
STATUTORY INSTRUMENTS

1996 No. 1471

**The Deregulation (Resolutions of
Private Companies) Order 1996**

Written resolutions: auditors

3.—(1) For section 381B of the 1985 Act (under which a written resolution which concerns the auditors as auditors is not effective if the auditors give notice to the company that it should be considered at a general meeting)(1) there shall be substituted—

“381B Duty to notify auditors of proposed written resolution

(1) If a director or secretary of a company—

- (a) knows that it is proposed to seek agreement to a resolution in accordance with section 381A, and
- (b) knows the terms of the resolution,

he shall, if the company has auditors, secure that a copy of the resolution is sent to them, or that they are otherwise notified of its contents, at or before the time the resolution is supplied to a member for signature.

(2) A person who fails to comply with subsection (1) is liable to a fine.

(3) In any proceedings for an offence under this section it is a defence for the accused to prove—

- (a) that the circumstances were such that it was not practicable for him to comply with subsection (1), or
- (b) that he believed on reasonable grounds that a copy of the resolution had been sent to the company’s auditors or that they had otherwise been informed of its contents.

(4) Nothing in this section affects the validity of any resolution.”

(2) In consequence of paragraph (1) above—

- (a) in section 381A(5) of that Act (date of passing of a written resolution), the words from “unless” to the end are hereby repealed,
- (b) in section 390(2) of that Act (further provision with respect to the rights of auditors in relation to a proposed written resolution)(2), paragraphs (b) to (d) are hereby repealed, and
- (c) in Schedule 24 to that Act (punishment of offences) there shall be inserted at the appropriate place—

“381B(2)	Director or secretary of company failing to notify auditors	Summary.	Level 3 on the standard scale.”
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(1) Sections 381A to 381C were inserted by section 113(1) and (2) of the Companies Act 1989.
(2) Section 390 was substituted by sections 118 and 120(1) of the Companies Act 1989.

Status: This is the original version (as it was originally made).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

of proposed written
resolution.

(3) This article has effect in relation to written resolutions first proposed on or after the day on which this Order comes into force.