



Companies Act 1948

1948 CHAPTER 38 11 and 12 Geo 6

PART IV

MANAGEMENT AND ADMINISTRATION.

Accounts and Audit.

161 Disqualifications for appointment as auditor.

- (1) A person shall not be qualified for appointment as auditor of a company unless either—
- (a) he is a member of a body of accountants established in the United Kingdom and for the time being recognised for the purposes of this provision by the Board of Trade; or
 - (b) he is for the time being authorised by the Board of Trade to be so appointed either as having similar qualifications obtained outside the United Kingdom or as having obtained adequate knowledge and experience in the course of his employment by a member of a body of accountants recognised for the purposes of the foregoing paragraph or as having before the sixth day of August, nineteen hundred and forty-seven, practised in Great Britain as an accountant:

Provided that this subsection shall not apply in the case of a private company which at the time of the auditor's appointment is an exempt private company.

- (2) None of the following persons shall be qualified for appointment as auditor of a company—
- (a) an officer or servant of the company;
 - (b) a person who is a partner of or in the employment of an officer or servant of the company;
 - (c) a body corporate:

Provided that paragraph (b) of this subsection shall not apply in the case of a private company which at the time of the auditor's appointment is an exempt private company.

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

References in this subsection to an officer or servant shall be construed as not including references to an auditor.

- (3) A person shall also not be qualified for appointment as auditor of a company if he is, by virtue of the last foregoing subsection, disqualified for appointment as auditor of any other body corporate which is that company's subsidiary or holding company or a subsidiary of that company's holding company, or would be so disqualified if the body corporate were a company.
- (4) Notwithstanding anything in the foregoing provisions of this section, a Scottish firm shall be qualified for appointment as auditor of a company if, but only if, all the partners are qualified for appointment as auditor thereof.
- (5) Any body corporate which acts as auditor of a company shall be liable to a fine not exceeding one hundred pounds.