be entered into by a community interest company, or
 - (b) the nature or amount of the payments that a community interest company may make,

and the order may in particular provide that transactions may not be entered into or payments made without the Regulator’s consent.
- (4) The vesting or transfer of property under subsection (1) does not constitute a breach of a covenant or condition against alienation, and no right listed in subsection (5) operates or becomes exercisable as a result of the vesting or transfer.
- (5) The rights are—
 - (a) a right of reverter (or, in Scotland, the right of the fiar on the termination of a liferent),
 - (b) a right of pre-emption,
 - (c) a right of forfeiture,
 - (d) a right of re-entry,
 - (e) a right of irritancy,
 - (f) an option, and
 - (g) any right similar to those listed in paragraphs (a) to (f).
- (6) The Regulator must from time to time review any order under this section and, if it is appropriate to do so, discharge the order in whole or in part.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (7) On discharging an order under subsection (1) the Regulator may make any order as to the vesting or transfer of the property, and give any directions, which he considers appropriate.
- (8) If a person fails to comply with an order under subsection (1)(b), the Regulator may certify that fact in writing to the court.
- (9) If, after hearing—
- (a) any witnesses who may be produced against or on behalf of the alleged offender, and
 - (b) any statement which may be offered in defence,
- the court is satisfied that the offender failed without reasonable excuse to comply with the order, it may deal with him as if he had been guilty of contempt of the court.
- (10) A person who contravenes an order under subsection (2) or (3) commits an offence, but a prosecution may be instituted^{F81}—
- (a) in England and Wales, only with the consent of the Regulator or the Director of Public Prosecutions;
 - (b) in Northern Ireland, only with the consent of the Regulator or the Director of Public Prosecutions for Northern Ireland.]
- (11) A person guilty of an offence under subsection (10) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (12) Subsections (8) to (10) do not prevent the bringing of civil proceedings in respect of a contravention of an order under subsection (1)(b), (2) or (3).
- (13) The company and any person to whom the order is directed may appeal to the Appeal Officer against an order under subsection (1) or (2).
- (14) The company may appeal to the Appeal Officer against an order under subsection (3).

Textual Amendments

F81 Words in s. 48(10) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 16](#) (with art. 11(1))

Commencement Information

I36 S. 48 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

49 Transfer of shares etc.

- (1) If a community interest company has a share capital, the Regulator may by order transfer specified shares in the company to specified persons.
- (2) If a community interest company is a company limited by guarantee, the Regulator may by order—
- (a) extinguish the interests in the company of specified members of the company (otherwise than as shareholders), and
 - (b) appoint a new member in place of each member whose interest has been extinguished.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) An order under subsection (1) may not transfer any shares in respect of which—
 - (a) a dividend may be paid, or
 - (b) a distribution of the company’s assets may be made if the company is wound up.
- (4) An order under this section in relation to a company—
 - (a) may only transfer shares to, and appoint as new members, persons who have consented to the transfer or appointment, and
 - (b) may be made irrespective of any provision made by the memorandum or articles of the company or a resolution of the company in general meeting.
- (5) The company and any person from whom shares are transferred by the order may appeal to the Appeal Officer against an order under subsection (1).
- (6) The company and any person whose interest is extinguished by the order may appeal to the Appeal Officer against an order under subsection (2).
- (7) “Specified”, in relation to an order, means specified in the order.

Commencement Information

I37 S. 49 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

50 Petition for winding up

- (1) The Regulator may present a petition for a community interest company to be wound up if the court is of the opinion that it is just and equitable that the company should be wound up.
- (2) Subsection (1) does not apply if the company is already being wound up by the court.
- (3) In section 124 of the Insolvency Act 1986 (c. 45) (application for winding up), after subsection (4) insert—

“(4A) A winding-up petition may be presented by the Regulator of Community Interest Companies in a case falling within section 50 of the Companies (Audit, Investigations and Community Enterprise) Act 2004.”

Commencement Information

I38 S. 50 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

51 Dissolution and striking off

- (1) If a community interest company has been dissolved, the Regulator may apply under [^{F82}section 651 of the 1985 Act or Article 602 of the 1986 Order] for an order declaring the dissolution to have been void.
- (2) If a community interest company has been struck off the register under [^{F83}section 652 of the 1985 Act or Article 603 of the 1986 Order] (defunct companies), the Regulator may apply under [^{F84}section 653(2) of the 1985 Act or Article 604(2) of the 1986 Order] for an order that the company’s name be restored.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) If an application under [F85 section 652A of the 1985 Act or Article 603A of the 1986 Order] (application to strike name of private company off register) is made on behalf of a community interest company, [F86 section 652B(6) of the 1985 Act or Article 603B(6) of the 1986 Order] (persons to be notified of application) is to be treated as also requiring a copy of the application to be given to the Regulator.

Textual Amendments

- F82** Words in s. 51(1) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 17\(a\)](#) (with art. 11(1))
- F83** Words in s. 51(2) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 17\(b\)\(i\)](#) (with art. 11(1))
- F84** Words in s. 51(2) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 17\(b\)\(ii\)](#) (with art. 11(1))
- F85** Words in s. 51(3) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 17\(c\)\(i\)](#) (with art. 11(1))
- F86** Words in s. 51(3) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 17\(c\)\(ii\)](#) (with art. 11(1))

Commencement Information

- I39** S. 51 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

Change of status

52 Re-registration

- (1) A community interest company is excluded from re-registering under [F87 section 49 of the 1985 Act or Article 59 of the 1986 Order] (re-registration of limited company as unlimited).
- (2) If a community interest company which is not a public company re-registers as a public company under [F88 section 43 of the 1985 Act or Article 53 of the 1986 Order], or a community interest company which is a public company re-registers as a private company under [F89 section 53 of the 1985 Act or Article 63 of the 1986 Order], the certificate of incorporation issued under [F90 section 47(1)(b) or 55(1)(b) of the 1985 Act or Article 57(1)(b) or 65(1)(b) of the 1986 Order] is to contain a statement that the company is a community interest company.
- (3) The fact that the certificate of incorporation contains such a statement is conclusive evidence that the company is a community interest company.

Textual Amendments

- F87** Words in s. 52(1) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 18\(a\)](#) (with art. 11(1))

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- F88** Words in s. 52(2) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 18\(b\)\(i\)](#) (with art. 11(1))
- F89** Words in s. 52(2) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 18\(b\)\(ii\)](#) (with art. 11(1))
- F90** Words in s. 52(2) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 18\(b\)\(iii\)](#) (with art. 11(1))

Commencement Information

- I40** S. 52 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

53 Ceasing to be a community interest company

A community interest company may not cease to be a community interest company except by dissolution or as provided—

- (a) by sections 54 and 55 (becoming a charity ^{F91}...), or
- (b) if regulations are made under section 56 (becoming an industrial and provident society), by the regulations.

Textual Amendments

- F91** Words in s. 53(a) repealed (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 234\(5\)](#), [Sch. 2](#) (with arts. 6, 11, 12)

Modifications etc. (not altering text)

- C23** Ss. 53-55 power to apply or disapply conferred by 1993 c. 10, s. 69J (as inserted (27.2.2007) by [Charities Act 2006 \(c. 50\)](#), s. 79(2), [Sch. 7 para. 1](#); [S.I. 2007/309](#), art. 2, [Sch.](#))

Commencement Information

- I41** S. 53 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

54 Becoming a charity ^{F92}...: requirements

- (1) If a community interest company is to cease being a community interest company and become a charity ^{F93}..., the company must—
 - (a) by special resolution alter its memorandum so that it does not state that it is to be a community interest company,
 - (b) by special resolutions under [^{F94}the Companies Act 2006] make such alterations of its memorandum and articles as it considers appropriate, and
 - (c) by special resolution change its name so that it does not comply with section 33.
- [^{F95}(2) Section 30 of the Companies Act 2006 (copies of resolutions to be forwarded to the registrar of companies) must be complied with in relation to each of the special resolutions at the same time.]
- (3) If the special resolutions include one under [^{F96}section 4 or 17 of the 1985 Act or Article 15 or 28 of the 1986 Order] (alterations of memorandum)—

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) copies of the special resolutions must not be forwarded to the registrar of companies before the relevant date, and
 - (b) [^{F97}section 30(1) of the Companies Act 2006] has effect in relation to them as if it referred to 15 days after the relevant date.
- (4) If an application is made under [^{F98}section 5 of the 1985 Act or Article 16 of the 1986 Order] (objection to alteration of memorandum ^{F99}...), the relevant date is—
- (a) the date on which the court determines the application (or, if there is more than one application, the date on which the last to be determined by the court is determined), or
 - (b) such later date as the court may order.
- (5) If there is no application under [^{F100}section 5 of the 1985 Act or Article 16 of the 1986 Order], the relevant date is the end of the period for making such an application.
- (6) The copies of the special resolutions forwarded to the registrar of companies must be accompanied by—
- (a) a copy of the memorandum and articles of the company as altered by the special resolutions, and
 - [^{F101}(b) the statement required by subsection (7), (8) or (8A).]
- [^{F102}(7) The statement required where the company is to become an English charity is a statement by the Charity Commissioners that, in their opinion, if the special resolutions take effect and the company ceases to be a community interest company, the company will be an English charity and will not be an exempt charity.
“Exempt charity” here has the same meaning as in the Charities Act 1993 (see section 96 of that Act).]
- [^{F102}(8) The statement required where the company is to become a Scottish charity is a statement by the Scottish Charity Regulator that, if the special resolutions take effect and the company ceases to be a community interest company, the company will be entered in the Scottish Charity Register.]
- [^{F103}(8A) The statement required where the company is to become a Northern Ireland charity is a statement by the Commissioners of Her Majesty’s Revenue and Customs that the company has claimed exemption under section 505(1) of the Income and Corporation Taxes Act 1988.]
- ^{F104}(9)

Textual Amendments

- F92** Words in s. 54 heading omitted (6.4.2007) by virtue of [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 19\(2\)](#) (with art. 11(1))
- F93** Words in s. 54(1) omitted (6.4.2007) by virtue of [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 19\(2\)](#) (with art. 11(1))
- F94** Words in s. 54(1)(b) substituted (1.10.2007) by [Companies Act 2006 \(Commencement No.3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), art. 1(3)(a), [Sch. 4 para. 107\(2\)](#) (with art. 12)
- F95** S. 54(2) substituted (1.10.2007) by [Companies Act 2006 \(Commencement No.3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), art. 1(3)(a), [Sch. 4 para. 107\(3\)](#) (with art. 12)

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- F96** Words in s. 54(3) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 19(5)(a)** (with art. 11(1))
- F97** Words in s. 54(3)(b) substituted (1.10.2007) by Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 1(3)(a), **Sch. 4 para. 107(4)** (with art. 12)
- F98** Words in s. 54(4) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 19(6)(a)** (with art. 11(1))
- F99** Words in s. 54(4) omitted (6.4.2007) by virtue of The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 19(6)(b)** (with art. 11(1))
- F100** Words in s. 54(5) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 19(7)** (with art. 11(1))
- F101** S. 54(6)(b) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 19(8)** (with art. 11(1))
- F102** S. 54(7)(8) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 19(9)** (with art. 11(1))
- F103** S. 54(8A) inserted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 19(10)** (with art. 11(1))
- F104** S. 54(9) omitted (6.4.2007) by virtue of The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 19(11)** (with art. 11(1))

Modifications etc. (not altering text)

- C23** Ss. 53-55 power to apply or disapply conferred by 1993 c. 10, s. 69J (as inserted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 7 para. 1**; S.I. 2007/309, art. 2, Sch.)

Commencement Information

- I42** S. 54 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), **Sch. 3**

55 Becoming a charity^{F105} ...: decisions etc.

- (1) On receiving under section 54 the copies of the special resolutions, the memorandum and articles as altered by the special resolutions and the statement, the registrar must (instead of recording the special resolutions and entering a new name on the register)
 - (a) forward a copy of each of the documents to the Regulator, and
 - (b) retain them pending the Regulator's decision.
- (2) The alterations of the memorandum and articles made by the special resolutions are to take effect only as provided by this section.
- (3) The Regulator must decide whether the company is eligible to cease being a community interest company.
- (4) The company is eligible to cease being a community interest company if it has complied with section 54 and none of the following applies—

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- (a) the Regulator has under section 43 appointed an auditor to audit the company's annual accounts and the audit has not been completed,
 - (b) civil proceedings instituted by the Regulator in the name of the company under section 44 have not been determined or discontinued,
 - (c) a director of the company holds office by virtue of an order under section 45,
 - (d) a director of the company is suspended under section 46(3),
 - (e) there is a manager in respect of the property and affairs of the company appointed under section 47,
 - (f) the Official Property Holder holds property as trustee for the company,
 - (g) an order under section 48(2) or (3) is in force in relation to the company,
 - (h) a petition has been presented for the company to be wound up.
- (5) The Regulator must give notice of the decision to the registrar of companies (but the registrar is not required to record it).
- (6) If the Regulator gives notice of a decision that the company is eligible to cease being a community interest company, [F106 section 28(6) of the 1985 Act or Article 38(6) of the 1986 Order] (registration of new name) applies; and if the registrar of companies enters the new name of the company on the register he must also retain and record the special resolutions and the statement.
- (7) On the date on which the certificate of incorporation is issued the alterations to the company's articles and memorandum made by the special resolutions take effect and the company ceases to be a community interest company.
- (8) If the Regulator decides that the company is not eligible to cease being a community interest company, the company may appeal to the Appeal Officer against the decision.

Textual Amendments

F105 Words in s. 55 heading omitted (6.4.2007) by virtue of [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 20\(a\)](#) (with art. 11(1))

F106 Words in s. 55(6) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 20\(b\)](#) (with art. 11(1))

Modifications etc. (not altering text)

C23 Ss. 53-55 power to apply or disapply conferred by 1993 c. 10, s. 69J (as inserted (27.2.2007) by [Charities Act 2006 \(c. 50\)](#), s. 79(2), [Sch. 7 para. 1](#); S.I. 2007/309, art. 2, [Sch.](#))

Commencement Information

I43 S. 55 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

56 Becoming an industrial and provident society

- (1) Unless regulations make provision to the contrary, a community interest company may not convert itself into a registered society under section 53 of the Industrial and Provident Societies Act 1965 (c. 12) [F107 or section 62 of the Industrial and Provident Societies Act (Northern Ireland) 1969].

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) If regulations make provision allowing the conversion of community interest companies under that section they may include provision modifying that section in its application by virtue of the regulations.

Textual Amendments

F107 Words in s. 56(1) inserted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 21](#) (with art. 11(1))

Commencement Information

I44 S. 56 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

Supplementary

57 Fees

- (1) Regulations may require the payment of such fees in connection with the Regulator's functions as may be specified in the regulations.
- (2) The regulations may provide for fees to be paid to the registrar of companies (rather than to the Regulator).
- (3) The Regulator may charge a fee for any service which is provided otherwise than in pursuance of an obligation imposed by law, other than the provision of guidance which the Regulator considers to be of general interest.
- (4) Fees paid by virtue of this section are to be paid into the Consolidated Fund.

Commencement Information

I45 S. 57 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

58 Extension of provisions about registrar etc.

Regulations may make amendments or modifications of any provision contained in—

- (a) [^{F108}Part 24 of the 1985 Act or Part 24 of the 1986 Order] (registrar), or
- (b) [^{F109}Part 25 of the 1985 Act or Part 25 of the 1986 Order] (miscellaneous and supplementary),

in consequence of any provision contained in, or made under, this Part (in particular, so as to provide that references to the Companies Acts are to include provisions contained in, or made under, this Part).

Textual Amendments

F108 Words in s. 58(a) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 22\(a\)](#) (with art. 11(1))

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

F109 Words in s. 58(b) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 22\(b\)](#) (with art. 11(1))

Commencement Information

I46 S. 58 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

59 Information

- (1) Regulations may require the registrar of companies—
 - (a) to notify the Regulator of matters specified in the regulations, and
 - (b) to provide the Regulator with copies of documents specified in the regulations.
- (2) After section 71 of the Bankruptcy (Scotland) Act 1985 (c. 66) insert—

“71A Further duty of Accountant in Bankruptcy

The Accountant in Bankruptcy shall, on receiving any notice under section 109(1) of the Insolvency Act 1986 in relation to a community interest company, forward a copy of that notice to the Regulator of Community Interest Companies.”

- (3) In section 31(2) of the Data Protection Act 1998 (c. 29) (restricted access to data processed for specified purposes)—
 - (a) in paragraphs (b), (c) and (d), after “charities” insert “ or community interest companies ”, and
 - (b) in paragraph (b), after “trustees” insert “ , directors ”.
- (4) A public authority may disclose to the Regulator, for any purpose connected with the exercise of the Regulator’s functions, information received by the authority in connection with its functions.
- (5) The Regulator may disclose to a public authority any information received by the Regulator in connection with the functions of the Regulator—
 - (a) for a purpose connected with the exercise of those functions, or
 - (b) for a purpose connected with the exercise by the authority of its functions.
- (6) In deciding whether to disclose information to a public authority in a country or territory outside the United Kingdom the Regulator must have regard to the considerations listed in section 243(6) of the Enterprise Act 2002 (c. 40) (overseas disclosures), but as if the reference to information of a kind to which section 237 of that Act applies were to information of the kind the Regulator is considering disclosing.
- (7) The powers to disclose information in subsections (4) and (5) are subject to—
 - (a) any restriction on disclosure imposed by or by virtue of an enactment, and
 - (b) any express restriction on disclosure subject to which information was supplied.
- (8) Information may be disclosed under subsection (4) or (5) subject to a restriction on its further disclosure.
- (9) A person who discloses information in contravention of a restriction imposed under subsection (8) is guilty of an offence, but a prosecution may be instituted^{F110}—

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) in England and Wales, only with the consent of the Regulator or the Director of Public Prosecutions;
 - (b) in Northern Ireland, only with the consent of the Regulator or the Director of Public Prosecutions for Northern Ireland.]
- (10) A person guilty of an offence under subsection (9) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (11) “Public authority” means a person or body having functions of a public nature.

Textual Amendments

F110 Words in s. 59(9) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 23](#) (with art. 11(1))

Commencement Information

I47 S. 59 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

60 Offences

- (1) If an offence under this Part committed by a body corporate is proved—
- (a) to have been committed with the consent or connivance of an officer, or
 - (b) to be attributable to any neglect on the part of an officer,
- the officer as well as the body corporate is guilty of the offence and liable to be proceeded against and punished accordingly.
- (2) “Officer” means a director, manager, secretary or other similar officer of the body corporate, or a person purporting to act in any such capacity.
- (3) “Director”—
- (a) includes a shadow director, and
 - (b) if the affairs of a body corporate are managed by its members, means a member of the body.

Commencement Information

I48 S. 60 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

61 Orders made by Regulator

- (1) An order made by the Regulator under this Part must be given to the community interest company in relation to which it is made and—
- (a) if the order is under section 46(1) or (3), to the director removed or suspended,
 - (b) if the order is under section 48(1)(b) or (2), to the person to whom the order is directed,
 - (c) if the order is under section 49(1), to the persons from and to whom shares are transferred,
 - (d) if the order is under section 49(2), to the person whose interest is extinguished and any person appointed in his place.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) Orders made by the Regulator under or by virtue of this Part may contain any incidental or supplementary provisions the Regulator considers expedient.
- (3) When discharging an order made under or by virtue of this Part, the Regulator may make savings and transitional provisions.
- (4) A document certified by the Regulator to be a true copy of an order made by the Regulator is evidence of the order without further proof; and a document purporting to be so certified shall, unless the contrary is proved, be taken to be so certified.
- (5) Where the Regulator makes an order or decision against which an appeal lies under or by virtue of this Part, the Regulator must give reasons for the order or decision to the persons entitled to appeal against it.

Commencement Information

I49 S. 61 in force at 1.7.2005 by [S.I. 2004/3322](#), [art. 2\(3\)](#), [Sch. 3](#)

62 Regulations

- (1) Any power to make regulations under this Part is exercisable by the Secretary of State by statutory instrument.
- (2) Regulations under this Part may make different provision for different cases.
- (3) Regulations under this Part may confer or impose functions on the Regulator or any other person specified in the regulations (and, unless made under paragraph 4 of Schedule 4, may provide for appeals to the Appeal Officer from a person on whom functions are conferred by the regulations).
- (4) No regulations to which this subsection applies are to be made unless a draft of the statutory instrument containing the regulations (whether or not together with other provisions) has been laid before, and approved by a resolution of, each House of Parliament.
- (5) Subsection (4) applies to regulations under—
 - (a) section 30,
 - (b) section 31,
 - (c) section 32,
 - (d) section 34,
 - (e) section 35,
 - (f) section 36,
 - (g) section 37,
 - (h) section 47, and
 - (i) section 56.
- (6) A statutory instrument containing regulations under this Part is (unless a draft of it has been approved by each House of Parliament under subsection (4)) subject to annulment in pursuance of a resolution of either House of Parliament.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Commencement Information

I50 S. 62 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

63 Interpretation

(1) In this Part—

“administrative receiver” has the meaning^[F111]—

(a) in England and Wales or Scotland, by section 251 of the Insolvency Act 1986, and

(b) in Northern Ireland, by Article 5 of the Insolvency (Northern Ireland) Order 1989;]

“the Appeal Officer” has the meaning given by section 28(1),

^[F112]“charity” means an English charity, a Scottish charity or a Northern Ireland charity, as defined below;]

“community interest object” is to be construed in accordance with section 35(3),

“the community interest test” is to be construed in accordance with section 35(2),

“enactment” includes an Act of the Scottish Parliament,

^[F113]“English charity” means a charity within the meaning of the Charities Act 1993 (see section 96 of that Act);]

“excluded company” is to be construed in accordance with section 35(6),

^[F113]“the Gazette” has the meaning given by section 1173 of the Companies Act 2006;]

^[F113]“Northern Ireland charity” means a charity within the meaning of the Charities Act (Northern Ireland) 1964 (see section 35 of that Act);]

“the Official Property Holder” has the meaning given by section 29(1),

“the Regulator” has the meaning given by section 27(1), and

^[F114]“Scottish charity” means a body entered in the Scottish Charity Register.]

^[F113] “the 1985 Act ” means the Companies Act 1985;]

^[F113] “the 1986 Order ” means the Companies (Northern Ireland) Order 1986;

]

^[F115](2) In England and Wales or Scotland, any expression used in this Part and in the 1985 Act has the same meaning in this Part as in that Act.

(3) In Northern Ireland, any expression used in this Part and in the 1986 Order has the same meaning in this Part as in that Order.]

Textual Amendments

F111 Words in s. 63(1) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 24\(2\)](#) (with art. 11(1))

F112 Words in s. 63(1) substituted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), [Sch. 4 para. 24\(3\)](#) (with art. 11(1))

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- F113** Words in s. 63(1) inserted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 24(4)** (with art. 11(1))
- F114** Words in s. 63(1) substituted (1.4.2006) by Charities and Trustee Investment (Scotland) Act 2005 (Consequential Provisions and Modifications) Order 2006 (S.I. 2006/242), art. 1(3), **Sch. para. 8(5)**
- F115** S. 63(2)(3) substituted for s. 63(2) (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 24(5)** (with art. 11(1))

Commencement Information

- I51** S. 63 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), **Sch. 3**

PART 3

SUPPLEMENTARY

64 Repeals and revocations

Schedule 8 (repeals and revocations) has effect.

Commencement Information

- I52** S. 64 in force at 1.1.2005 for specified purposes by S.I. 2004/3322, art. 2(1), **Sch. 1**
- I53** S. 64 in force at 6.4.2005 for specified purposes by S.I. 2004/3322, art. 2(2), **Sch. 2** (with arts. 4-13)
- I54** S. 64 in force at 1.7.2005 for specified purposes by S.I. 2004/3322, art. 2(3), **Sch. 3**
- I55** S. 64 in force at 1.10.2005 in so far as not already in force by S.I. 2004/3322, art. 2(4), **Sch. 4**

65 Commencement etc.

- (1) This Act (apart from this section and sections 66 and 67) does not come into force until such day as the Secretary of State may by order made by statutory instrument appoint; and different days may be appointed for different provisions or otherwise for different purposes.
- (2) The Secretary of State may by order made by statutory instrument make any transitional provisions or savings which appear appropriate in connection with the commencement of any provision of this Act.

66 Extent

- (1) Any amendment made by this Act has the same extent as the provision to which it relates.
- (2) Sections 14, 15(1)(b), (3) and (7) and [F116 16 to 18][F117 and Part 2] extend to Northern Ireland.
- (3) Subject to that, this Act (apart from section 65, this section and section 67) does not extend to Northern Ireland.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F116 Words in s. 66(2) substituted (8.11.2006) by [Companies Act 2006 \(c. 46\)](#), **ss. 1276(5)**, 1300(1)

F117 Words in s. 66(2) inserted (6.4.2007) by [The Companies Act 2006 \(Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/1093\)](#), art. 1(3), **Sch. 4 para. 25** (with art. 11(1))

67 Short title

This Act may be cited as the Companies (Audit, Investigations and Community Enterprise) Act 2004.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

^{F118}SCHEDULE 1

Section 12

NEW SCHEDULE 7B TO THE COMPANIES ACT 1985

Textual Amendments

F118 Sch. 1 repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

PROSPECTIVE

^{F118}

SCHEDULE 2

Section 25

MINOR AND CONSEQUENTIAL AMENDMENTS RELATING TO PART 1

^{F119}PART 1

AMENDMENTS RELATING TO AUDITORS

Textual Amendments

F119 Sch. 2 Pt. 1 repealed (6.4.2008 for the repeal of Sch. 2 paras. 1-3) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 7, 12)

Companies Act 1989 (c. 40)

- 1
- 2
- 3

Companies (Northern Ireland) Order 1990 (S.I. 1990/593(N.I. 5))

^{F119}₄ In the Companies (Northern Ireland) Order 1990, omit Article 49 and Schedule 14 (supervisory and qualifying bodies: restrictive practices).

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Commencement Information

I56 Sch. 2 para. 4 in force at 1.1.2005 by [S.I. 2004/3322](#), art. 2(1), [Sch. 1](#)

PART 2

AMENDMENTS RELATING TO ACCOUNTS AND REPORTS

Companies Act 1985 (c. 6)

F1205

Textual Amendments

F120 Sch. 2 paras. 5-10 repealed (1.10.2007 for the repeal of Sch. 2 paras. 7-9, 6.4.2008 for the repeal of Sch. 2 paras. 5, 10) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/2194](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 712Sch. 3 para. 48); [S.I. 2007/3495](#), art. 8(a), [Sch. 2 Pt. 1](#) (with arts. 712)

F1206

Textual Amendments

F120 Sch. 2 paras. 5-10 repealed (1.10.2007 for the repeal of Sch. 2 paras. 7-9, 6.4.2008 for the repeal of Sch. 2 paras. 5, 10) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/2194](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 712Sch. 3 para. 48); [S.I. 2007/3495](#), art. 8(a), [Sch. 2 Pt. 1](#) (with arts. 712)

F1207

Textual Amendments

F120 Sch. 2 paras. 5-10 repealed (1.10.2007 for the repeal of Sch. 2 paras. 7-9, 6.4.2008 for the repeal of Sch. 2 paras. 5, 10) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/2194](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 712Sch. 3 para. 48); [S.I. 2007/3495](#), art. 8(a), [Sch. 2 Pt. 1](#) (with arts. 712)

F1208

Textual Amendments

F120 Sch. 2 paras. 5-10 repealed (1.10.2007 for the repeal of Sch. 2 paras. 7-9, 6.4.2008 for the repeal of Sch. 2 paras. 5, 10) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/2194](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 712Sch. 3 para. 48); [S.I. 2007/3495](#), art. 8(a), [Sch. 2 Pt. 1](#) (with arts. 712)

F1209

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F120 Sch. 2 paras. 5-10 repealed (1.10.2007 for the repeal of Sch. 2 paras. 7-9, 6.4.2008 for the repeal of Sch. 2 paras. 5, 10) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/2194](#), art. 8, Sch. 2 Pt. 1 (with arts. 712Sch. 3 para. 48); [S.I. 2007/3495](#), art. 8(a), Sch. 2 Pt. 1 (with arts. 712)

F12010

Textual Amendments

F120 Sch. 2 paras. 5-10 repealed (1.10.2007 for the repeal of Sch. 2 paras. 7-9, 6.4.2008 for the repeal of Sch. 2 paras. 5, 10) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/2194](#), art. 8, Sch. 2 Pt. 1 (with arts. 712Sch. 3 para. 48); [S.I. 2007/3495](#), art. 8(a), Sch. 2 Pt. 1 (with arts. 712)

Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6))

F12111

Textual Amendments

F121 Sch. 2 paras. 11-15 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8(a), Sch. 2 Pt. 2 (with arts. 7, 12)

F12112

Textual Amendments

F121 Sch. 2 paras. 11-15 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8(a), Sch. 2 Pt. 2 (with arts. 7, 12)

F12113

Textual Amendments

F121 Sch. 2 paras. 11-15 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8(a), Sch. 2 Pt. 2 (with arts. 7, 12)

F12114

Textual Amendments

F121 Sch. 2 paras. 11-15 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8(a), Sch. 2 Pt. 2 (with arts. 7, 12)

F12115

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F121 Sch. 2 paras. 11-15 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8(a), [Sch. 2 Pt. 2](#) (with arts. 7, 12)

PART 3

AMENDMENTS RELATING TO INVESTIGATIONS

Companies Act 1985 (c. 6)

16 The Companies Act 1985 has effect subject to the following amendments.

Commencement Information

I57 Sch. 2 para. 16 in force at 6.4.2005 by [S.I. 2004/3322](#), art. 2(2), [Sch. 2](#) (with arts. 4-13)

17 After section 447 insert—

“447A Information provided: evidence

- (1) A statement made by a person in compliance with a requirement under section 447 may be used in evidence against him.
- (2) But in criminal proceedings in which the person is charged with a relevant offence—
 - (a) no evidence relating to the statement may be adduced by or on behalf of the prosecution, and
 - (b) no question relating to it may be asked by or on behalf of the prosecution,
 unless evidence relating to it is adduced or a question relating to it is asked in the proceedings by or on behalf of that person.
- (3) A relevant offence is any offence other than the following—
 - (a) an offence under section 451,
 - (b) an offence under section 5 of the Perjury Act 1911 (false statement made otherwise than on oath), or
 - (c) an offence under section 44(2) of the Criminal Law (Consolidation) (Scotland) Act 1995 (false statement made otherwise than on oath).”

Commencement Information

I58 Sch. 2 para. 17 in force at 6.4.2005 by [S.I. 2004/3322](#), art. 2(2), [Sch. 2](#) (with arts. 4-13)

18 For section 449 substitute—

“449 Provision for security of information obtained

- (1) This section applies to information (in whatever form) obtained—

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) in pursuance of a requirement imposed under section 447;
 - (b) by means of a relevant disclosure within the meaning of section 448A(2);
 - (c) by an investigator in consequence of the exercise of his powers under section 453A.
- (2) Such information must not be disclosed unless the disclosure—
 - (a) is made to a person specified in Schedule 15C, or
 - (b) is of a description specified in Schedule 15D.
- (3) The Secretary of State may by order amend Schedules 15C and 15D.
- (4) An order under subsection (3) must not—
 - (a) amend Schedule 15C by specifying a person unless the person exercises functions of a public nature (whether or not he exercises any other function);
 - (b) amend Schedule 15D by adding or modifying a description of disclosure unless the purpose for which the disclosure is permitted is likely to facilitate the exercise of a function of a public nature.
- (5) An order under subsection (3) must be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) A person who discloses any information in contravention of this section—
 - (a) is guilty of an offence, and
 - (b) is liable on conviction to imprisonment or a fine or to both.
- (7) Sections 732 (restriction on prosecutions), 733 (liability of individuals for corporate default) and 734 (criminal proceedings against unincorporated bodies) apply to the offence under subsection (6).
- (8) Any information which may by virtue of this section be disclosed to a person specified in Schedule 15C may be disclosed to any officer or employee of the person.
- (9) This section does not prohibit the disclosure of information if the information is or has been available to the public from any other source.
- (10) For the purposes of this section, information obtained by an investigator in consequence of the exercise of his powers under section 453A includes information obtained by a person accompanying the investigator in pursuance of subsection (4) of that section in consequence of that person's accompanying the investigator.
- (11) Nothing in this section authorises the making of a disclosure in contravention of the Data Protection Act 1998.”

Commencement Information

I59 Sch. 2 para. 18 in force at 6.4.2005 by [S.I. 2004/3322](#), art. 2(2), [Sch. 2](#) (with arts. 4-13)

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

“451 Punishment for furnishing false information

- (1) A person commits an offence if in purported compliance with a requirement under section 447 to provide information—
 - (a) he provides information which he knows to be false in a material particular;
 - (b) he recklessly provides information which is false in a material particular.
- (2) A person guilty of an offence under this section is liable on conviction to imprisonment or a fine or to both.
- (3) Sections 732 (restriction on prosecutions), 733 (liability of individuals for corporate default) and 734 (criminal proceedings against unincorporated bodies) apply to an offence under this section.”

Commencement Information

I60 Sch. 2 para. 19 in force at 6.4.2005 by [S.I. 2004/3322](#), art. 2(2), [Sch. 2](#) (with arts. 4-13)

20 (1) Section 451A (disclosure of certain information) is amended as follows.

(2) For subsection (1) substitute—

“(1) This section applies to information obtained—

- (a) under sections 434 to 446;
- (b) by an inspector in consequence of the exercise of his powers under section 453A.”

(3) After subsection (5) insert—

“(6) For the purposes of this section, information obtained by an inspector in consequence of the exercise of his powers under section 453A includes information obtained by a person accompanying the inspector in pursuance of subsection (4) of that section in consequence of that person’s accompanying the inspector.

(7) The reference to an inspector in subsection (2)(b) above includes a reference to a person accompanying an inspector in pursuance of section 453A(4).”

Commencement Information

I61 Sch. 2 para. 20 in force at 6.4.2005 by [S.I. 2004/3322](#), art. 2(2), [Sch. 2](#) (with arts. 4-13)

21 In section 452—

(a) for subsection (1) substitute—

“(1) Nothing in sections 431 to 446 compels the disclosure by any person to the Secretary of State or to an inspector appointed by him of information in respect of which in an action in the High Court a claim to legal professional privilege, or in an action in the Court of Session a claim to confidentiality of communications, could be maintained.”

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(b) for subsections (2) and (3) substitute—

“(2) Nothing in sections 447 to 451—

- (a) compels the production by any person of a document or the disclosure by any person of information in respect of which in an action in the High Court a claim to legal professional privilege, or in an action in the Court of Session a claim to confidentiality of communications, could be maintained;
- (b) authorises the taking of possession of any such document which is in the person’s possession.

(3) The Secretary of State must not under section 447 require, or authorise a person to require—

- (a) the production by a person carrying on the business of banking of a document relating to the affairs of a customer of his, or
- (b) the disclosure by him of information relating to those affairs,

unless one of the conditions in subsection (4) is met.

(4) The conditions are—

- (a) the Secretary of State thinks it is necessary to do so for the purpose of investigating the affairs of the person carrying on the business of banking;
- (b) the customer is a person on whom a requirement has been imposed under section 447;
- (c) the customer is a person on whom a requirement to produce information or documents has been imposed by an investigator appointed by the Secretary of State in pursuance of section 171 or 173 of the Financial Services and Markets Act 2000 (powers of persons appointed under section 167 or as a result of section 168(2) to conduct an investigation).

(5) Despite subsections (1) and (2) a person who is a lawyer may be compelled to disclose the name and address of his client.”

Commencement Information

I62 Sch. 2 para. 21 in force at 6.4.2005 by [S.I. 2004/3322](#), [art. 2\(2\)](#), [Sch. 2](#) (with [arts. 4-13](#))

F122²²

Textual Amendments

F122 Sch. 2 paras. 22-24 repealed (1.10.2007 for the repeal of Sch. 2 paras. 22, 23, 6.4.2008 in so far as not already in force) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/2194](#), [art. 8](#), [Sch. 2 Pt. 1](#) (with [arts. 712](#)[Sch. 3 para. 48](#)); [S.I. 2007/3495](#), [art. 8\(a\)](#), [Sch. 2 Pt. 1](#) (with [arts. 712](#))

F122²³

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F122 Sch. 2 paras. 22-24 repealed (1.10.2007 for the repeal of Sch. 2 paras. 22, 23, 6.4.2008 in so far as not already in force) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/2194, art. 8, Sch. 2 Pt. 1 (with arts. 712Sch. 3 para. 48); S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 712)

F12224

Textual Amendments

F122 Sch. 2 paras. 22-24 repealed (1.10.2007 for the repeal of Sch. 2 paras. 22, 23, 6.4.2008 in so far as not already in force) by Companies Act 2006 (c. 46), s. 1300(2), **Sch. 16**; S.I. 2007/2194, art. 8, Sch. 2 Pt. 1 (with arts. 712Sch. 3 para. 48); S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 1 (with arts. 712)

25 After Schedule 15B insert—

“SCHEDULE 15C

Section 449

SPECIFIED PERSONS

- 1 The Secretary of State.
- 2 The Department of Enterprise, Trade and Investment for Northern Ireland.
- 3 The Treasury.
- 4 The Lord Advocate.
- 5 The Director of Public Prosecutions.
- 6 The Director of Public Prosecutions for Northern Ireland.
- 7 The Financial Services Authority.
- 8 A constable.
- 9 A procurator fiscal.
- 10 The Scottish Ministers.

SCHEDULE 15D

Section 449

DISCLOSURES

- 1 A disclosure for the purpose of enabling or assisting a person authorised under section 245C to exercise his functions.
- 2 A disclosure for the purpose of enabling or assisting an inspector appointed under Part 14 to exercise his functions.
- 3 A disclosure for the purpose of enabling or assisting a person authorised under section 447 of this Act or section 84 of the Companies Act 1989 to exercise his functions.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 4 A disclosure for the purpose of enabling or assisting a person appointed under section 167 of the Financial Services and Markets Act 2000 (general investigations) to conduct an investigation to exercise his functions.
- 5 A disclosure for the purpose of enabling or assisting a person appointed under section 168 of the Financial Services and Markets Act 2000 (investigations in particular cases) to conduct an investigation to exercise his functions.
- 6 A disclosure for the purpose of enabling or assisting a person appointed under section 169(1)(b) of the Financial Services and Markets Act 2000 (investigation in support of overseas regulator) to conduct an investigation to exercise his functions.
- 7 A disclosure for the purpose of enabling or assisting a person appointed under section 284 of the Financial Services and Markets Act 2000 (investigations into affairs of certain collective investment schemes) to conduct an investigation to exercise his functions.
- 8 A disclosure for the purpose of enabling or assisting a person appointed under regulations made under sections 262(1) and (2)(k) of the Financial Services and Markets Act 2000 (investigations into open-ended investment companies) to conduct an investigation to exercise his functions.
- 9 A disclosure for the purpose of enabling or assisting the Secretary of State or the Treasury to exercise any of their functions under any of the following—
 - (a) this Act;
 - (b) the insider dealing legislation;
 - (c) the Insolvency Act 1986;
 - (d) the Company Directors Disqualification Act 1986;
 - (e) Part 2, 3 or 7 of the Companies Act 1989;
 - (f) the Financial Services and Markets Act 2000.
- 10 A disclosure for the purpose of enabling or assisting the Scottish Ministers to exercise their functions under the enactments relating to insolvency.
- 11 A disclosure for the purpose of enabling or assisting the Department of Enterprise, Trade and Investment for Northern Ireland to exercise any powers conferred on it by the enactments relating to companies or insolvency.
- 12 A disclosure for the purpose of enabling or assisting a person appointed or authorised by the Department of Enterprise, Trade and Investment for Northern Ireland under the enactments relating to companies or insolvency to exercise his functions.
- 13 A disclosure for the purpose of enabling or assisting the Occupational Pensions Regulatory Authority to exercise their functions under any of the following—
 - (a) the Pension Schemes Act 1993;
 - (b) the Pensions Act 1995;
 - (c) any enactment in force in Northern Ireland corresponding to either of the above.
- 14 A disclosure for the purpose of enabling or assisting the Bank of England to exercise its functions.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 15 A disclosure for the purpose of enabling or assisting the body known as the Panel on Takeovers and Mergers to exercise its functions.
- 16 A disclosure for the purpose of enabling or assisting organs of the Society of Lloyd's (being organs constituted by or under the Lloyd's Act 1982) to exercise their functions under or by virtue of the Lloyd's Acts 1871 to 1982.
- 17 A disclosure for the purpose of enabling or assisting the Office of Fair Trading to exercise its functions under any of the following—
 - (a) the Fair Trading Act 1973;
 - (b) the Consumer Credit Act 1974;
 - (c) the Estate Agents Act 1979;
 - (d) the Competition Act 1980;
 - (e) the Competition Act 1998;
 - (f) the Financial Services and Markets Act 2000;
 - (g) the Enterprise Act 2002;
 - (h) the Control of Misleading Advertisements Regulations 1988 (S.I. 1988/915);
 - (i) the Unfair Terms in Consumer Contracts Regulations 1999 (S.I. 1999/2083).
- 18 A disclosure for the purpose of enabling or assisting the Competition Commission to exercise its functions under any of the following—
 - (a) the Fair Trading Act 1973;
 - (b) the Competition Act 1980;
 - (c) the Competition Act 1998;
 - (d) the Enterprise Act 2002.
- 19 A disclosure with a view to the institution of, or otherwise for the purposes of, proceedings before the Competition Appeal Tribunal.
- 20 A disclosure for the purpose of enabling or assisting an enforcer under Part 8 of the Enterprise Act 2002 to exercise its functions under that Part.
- 21 A disclosure for the purpose of enabling or assisting the Charity Commissioners to exercise their functions.
- 22 A disclosure for the purpose of enabling or assisting the Attorney General to exercise his functions in connection with charities.
- 23 A disclosure for the purpose of enabling or assisting the National Lottery Commission to exercise its functions under sections 5 to 10 and 15 of the National Lottery etc. Act 1993.
- 24 A disclosure by the National Lottery Commission to the National Audit Office for the purpose of enabling or assisting the Comptroller and Auditor General to carry out an examination under Part 2 of the National Audit Act 1983 into the economy, effectiveness and efficiency with which the National Lottery Commission has used its resources in discharging its functions under sections 5 to 10 of the National Lottery etc. Act 1993.
- 25 A disclosure for the purpose of enabling or assisting a qualifying body under the Unfair Terms in Consumer Contracts Regulations 1999 (S.I. 1999/2083) to exercise its functions under those Regulations.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

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- 26 A disclosure for the purpose of enabling or assisting an enforcement authority under the Consumer Protection (Distance Selling) Regulations 2000 (S.I. 2000/2334) to exercise its functions under those Regulations.
- 27 A disclosure for the purpose of enabling or assisting a local weights and measures authority in England and Wales to exercise its functions under section 230(2) of the Enterprise Act 2002.
- 28 A disclosure for the purpose of enabling or assisting the Financial Services Authority to exercise its functions under any of the following—
- (a) the legislation relating to friendly societies or to industrial and provident societies;
 - (b) the Building Societies Act 1986;
 - (c) Part 7 of the Companies Act 1989;
 - (d) the Financial Services and Markets Act 2000.
- 29 A disclosure for the purpose of enabling or assisting the competent authority for the purposes of Part 6 of the Financial Services and Markets Act 2000 to exercise its functions under that Part.
- 30 A disclosure for the purpose of enabling or assisting a body corporate established in accordance with section 212(1) of the Financial Services and Markets Act 2000 (compensation scheme manager) to exercise its functions.
- 31 (1) A disclosure for the purpose of enabling or assisting a recognised investment exchange or a recognised clearing house to exercise its functions as such.
- (2) Recognised investment exchange and recognised clearing house have the same meaning as in section 285 of the Financial Services and Markets Act 2000.
- 32 A disclosure for the purpose of enabling or assisting a body designated under section 326(1) of the Financial Services and Markets Act 2000 (designated professional bodies) to exercise its functions in its capacity as a body designated under that section.
- 33 A disclosure with a view to the institution of, or otherwise for the purposes of, civil proceedings arising under or by virtue of the Financial Services and Markets Act 2000.
- 34 A disclosure for the purpose of enabling or assisting a body designated by order under section 46 of the Companies Act 1989 (delegation of functions of Secretary of State) to exercise its functions under Part 2 of that Act.
- 35 A disclosure for the purpose of enabling or assisting a recognised supervisory or qualifying body (within the meaning of Part 2 of the Companies Act 1989) to exercise its functions as such.
- 36 A disclosure for the purpose of enabling or assisting an official receiver (including the Accountant in Bankruptcy in Scotland and the Official Assignee in Northern Ireland) to exercise his functions under the enactments relating to insolvency.
- 37 A disclosure for the purpose of enabling or assisting the Insolvency Practitioners Tribunal to exercise its functions under the Insolvency Act 1986.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 38 A disclosure for the purpose of enabling or assisting a body which is for the time being a recognised professional body for the purposes of section 391 of the Insolvency Act 1986 (recognised professional bodies) to exercise its functions as such.
- 39 (1) A disclosure for the purpose of enabling or assisting an overseas regulatory authority to exercise its regulatory functions.
- (2) Overseas regulatory authority and regulatory functions have the same meaning as in section 82 of the Companies Act 1989.
- 40 A disclosure for the purpose of enabling or assisting the Regulator of Community Interest Companies to exercise functions under the Companies (Audit, Investigations and Community Enterprise) Act 2004.
- 41 A disclosure with a view to the institution of, or otherwise for the purposes of, criminal proceedings.
- 42 A disclosure with a view to the institution of, or otherwise for the purposes of, proceedings on an application under section 6, 7 or 8 of the Company Directors Disqualification Act 1986.
- 43 A disclosure with a view to the institution of, or otherwise for the purposes of, proceedings before the Financial Services and Markets Tribunal.
- 44 A disclosure for the purposes of proceedings before the Financial Services Tribunal by virtue of the Financial Services and Markets Act 2000 (Transitional Provisions) (Partly Completed Procedures) Order 2001 (S.I. 2001/3592).
- 45 A disclosure for the purpose of enabling or assisting a body appointed under section 14 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (supervision of periodic accounts and reports of issuers of listed securities) to exercise functions mentioned in subsection (2) of that section.
- 46 A disclosure with a view to the institution of, or otherwise for the purposes of, disciplinary proceedings relating to the performance by a solicitor, barrister, auditor, accountant, valuer or actuary of his professional duties.
- 47 (1) A disclosure with a view to the institution of, or otherwise for the purposes of, disciplinary proceedings relating to the performance by a public servant of his duties.
- (2) Public servant means an officer or employee of the Crown or of any public or other authority for the time being designated for the purposes of this paragraph by the Secretary of State by order.
- (3) An order under sub-paragraph (2) must be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- 48 A disclosure for the purpose of the provision of a summary or collection of information framed in such a way as not to enable the identity of any person to whom the information relates to be ascertained.
- 49 A disclosure in pursuance of any Community obligation.”

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Commencement Information

I63 Sch. 2 para. 25 in force at 6.4.2005 for specified purposes by S.I. 2004/3322, art. 2(2), **Sch. 2** (with arts. 4-13)

I64 Sch. 2 para. 25 in force at 1.7.2005 in so far as not already in force by S.I. 2004/3322, art. 2(3), **Sch. 3**

26 (1) Schedule 24 (punishment of offences) is amended as follows.

(2) For the entry for section 449(2) substitute—

“449(6)	Wrongful disclosure of information to which section 449 applies.	1. On indictment. 2. Summary.	2 years, or a fine; or both. 12 months, or the statutory maximum; or both.”.
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(3) For the entry for section 451 substitute—

“451	Providing false information in purported compliance with section 447.	1. On indictment. 2. Summary.	2 years, or a fine; or both. 12 months, or the statutory maximum; or both.”.
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(4) After the entry for section 451 insert—

“453A(5)	Intentionally obstructing a person lawfully acting under section 453A(2) or (4).	1. On indictment. 2. Summary.	A fine. The statutory maximum.”.
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Commencement Information

I65 Sch. 2 para. 26 in force at 6.4.2005 by S.I. 2004/3322, art. 2(2), **Sch. 2** (with arts. 4-13)

Insolvency Act 1986 (c. 45)

27 In section 124A(1)(a) of the Insolvency Act 1986 (petition for winding up on grounds of public interest), after “Part XIV” insert “ (except section 448A) ”.

Commencement Information

I66 Sch. 2 para. 27 in force at 6.4.2005 by S.I. 2004/3322, art. 2(2), **Sch. 2** (with arts. 4-13)

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Company Directors Disqualification Act 1986 (c. 46)

- 28 In section 8(1A)(b)(i) of the Company Directors Disqualification Act 1986 (disqualification after investigation of a company), for “or 448” substitute “ , 448 or 453A ”.

Commencement Information

I67 Sch. 2 para. 28 in force at 6.4.2005 by [S.I. 2004/3322](#), [art. 2\(2\)](#), [Sch. 2](#) (with [arts. 4-13](#))

Companies Act 1989 (c. 40)

- 29 In the table in section 87(4) of the Companies Act 1989 (exceptions from restrictions on disclosure), after the entry relating to the Accountant in Bankruptcy insert—

“The Regulator of Community Interest Companies.	Functions under the Companies (Audit, Investigations and Community Enterprise) Act 2004.”
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Commencement Information

I68 Sch. 2 para. 29 in force at 1.7.2005 by [S.I. 2004/3322](#), [art. 2\(3\)](#), [Sch. 3](#)

Criminal Justice and Police Act 2001 (c. 16)

- 30 In paragraph 17 of Schedule 2 to the Criminal Justice and Police Act 2001 (amendments of sections 434 and 447 of the Companies Act 1985), for “sections 434(6) and 447(9)” substitute “ section 434(6) ”.

Commencement Information

I69 Sch. 2 para. 30 in force at 6.4.2005 by [S.I. 2004/3322](#), [art. 2\(2\)](#), [Sch. 2](#) (with [arts. 4-13](#))

Anti-terrorism, Crime and Security Act 2001 (c. 24)

- 31 In paragraph 24 of Schedule 4 to the Anti-terrorism, Crime and Security Act 2001 (enactments to which section 17 of that Act applies), for “449(1)” substitute “ 449 ”.

Commencement Information

I70 Sch. 2 para. 31 in force at 6.4.2005 by [S.I. 2004/3322](#), [art. 2\(2\)](#), [Sch. 2](#) (with [arts. 4-13](#))

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SCHEDULE 3

Section 27

REGULATOR OF COMMUNITY INTEREST COMPANIES

Regulator's terms of appointment

- 1 (1) The period for which a person is appointed as Regulator must not exceed five years.
- (2) A person who has held office as Regulator may be re-appointed, once only, for a further period not exceeding five years.
- (3) The Regulator may at any time resign the office by giving notice in writing to the Secretary of State.
- (4) The Secretary of State may at any time remove the Regulator on the ground of incapacity or misbehaviour.
- (5) Subject to that, the Regulator holds and vacates office on the terms determined by the Secretary of State.

Commencement Information

I71 Sch. 3 para. 1 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

Remuneration and pensions

- 2 (1) The Secretary of State may pay remuneration and travelling and other allowances to the Regulator.
- (2) The Secretary of State may—
 - (a) pay a pension, allowance or gratuity to or in respect of a person who is or has been the Regulator, or
 - (b) make contributions or payments towards provision for a pension, allowance or gratuity for or in respect of such a person.

Commencement Information

I72 Sch. 3 para. 2 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

Staff

- 3 (1) The Regulator may, after consulting the Minister for the Civil Service as to numbers and terms and conditions of service, appoint such staff as the Regulator may determine.
- (2) The members of staff must include a deputy to the Regulator who is to act as Regulator—
 - (a) during any vacancy in that office, or
 - (b) if the Regulator is absent, subject to suspension or unable to act.
- (3) Where a participant in a scheme under section 1 of the Superannuation Act 1972 (c. 11) is appointed as the Regulator, the Minister for the Civil Service may determine that the person's term of office as the Regulator is to be treated for the purposes of

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the scheme as service in the employment by reference to which he was a participant (whether or not any benefits are payable by virtue of paragraph 2(2)).

Commencement Information

I73 Sch. 3 para. 3 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

- 4 The [^{F123}chairman of the Charity Commission] may make available to the Regulator, to assist in the exercise of the Regulator’s functions, [^{F124}any other member of the Commission appointed under paragraph 1(2) of Schedule 1A to the Charities Act 1993 or any member of staff of the Commission appointed under paragraph 5(1) of that Schedule].

Textual Amendments

F123 Words in Sch. 3 para. 4 substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), Sch. 8 para. 204(a); S.I. 2007/309, art. 2, Sch.

F124 Words in Sch. 3 para. 4 substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), Sch. 8 para. 204(b); S.I. 2007/309, art. 2, Sch.

Commencement Information

I74 Sch. 3 para. 4 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

Delegation of functions

- 5 Anything which the Regulator is authorised or required to do may be done by a member of the Regulator’s staff if authorised by the Regulator (generally or specifically) for that purpose.

Commencement Information

I75 Sch. 3 para. 5 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

Finance

- 6 The Secretary of State may make payments to the Regulator.

Commencement Information

I76 Sch. 3 para. 6 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

Reports and other information

- 7 (1) The Regulator must, in respect of each financial year, prepare a report on the exercise of the Regulator’s functions during the financial year.
- (2) The Regulator must prepare accounts in respect of a financial year if the Secretary of State so directs.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) The Regulator must send a copy of the accounts to the Comptroller and Auditor General.
- (4) The Comptroller and Auditor General must examine, certify and report on the accounts and send a copy of the report to the Regulator.
- (5) The Regulator must include the accounts and the Comptroller and Auditor General's report on them in the report prepared by the Regulator in respect of the financial year to which the accounts relate.
- (6) The Regulator must prepare that report as soon as possible after the end of the financial year to which it relates.
- (7) The Regulator must send to the Secretary of State a copy of—
 - (a) each report prepared by the Regulator under sub-paragraph (1), and
 - (b) each report prepared by the Official Property Holder under paragraph 6 of Schedule 5.
- (8) The Secretary of State must lay before each House of Parliament a copy of each of those reports.
- (9) The Regulator must supply the Secretary of State with such other reports and information relating to the exercise of the Regulator's functions as the Secretary of State may require.
- (10) "Financial year" means—
 - (a) the period beginning with the date on which a person is first appointed as the Regulator and ending with the next 31st March, and
 - (b) each successive period of 12 months beginning with 1st April.

Commencement Information

I77 Sch. 3 para. 7 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

Amendments

- 8 In Schedule 2 to the Parliamentary Commissioner Act 1967 (c. 13) (departments and authorities subject to investigation), insert at the appropriate place— " Office of the Regulator of Community Interest Companies. "

Commencement Information

I78 Sch. 3 para. 8 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

- 9 In Part 3 of Schedule 1 to the House of Commons Disqualification Act 1975 (c. 24) (disqualifying offices), insert at the appropriate place— " Regulator of Community Interest Companies. "

Commencement Information

I79 Sch. 3 para. 9 in force at 1.1.2005 by S.I. 2004/3322, art. 2(1), Sch. 1

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULE 4

Section 28

APPEAL OFFICER FOR COMMUNITY INTEREST COMPANIES

Appeal Officer's terms of appointment

- 1 (1) The Appeal Officer holds office for the period determined by the Secretary of State on appointment (or re-appointment).
- (2) But—
- (a) the Appeal Officer may at any time resign the office by giving notice in writing to the Secretary of State, and
 - (b) the Secretary of State may at any time remove the Appeal Officer on the ground of incapacity or misbehaviour.
- (3) Subject to that, the Appeal Officer holds and vacates office on the terms determined by the Secretary of State.

Commencement Information

I80 Sch. 4 para. 1 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Remuneration and pensions

- 2 (1) The Secretary of State may pay remuneration and travelling and other allowances to the Appeal Officer.
- (2) The Secretary of State may—
- (a) pay a pension, allowance or gratuity to or in respect of a person who is or has been the Appeal Officer, or
 - (b) make contributions or payments towards provision for a pension, allowance or gratuity for or in respect of such a person.

Commencement Information

I81 Sch. 4 para. 2 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Finance

- 3 The Secretary of State may make payments to the Appeal Officer.

Commencement Information

I82 Sch. 4 para. 3 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Procedure

- 4 (1) Regulations may make provision about the practice and procedure to be followed by the Appeal Officer.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) Regulations under this paragraph may in particular impose time limits for bringing appeals.

Commencement Information

I83 Sch. 4 para. 4 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Amendments

- 5 In Schedule 2 to the Parliamentary Commissioner Act 1967 (c. 13) (departments and authorities subject to investigation), insert at the appropriate place— “ Appeal Officer for Community Interest Companies. ”

Commencement Information

I84 Sch. 4 para. 5 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

- 6 In Part 3 of Schedule 1 to the House of Commons Disqualification Act 1975 (c. 24) (disqualifying offices), insert at the appropriate place— “ Appeal Officer for Community Interest Companies. ”

Commencement Information

I85 Sch. 4 para. 6 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

SCHEDULE 5

Section 29

OFFICIAL PROPERTY HOLDER FOR COMMUNITY INTEREST COMPANIES

Status

- 1 (1) The Official Property Holder is a corporation sole.
- (2) A document purporting to be—
- (a) duly executed under the seal of the Official Property Holder, or
 - (b) signed on behalf of the Official Property Holder,
- shall be received in evidence and shall, unless the contrary is proved, be taken to be so executed or signed.

Commencement Information

I86 Sch. 5 para. 1 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Relationship with Regulator

- 2 The Regulator must make available to the Official Property Holder such members of the Regulator’s staff as the Official Property Holder may require in order to exercise the functions of the office.

Commencement Information

I87 Sch. 5 para. 2 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Effect of vacancy

- 3 The Regulator must appoint a member of the Regulator’s staff who is to act as Official Property Holder—
- (a) during any vacancy in the office, or
 - (b) if the Official Property Holder is absent, subject to suspension or unable to act.

Commencement Information

I88 Sch. 5 para. 3 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Property

- 4 (1) The Official Property Holder holds property vested in or transferred to him as a trustee.
- (2) The Official Property Holder may release or deal with the property—
- (a) to give effect to any interest in or right over the property of any person (other than the community interest company by which, or in trust for which, the property was held before it was vested or transferred), or
 - (b) at the request of a person appointed to act as administrative receiver, administrator, provisional liquidator or liquidator of the company.
- (3) Subject to sub-paragraph (2), the Official Property Holder may not release or deal with the property except in accordance with directions given by the Regulator.

Commencement Information

I89 Sch. 5 para. 4 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Finance

- 5 (1) The Official Property Holder may recover his expenses in respect of property held by him from the property or from the community interest company by which, or in trust for which, the property was held before it was vested in or transferred to the Official Property Holder.
- (2) Any expenses of the Official Property Holder not recovered under sub-paragraph (1) are to be met by the Regulator.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

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Commencement Information

I90 Sch. 5 para. 5 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Reports

- 6 (1) As soon as possible after the end of each financial year, the Official Property Holder must prepare a report on the exercise of the Official Property Holder's functions during the financial year.
- (2) The Official Property Holder must send a copy of the report to the Regulator.
- (3) "Financial year" means—
- (a) the period beginning with the date on which a person is first appointed as the Official Property Holder and ending with the next 31st March, and
 - (b) each successive period of 12 months beginning with 1st April.

Commencement Information

I91 Sch. 5 para. 6 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

SCHEDULE 6

Section 33

COMMUNITY INTEREST COMPANIES: NAMES

Companies Act 1985 (c. 6)

- 1 The Companies Act 1985 has effect subject to the following amendments.

Commencement Information

I92 Sch. 6 para. 1 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

- 2 (1) Section 26 (prohibition on registration of certain names) is amended as follows.
- (2) In subsection (1)(a)—
- (a) for "or "public limited company"" substitute " , "public limited company", "community interest company" or "community interest public limited company" ", and
 - (b) for "and "cwmni cyfyngedig cyhoeddus"" substitute " , "cwmni cyfyngedig cyhoeddus", "cwmni buddiant cymunedol" and "cwmni buddiant cymunedol cyhoeddus cyfyngedig" ".
- (3) In subsection (3)(b), after the entry relating to "public limited company" or its Welsh equivalent insert—
- "community interest company" or its Welsh equivalent ("cwmni buddiant cymunedol");

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“community interest public limited company” or its Welsh equivalent (“cwmni buddiant cymunedol cyhoeddus cyfyngedig”).”.

Commencement Information

I93 Sch. 6 para. 2 in force at 1.7.2005 by [S.I. 2004/3322](#), [art. 2\(3\)](#), [Sch. 3](#)

- 3 In section 27(4) (alternatives of statutory designations), after paragraph (d) insert—
- “(e) the alternative of “community interest company” is “c.i.c.”;
 - (f) the alternative of “cwmni buddiant cymunedol” is “c.b.c.”;
 - (g) the alternative of “community interest public limited company” is “community interest p.l.c.”; and
 - (h) the alternative of “cwmni buddiant cymunedol cyhoeddus cyfyngedig” is “cwmni buddiant cymunedol c.c.c.”.

Commencement Information

I94 Sch. 6 para. 3 in force at 1.7.2005 by [S.I. 2004/3322](#), [art. 2\(3\)](#), [Sch. 3](#)

- 4 In section 30(7) (further exemptions for company exempt from using “limited” as part of its name), after “which” insert “ under this section ”.

Commencement Information

I95 Sch. 6 para. 4 in force at 1.7.2005 by [S.I. 2004/3322](#), [art. 2\(3\)](#), [Sch. 3](#)

- 5 In section 33(1) (person who is not a public company prohibited from trading under a name ending with the words “public limited company” or their equivalent in Welsh), insert at the end “; and a community interest company which is not a public company is guilty of an offence if it does so under a name which includes, as its last part, the words “cwmni buddiant cymunedol cyhoeddus cyfyngedig”.”

Commencement Information

I96 Sch. 6 para. 5 in force at 1.7.2005 by [S.I. 2004/3322](#), [art. 2\(3\)](#), [Sch. 3](#)

- 6 After section 34 insert—

“34A Penalty for improper use of “community interest company” etc.

- (1) A company which is not a community interest company is guilty of an offence if it carries on any trade, profession or business under a name which includes any of the expressions specified in subsection (3).
- (2) A person other than a company is guilty of an offence if it carries on any trade, profession or business under a name which includes any of those expressions (or any contraction of them) as its last part.
- (3) The expressions are—
 - (a) “community interest company” or its Welsh equivalent (“cwmni buddiant cymunedol”), and

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Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) “community interest public limited company” or its Welsh equivalent (“cwmni buddiant cymunedol cyhoeddus cyfyngedig”).
- (4) Subsections (1) and (2) do not apply—
- (a) to a person who was carrying on a trade, profession or business under the name in question at any time during the period beginning with 1st September 2003 and ending with 4th December 2003, or
 - (b) if the name in question was on 4th December 2003 a registered trade mark or Community trade mark (within the meaning of the Trade Marks Act 1994 (c. 26)), to a person who was on that date a proprietor or licensee of that trade mark.
- (5) A person guilty of an offence under subsection (1) or (2) and, if that person is a company, any officer of the company who is in default, is liable to a fine and, for continued contravention, to a daily default fine.”

Commencement Information

I97 Sch. 6 para. 6 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

- 7 In section 43(2)(b) (re-registration of private company as public: alteration of name), after “section 25(1)” insert “ , or section 33 of the Companies (Audit, Investigations and Community Enterprise) Act 2004, ”.

Commencement Information

I98 Sch. 6 para. 7 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

F125g

Textual Amendments

F125 Sch. 6 paras. 1-9 repealed (1.10.2008 for the repeal of Sch. 6 para. 8) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8(b), [Sch. 3 Pt. 1](#) (with arts. 712)

- 9 (1) Schedule 24 (punishment of offences) is amended as follows.
- (2) In the second column of the entry relating to section 33, after “equivalent” insert “ etc. ”.
- (3) After the entry relating to section 34 insert—

“34A	Trading with improper use of “community interest company” etc.	Summary	Level 3 on the standard scale	One-tenth of level 3 on the standard scale.”
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Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Commencement Information

I99 Sch. 6 para. 9 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Limited Liability Partnerships Act 2000 (c. 12)

- 10 In paragraph 8(2) of the Schedule to the Limited Liability Partnerships Act 2000 (similarity of names), after the entry relating to “public limited company” insert—
““community interest company”, “community interest public limited company”, ”.

Commencement Information

I100 Sch. 6 para. 10 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

SCHEDULE 7

Section 42

COMMUNITY INTEREST COMPANIES: INVESTIGATIONS

Power to require documents and information

- 1 (1) The investigator of a community interest company may require the company or any other person—
- (a) to produce such documents (or documents of such description) as the investigator may specify;
 - (b) to provide such information (or information of such description) as the investigator may specify.
- (2) A person on whom a requirement is imposed under sub-paragraph (1) may require the investigator to produce evidence of his authority.
- (3) A requirement under sub-paragraph (1) must be complied with at such time and place as may be specified by the investigator.
- (4) The production of a document in pursuance of this paragraph does not affect any lien which a person has on the document.
- (5) The investigator may take copies of or extracts from a document produced in pursuance of this paragraph.
- (6) In relation to information recorded otherwise than in legible form, the power to require production of it includes power to require the production of a copy of it in legible form or in a form from which it can readily be produced in visible and legible form.
- (7) In this Schedule—
- (a) “the investigator of a community interest company” means a person investigating the company’s affairs under section 42, and
 - (b) “document” includes information recorded in any form.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Commencement Information

I101 Sch. 7 para. 1 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Privileged information

- 2 (1) Nothing in paragraph 1 requires a person to produce a document or provide information in respect of which a claim could be maintained—
- (a) in an action in the High Court, to legal professional privilege, or
 - (b) in an action in the Court of Session, to confidentiality of communications,
- but a person who is a lawyer may be required to provide the name and address of his client.
- (2) Nothing in paragraph 1 requires a person carrying on the business of banking to produce a document, or provide information, relating to the affairs of a customer unless a requirement to produce the document, or provide the information, has been imposed on the customer under that paragraph.

Commencement Information

I102 Sch. 7 para. 2 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), Sch. 3

Use of information as evidence

- 3 (1) A statement made by a person in compliance with a requirement imposed under paragraph 1 may be used in evidence against the person.
- (2) But in criminal proceedings—
- (a) no evidence relating to the statement may be adduced by or on behalf of the prosecution, and
 - (b) no question relating to it may be asked by or on behalf of the prosecution, unless evidence relating to it is adduced or a question relating to it is asked in the proceedings by or on behalf of that person.
- (3) However, sub-paragraph (2) does not apply to proceedings in which a person is charged with^{F126}—
- (a) an offence under paragraph 5 below (false information), or
 - (b) an offence under section 5 of the Perjury Act 1911, section 44(2) of the Criminal Law (Consolidation) (Scotland) Act 1995 or Article 10 of the Perjury (Northern Ireland) Order 1979 (false statement made otherwise than on oath).]

Textual Amendments

F126 Words in Sch. 7 para. 3(3) substituted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), Sch. 4 para. 26(2) (with art. 11(1))

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Commencement Information

I103 Sch. 7 para. 3 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

Failure to comply with requirement

- 4 (1) This paragraph applies if a person fails to comply with a requirement imposed under paragraph 1.
- (2) The investigator may certify that fact in writing to the court.
- (3) If, after hearing—
- (a) any witnesses who may be produced against or on behalf of the alleged offender, and
 - (b) any statement which may be offered in defence,
- the court is satisfied that the offender failed without reasonable excuse to comply with the requirement, it may deal with him as if he had been guilty of contempt of the court.

Commencement Information

I104 Sch. 7 para. 4 in force at 1.7.2005 by [S.I. 2004/3322](#), art. 2(3), [Sch. 3](#)

False information

- 5 (1) A person commits an offence if in purported compliance with a requirement under paragraph 1 to provide information, the person—
- (a) provides information which the person knows to be false in a material particular, or
 - (b) recklessly provides information which is false in a material particular,
- ^{F127}
- [^{F128}(1A) A prosecution for an offence under sub-paragraph (1) may be instituted—
- (a) in England and Wales, only with the consent of the Director of Public Prosecutions;
 - (b) in Northern Ireland, only with the consent of the Director of Public Prosecutions for Northern Ireland.]
- (2) A person guilty of an offence under sub-paragraph (1) is liable—
- (a) on conviction on indictment to imprisonment for a term not exceeding two years or a fine or to both,
 - (b) on summary conviction in England and Wales, to imprisonment for a term not exceeding twelve months or a fine of an amount not exceeding the statutory maximum or to both, and
 - (c) on summary conviction in Scotland [^{F129}or Northern Ireland], to imprisonment for a term not exceeding six months or a fine of an amount not exceeding the statutory maximum or to both.
- (3) In relation to an offence committed before section 154(1) of the Criminal Justice Act 2003 (c. 44) comes into force, sub-paragraph (2)(b) has effect as if for “twelve” there were substituted “ six ”.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

- F127** Words in Sch. 7 para. 5(1) omitted (6.4.2007) by virtue of The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 26(3)** (with art. 11(1))
- F128** Sch. 7 para. 5(1A) inserted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 26(3)** (with art. 11(1))
- F129** Words in Sch. 7 para. 5(2)(c) inserted (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 1(3), **Sch. 4 para. 26(4)** (with art. 11(1))

Commencement Information

- I105** Sch. 7 para. 5 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), **Sch. 3**

SCHEDULE 8

Section 64

REPEALS AND REVOCATIONS

Commencement Information

- I106** Sch. 8 in force at 1.1.2005 for specified purposes by S.I. 2004/3322, art. 2(1), **Sch. 1**
- I107** Sch. 8 in force at 6.4.2005 for specified purposes by S.I. 2004/3322, art. 2(2), **Sch. 2** (with arts. 4-13)
- I108** Sch. 8 in force at 1.7.2005 for specified purposes by S.I. 2004/3322, art. 2(3), **Sch. 3**
- I109** Sch. 8 in force at 1.10.2005 in so far as not already in force by S.I. 2004/3322, art. 2(4), **Sch. 4**

Title and reference

Extent of repeal or revocation

Companies Act 1985 (c. 6)

In section 27(4), the word “and” at the end of paragraph (c).
Section 245C(6).
Section 256(3).
In section 310, in subsection (1) the words “any officer of the company or”, and in subsection (3) the words “officer or” (in both places) and the words from “section 144(3)” to “nominee) or”.
Section 390A(3).
In section 734(1), the words “section 389A(3) or”.
In Schedule 4A, in paragraph 1(1), the words “section 390A(3) (amount of auditors' remuneration) and”.
In Schedule 24, the entry relating to section 447(6).

Insolvency Act 1985 (c. 65)

In Schedule 6, paragraph 4.

Insolvency Act 1986 (c. 45)

In Schedule 13, in Part 1, the entry relating to section 449(1) of the Companies Act 1985.

Status: Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

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Companies Act 1989 (c. 40)	Section 48(3). Section 63. Section 65. Section 67. Section 69(2) and (4). Section 120(2) and (3).
Companies (Northern Ireland) Order 1990 (S.I. 1990/593 (N.I. 5))	Article 48(2)(a). Article 49. In Article 56, the entry relating to “Director (in Schedule 14)”. Schedule 14.
Friendly Societies Act 1992 (c. 40)	In Schedule 21, paragraph 7.
Pensions Act 1995 (c. 26)	In Schedule 3, paragraph 12.
Bank of England Act 1998 (c. 11)	In Schedule 5, paragraph 62.
Competition Act 1998 (c. 41)	In Schedule 2, paragraph 3.
Youth Justice and Criminal Evidence Act 1999 (c. 23)	In Schedule 3, paragraph 6.
Competition Act 1998 (Competition Commission) Transitional, Consequential and Supplemental Provisions Order 1999 (S.I. 1999/506)	Article 41.
Enterprise Act 2002 (c. 40)	In Schedule 25, paragraph 22.

Status:

Point in time view as at 01/10/2008. This version of this Act contains provisions that are prospective.

Changes to legislation:

Companies (Audit, Investigations and Community Enterprise) Act 2004 is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.