

These notes refer to the Companies (Audit, Investigations and Community Enterprise) Act 2004 (c.27) which received Royal Assent on 28 October 2004

COMPANIES (AUDIT, INVESTIGATIONS AND COMMUNITY ENTERPRISE) ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Auditors, Accounts, Directors' Liabilities and Investigations Chapter 1: Auditors

Summary and Background

Auditors' qualifications

Section 6 – Approval of overseas qualifications for auditors

29. This amendment of section 33 of the Companies Act 1989 is designed to improve the operation of the Secretary of State's power to approve overseas qualifications. It is intended that this power, together with other functions under Part 2 of the Companies Act 1989, will be delegated to an independent regulator under section 46 of that Act as amended by [section 3](#).
30. Section 33 of the Companies Act 1989 allows the Secretary of State to recognise overseas qualifications as equivalent in the UK. Before its amendment by [section 6](#), it was only possible to recognise either all or none of the people who held a particular overseas qualification (for example, all those who held a particular accounting diploma). However, there are circumstances where it would in fact be appropriate to recognise some but not all of those people. For example, where an overseas qualification originally fell below the criteria for approval in section 33 but was subsequently changed so that it met those criteria, the Secretary of State may wish to recognise the qualification, provided that it was gained after the date when the change was made. Similarly, where different combinations of learning modules and examinations offer alternative routes to the same qualification, the Secretary of State may wish to recognise the qualification, provided that the audit-related modules and examinations have been undertaken.
31. The unamended section 33 did not allow the Secretary of State to do either of these things and she therefore had to refuse recognition to the qualification as a whole. [Section 6](#) amends section 33 to remedy this, by providing that persons who hold a specified professional qualification *and meet other specific requirements* may be regarded as holding an approved overseas qualification.