

*Status: Point in time view as at 26/03/2015. This version of this part contains provisions that are prospective.*

*Changes to legislation: Deregulation Act 2015, PART 1 is up to date with all changes known to be in force on or before 05 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

PROSPECTIVE

### SCHEDULE 5

#### AUDITORS CEASING TO HOLD OFFICE

#### PART 1

##### NOTIFICATION REQUIREMENTS

- 1 Chapter 4 of Part 16 of the Companies Act 2006 (audit: removal, resignation, etc of auditors) is amended in accordance with paragraphs 2 to 11.
- 2 Omit section 512 (notice to registrar of resolution removing auditor from office).
- 3 In section 516 (resignation of auditor), in subsection (2), for “The” substitute “Where the company is a public interest company, the”.
- 4 Omit section 517 (notice to registrar of resignation of auditor).
- 5 (1) Section 518 (rights of resigning auditor) is amended as follows.
  - (2) In subsection (1), for the words from “auditor's notice of resignation” to the end of the subsection substitute “auditor's (A's) notice of resignation is accompanied by a statement under section 519 except where—
    - (a) the company is a non-public interest company, and
    - (b) the statement includes a statement to the effect that A considers that none of the reasons for A's ceasing to hold office, and no matters (if any) connected with A's ceasing to hold office, need to be brought to the attention of members or creditors of the company (as required by section 519(3B)).”
  - (3) In subsection (2), for “circumstances connected with” substitute “ reasons for, and matters connected with, ”.
  - (4) In subsection (3), in the words after paragraph (b), for “circumstances connected with” substitute “ reasons for, and matters connected with, ”.
- 6 In section 519 (statement by auditor to be deposited with company), in subsection (4), for “The statement required by this section” substitute “ A statement under this section ”.
- 7 (1) Section 520 (company's duties in relation to statement under section 519) is amended as follows.
  - (2) In subsection (1), for the words from “the statement” to the end of the subsection substitute “a company receives from an auditor (“A”) who is ceasing to hold office a statement under section 519 except where—

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- “(a) the company is a non-public interest company, and  
 (b) the statement includes a statement to the effect that A considers that none of the reasons for A's ceasing to hold office, and no matters (if any) connected with A's ceasing to hold office, need to be brought to the attention of members or creditors of the company (as required by section 519(3B)).”
- (3) In subsection (2), for “The” substitute “ Where this section applies, the ”.
- 8 (1) Section 521 (copy of statement to be sent to registrar) is amended as follows.
- (2) Before subsection (1) insert—
- “(A1) This section applies where an auditor (“A”) of a company sends a statement to the company under section 519 except where—
- (a) the company is a non-public interest company, and  
 (b) the statement includes a statement to the effect that A considers that none of the reasons for A's ceasing to hold office, and no matters (if any) connected with A's ceasing to hold office, need to be brought to the attention of members or creditors of the company (as required by section 519(3B)).”
- (3) In subsection (1), for “Unless” substitute “ Where this section applies, unless ”.
- 9 (1) Section 522 (duty of auditor to notify appropriate audit authority) is amended as follows.
- (2) For subsections (1) to (4) substitute—
- “(1) Where an auditor of a company sends a statement under section 519, the auditor must at the same time send a copy of the statement to the appropriate audit authority.”
- (3) In the heading, for “notify” substitute “ send statement to ”.
- 10 (1) Section 524 (information to be given to accounting authorities) is amended as follows.
- (2) For subsection (1) substitute—
- “(1) Where the appropriate audit authority receives a statement under section 522 or a notice under section 523, the authority may forward to the accounting authorities—
- (a) a copy of the statement or notice, and  
 (b) any other information the authority has received from the auditor or the company concerned in connection with the auditor's ceasing to hold office.”
- (3) Omit subsection (3).
- (4) In the heading, for “Information to be given” substitute “ Provision of information ”.
- 11 (1) Section 525 (meaning of “appropriate audit authority” and “major audit”) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (a)—

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- (i) for the words before sub-paragraph (i) substitute “ in relation to an auditor of a public interest company (other than an Auditor General) ”;
  - (ii) in sub-paragraph (ii), after “receiving the” insert “ statement or ”;
  - (b) in paragraph (b), for the words from the beginning to “a major audit” substitute “ in relation to an auditor of a non-public interest company (other than an Auditor General) ”;
  - (c) in paragraph (c), for “in the case of an audit conducted by” substitute “ in relation to ”.
- (3) Omit subsections (2) and (3).
- (4) In the heading, omit “and “major audit””.
- 12 (1) Schedule 8 to the Companies Act 2006 (index of defined expressions) is amended as follows.
- (2) Omit the entry for “major audit”.
  - (3) At the appropriate places insert—
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- “exempt reasons, in relation to an auditor of a section 519A”  
company ceasing to hold office (in Chapter 4  
of Part 16)
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- “non-public interest company (in Chapter 4 of section 519A”  
Part 16)
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- “public interest company (in Chapter 4 of Part section 519A”  
16)
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