



Companies Act 2006

2006 CHAPTER 46

PART 16

AUDIT

CHAPTER 6

AUDITORS' LIABILITY

Liability limitation agreements

VALID FROM 06/04/2008

537 Effect of liability limitation agreement

- (1) A liability limitation agreement is not effective to limit the auditor's liability to less than such amount as is fair and reasonable in all the circumstances of the case having regard (in particular) to—
 - (a) the auditor's responsibilities under this Part,
 - (b) the nature and purpose of the auditor's contractual obligations to the company, and
 - (c) the professional standards expected of him.
- (2) A liability limitation agreement that purports to limit the auditor's liability to less than the amount mentioned in subsection (1) shall have effect as if it limited his liability to that amount.
- (3) In determining what is fair and reasonable in all the circumstances of the case no account is to be taken of—
 - (a) matters arising after the loss or damage in question has been incurred, or

Status: Point in time view as at 01/10/2007. This version of this provision is not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Section 537. (See end of Document for details)

(b) matters (whenever arising) affecting the possibility of recovering compensation from other persons liable in respect of the same loss or damage.

Modifications etc. (not altering text)

C1 Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

Status:

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