
STATUTORY INSTRUMENTS

1991 No. 1996 (c. 57)

COMPANIES

**The Companies Act 1989 (Commencement
No. 12 and Transitional Provision) Order 1991**

Made - - - - 2nd September 1991

The Secretary of State, in exercise of his powers under section 215(2) and (3) of the Companies Act 1989⁽¹⁾, hereby makes the following Order:

Citation and interpretation

1.—(1) This Order may be cited as the Companies Act 1989 (Commencement No. 12 and Transitional Provision) Order 1991.

(2) In this Order, “the Act” means the Companies Act 1989.

Provisions of the Act brought into force by the Order

2.—(1) Subject to the provisions of article 4 of this Order, the following provisions of the Act shall, insofar as they are not yet in force, come into force on 1st October 1991—

- (a) Part II (eligibility for appointment as company auditor) except section 46 and Schedule 13 (delegation of functions of Secretary of State), section 47(2) to (6) (power for Secretary of State to make provisions as to discharge of certain functions under Schedule 14 (restrictive practices) when delegation order in force) and section 48(3) (exemption from liability for damages for body established by delegation order);
- (b) section 211(1) (building societies: miscellaneous amendments); and
- (c) section 212 and Schedule 24 insofar as is necessary to effect the repeal of, or of words in, the following provisions—
 - (i) section 389 of the Companies Act 1985⁽²⁾;
 - (ii) section 460(1) of the Companies Act 1985;
 - (iii) section 196(3) of the Financial Services Act 1986⁽³⁾; and
 - (iv) section 565(6)(b) of the Income and Corporation Taxes Act 1988⁽⁴⁾.

(1) 1989 c. 40.
(2) 1985 c. 6.
(3) 1986 c. 60.
(4) 1988 c. 1.

- (2) The following provisions of the Act shall come into force on 1st November 1991—
- (a) section 134(4) (disclosure of interests in shares—particulars to be contained in notification);
 - (b) section 143 (rights of inspection and related matters); and
 - (c) section 212 and Schedule 24 insofar as is necessary to effect the repeal of, or of words in, the following provisions, that is to say, sections 169(5), 175(6)(b), 191(1), (3)(a) and (3)(b), 219(1), 288(3), 318(7), 356(1), (2) and (4) and 383(1), (2) and (3) of the Companies Act 1985 and paragraph 25 of Schedule 13 to that Act.

Transitional provision relating to the coming into force of section 28 of the Act

4.—(1) A person who, on the date that section 28 of the Act comes into force, is ineligible for appointment as a company auditor by reason of not being a member of a recognised supervisory body but who then holds office as auditor of a company under an appointment for which he was not disqualified by virtue of section 389 of the Companies Act 1985 and for which he is not ineligible by virtue of section 27 of the Act may, notwithstanding the coming into force of section 28 of the Act, continue to act, and hold office, as auditor of the company until whichever of the following first occurs—

- (a) the expiry of his term of office as determined in accordance with paragraph (2) of this article; or
 - (b) his becoming ineligible for appointment as auditor of the company by virtue of section 27 of the Act.
- (2) For the purposes of paragraph (1) of this article a person's term of office shall expire—
- (a) in a case in which the appointment is as auditor of a company which has elected to dispense with the obligation to appoint auditors annually, at the time at which he would, in accordance with section 386 of the Companies Act 1985⁽⁵⁾, cease to hold office if the election ceased to be in force on 1st October 1991; and
 - (b) in any other case, at the end of the time within which the company must, in accordance with whichever is applicable of section 385(2) or 385A(2) of the Companies Act 1985⁽⁶⁾, next appoint auditors after 1st October 1991.

2nd September 1991

John Redwood
Minister of State,
Department of Trade and Industry

⁽⁵⁾ Section 386 was inserted into the Companies Act 1985 by sections 118 and 119(1) of the Companies Act 1989.

⁽⁶⁾ Sections 385 and 385A were inserted into the Companies Act 1985 by sections 118 and 119(1) of the Companies Act 1989.

EXPLANATORY NOTE

(This note is not part of the Order)

Subject to the exceptions mentioned below, the Order brings into force on 1st October 1991 the remaining provisions of Part II of the Companies Act 1989 (“the Act”) which is concerned with eligibility for appointment as company auditor. The provisions not brought into force are those conferring power on the Secretary of State to transfer functions of his under the Part to a body established by order under section 46 of the Act and certain related provisions.

The Order also brings into force on 1st October 1991 section 211(1) of the Companies Act 1989 which contains provisions making miscellaneous amendments concerning building societies.

The Order brings sections 134(4) and 143 of the Companies Act 1989 into force on 1st November 1991 together with certain related repeals. Section 134(4) concerns the particulars which must be contained in a notification disclosing an interest in shares. Section 143 concerns rights of inspection of company registers and related matters.

The Order repeals section 389 of the Companies Act 1985 concerning qualifications for appointment as auditor on 1st October 1991 and also repeals, on the same date, the provisions of, or of words in, section 460(1) of the Companies Act 1985, section 196(3) of the Financial Services Act 1986 and section 565(6)(b) of the Income and Corporation Taxes Act 1988.

Article 3 of the Order contains a transitional provision concerning the position of persons holding office as auditor of a company on 1st October 1991.

NOTE AS TO EARLIER COMMENCEMENT ORDERS

(This note is not part of the Order)

The provisions of the Companies Act 1989 brought into force by Orders made before the making of the Companies Act 1989 (Commencement No. 11) Order 1991 (S.I.1991/1452) are listed in a note appended to that Order. That Order itself brought into force the provisions of sections 35 and 36 of the Companies Act 1989 which oblige the Secretary of State to make regulations requiring the keeping of a register of company auditors (section 35) and requiring recognised supervisory bodies under Part II of the Companies Act 1989 to make available to the public information about firms eligible under their rules for appointment as a company auditor (section 36).