



Companies (Audit, Investigations and Community Enterprise) Act 2004

2004 CHAPTER 27

PART 1

AUDITORS, ACCOUNTS, DIRECTORS' LIABILITIES AND INVESTIGATIONS

CHAPTER 2

ACCOUNTS AND REPORTS

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).
- (2) The functions are—
 - (a) keeping under review periodic accounts and reports that are produced by issuers of [^{F1}transferable] securities and are required to comply with any accounting requirements imposed by [^{F2}Part 6] rules; and
 - (b) if the prescribed body thinks fit, informing the [^{F3}Financial Conduct 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 [^{F4}transferable] securities with accounting requirements imposed by [^{F5}Part 6] rules in relation to periodic accounts and reports produced by such issuers; and

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- (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 [^{F6}Financial Conduct Authority] requests the body to exercise its functions under subsection (2) in relation to any particular issuer of [^{F7}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.
- (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 [^{F8}and sections 15A to 15E below] —
- [^{F9}[^{F10} “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);
 - [^{F11}“issuer” has the meaning given by section 102A(6) of that Act;]
 - “periodic” accounts and reports means accounts and reports which are required by [^{F12}Part 6] rules to be produced periodically.
 - [^{F13}“issuer” has the meaning given by section 102A(6) of that Act;]

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Textual Amendments

- F1** 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)**
- F2** 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)**
- F3** Words in s. 14(2)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 103** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F4** 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)**
- F5** 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)**
- F6** Words in s. 14(7)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 103** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F7** Word in s. 14(7)(b) substituted (8.11.2006) by Companies Act 2006 (c. 46), s. 1300(1), **Sch. 15 para. 14(4)**
- F8** 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)
- F9** 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**
- F10** Words in s. 14(12) substituted (8.11.2006) by Companies Act 2006 (c. 46), s. 1300(1), **Sch. 15 para. 14(5)(a)**
- F11** Words in s. 14(12) substituted (8.11.2006) by Companies Act 2006 (c. 46), s. 1300(1), **Sch. 15 para. 14(5)(b)**
- F12** Word in s. 14(12) substituted (8.11.2006) by Companies Act 2006 (c. 46), s. 1300(1), **Sch. 15 para. 14(5)(c)**
- F13** 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**

Changes to legislation:

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