

SCHEDULE 1

Regulation 3(2)(d)

Associates of a company's auditor

1. Each of the following shall be regarded as an associate of a company's auditor—
 - (a) any person controlled by the company's auditor or by any associate of the company's auditor (whether alone or through two or more persons acting together to secure or exercise control), but only if that control does not arise solely by virtue of the company's auditor or any associate of the company's auditor acting—
 - (i) as an insolvency practitioner in relation to any person;
 - (ii) in the capacity of a receiver, or a receiver or manager, of the property of a company or other body corporate; or
 - (iii) as a judicial factor on the estate of any person;
 - (b) any person who, or group of persons acting together which, has control of the company's auditor;
 - (c) any person using a trading name which is the same as or similar to a trading name used by the company's auditor, but only if the company's auditor uses that trading name with the intention of creating the impression of a connection between the auditor and that other person;
 - (d) any person who is a party to an arrangement with the company's auditor, with or without any other person, under which costs, profits, quality control, business strategy or significant professional resources are shared.
2. Where a company's auditor is a partnership, each of the following shall also be regarded as an associate of the auditor—
 - (a) any other partnership which has a partner in common with the company's auditor;
 - (b) any partner in the company's auditor;
 - (c) any body corporate which is in the same group as a body corporate which is a partner in the company's auditor;
 - (d) any body corporate which is in the same group as a body corporate which is a partner in a partnership which has a partner in common with the company's auditor;
 - (e) any body corporate of which a partner in the company's auditor is a director.
3. Where a company's auditor is a body corporate (other than one which is also a partnership as defined in paragraph 5(c)), each of the following shall also be regarded as an associate of the auditor—
 - (a) any other body corporate which has a director in common with the company's auditor;
 - (b) any director of the company's auditor;
 - (c) any body corporate which is in the same group as a body corporate which is a director of the company's auditor;
 - (d) any body corporate which is in the same group as a body corporate which has a director in common with the company's auditor;
 - (e) any partnership in which a director of the company's auditor is a partner;
 - (f) any body corporate which is in the same group as the company's auditor;
 - (g) any partnership in which any body corporate which is in the same group as the company's auditor is a partner.

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4. A distant associate of a company's auditor is a person who is an associate of that auditor by reason only that that person is an associate within one or more of—
 - (a) paragraph 1(a) where the person in question is controlled by a distant associate of the company's auditor but not by the auditor or by an associate who is not a distant associate;
 - (b) paragraph 2(a), (d) or (e);
 - (c) paragraph 3(a), (d) or (e).
5. In this Schedule—
 - (a) "acting as an insolvency practitioner" shall be construed in accordance with section 388 of the Insolvency Act 1986(1) or Article 3 of the Insolvency (Northern Ireland) Order 1989(2);
 - (b) "partner" includes a member of a limited liability partnership;
 - (c) "partnership" includes a limited liability partnership and a partnership constituted under the law of a country or a territory outside the United Kingdom;
 - (d) a reference to "a receiver, or a receiver or manager, of the property of a company or other body corporate" includes a receiver, or (as the case may be) a receiver or manager, of part only of that property;
 - (e) a person able, directly or indirectly to control or materially to influence the operating and financial policy of another person shall be treated as having control of that other person; and
 - (f) a body corporate is in the same group as another body corporate if it is a parent or subsidiary of that body corporate, or a subsidiary of a parent of that body corporate.

SCHEDULE 2

Regulation 5(3)

Type of service in respect of which disclosure is to be made

1. The auditing of accounts of associates of the company pursuant to legislation (including that of countries and territories outside the United Kingdom).
2. Other services supplied pursuant to such legislation.
3. Other services relating to taxation.
4. Services relating to information technology.
5. Internal audit services.
6. Valuation and actuarial services.
7. Services relating to litigation.
8. Services relating to recruitment and remuneration.
9. Services relating to corporate finance transactions entered into or proposed to be entered into on behalf of the company or any of its associates.
10. All other services.

(1) 1986 c.45; section 388 has been amended by section 4(2)(a) to (c) of the Insolvency Act 2000 (c.39), by section 11(1) of the Bankruptcy (Scotland) Act 1993 (c.6) and by S.I. 1994/2421, 2002/1240 and 2002/2708.

(2) S.I. 1989/2405 (N.I. 19); Article 3 has been amended by Article 6(1)(a) to (c) of the Insolvency (Northern Ireland) Order 2002 (S.I. 2002/3152 (N.I. 6); and by S.R. 1995/225, 2002/334 and 2003/550.

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