

Changes to legislation: Deregulation Act 2015, SCHEDULE 5 is up to date with all changes known to be in force on or before 15 May 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) View outstanding changes

SCHEDULES

SCHEDULE 5

Section 18

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.

Commencement Information

I1 Sch. 5 para. 1 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 2 Omit section 512 (notice to registrar of resolution removing auditor from office).

Commencement Information

I2 Sch. 5 para. 2 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 3 In section 516 (resignation of auditor), in subsection (2), for “The” substitute “Where the company is a public interest company, the”.

Commencement Information

I3 Sch. 5 para. 3 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 4 Omit section 517 (notice to registrar of resignation of auditor).

Commencement Information

I4 Sch. 5 para. 4 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 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

Changes to legislation: Deregulation Act 2015, SCHEDULE 5 is up to date with all changes known to be in force on or before 15 May 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) View outstanding changes

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, ”.

Commencement Information

I5 Sch. 5 para. 5 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 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 ”.

Commencement Information

I6 Sch. 5 para. 6 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 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—
- “(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 ”.

Commencement Information

I7 Sch. 5 para. 7 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 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)).”

Changes to legislation: Deregulation Act 2015, SCHEDULE 5 is up to date with all changes known to be in force on or before 15 May 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) View outstanding changes

(3) In subsection (1), for “Unless” substitute “ Where this section applies, unless ”.

Commencement Information

I8 Sch. 5 para. 8 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

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 ”.

Commencement Information

I9 Sch. 5 para. 9 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

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 ”.

Commencement Information

I10 Sch. 5 para. 10 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

11 (1) Section 525 (meaning of “appropriate audit authority” and “major audit”) is amended as follows.

(2) In subsection (1)—

(a) in paragraph (a)—

(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 ”;

Changes to legislation: Deregulation Act 2015, SCHEDULE 5 is up to date with all changes known to be in force on or before 15 May 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) View outstanding changes

- (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””.

Commencement Information

I11 Sch. 5 para. 11 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 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—

“exempt reasons, in relation to an auditor of a section 519A”
 company ceasing to hold office (in Chapter 4
 of Part 16)

“non-public interest company (in Chapter 4 of section 519A”
 Part 16)

“public interest company (in Chapter 4 of Part section 519A”
 16)

Commencement Information

I12 Sch. 5 para. 12 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

PART 2

MISCELLANEOUS

- 13 Chapter 4 of Part 16 of the Companies Act 2006 is further amended as follows.

Commencement Information

I13 Sch. 5 para. 13 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

Failure to re-appoint auditor: special procedure requirements

- 14 (1) Section 514 (failure to re-appoint auditor: special procedure required for written resolution) is amended as follows.

Changes to legislation: Deregulation Act 2015, SCHEDULE 5 is up to date with all changes known to be in force on or before 15 May 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) View outstanding changes

(2) For subsections (1) and (2) substitute—

“(1) This section applies where a resolution is proposed as a written resolution of a private company whose effect would be to appoint a person as auditor in place of a person (the “outgoing auditor”) who, at the time the resolution is proposed, is an auditor of the company and who is to cease to hold office at the end of a period for appointing auditors.

But this section does not apply if the auditor is to cease to hold office by virtue of section 510 or 516.

(2) This section also applies where a resolution is proposed as a written resolution of a private company whose effect would be to appoint a person as auditor where, at the time the resolution is proposed, the company does not have an auditor and the person proposed to be appointed is not a person (the “outgoing auditor”) who was an auditor of the company when the company last had an auditor.

But this is subject to subsection (2A).

(2A) This section does not apply (by virtue of subsection (2)) if—

- (a) a period for appointing auditors has ended since the outgoing auditor ceased to hold office,
- (b) the outgoing auditor ceased to hold office by virtue of section 510 or 516, or
- (c) the outgoing auditor has previously had the opportunity to make representations with respect to a proposed resolution under subsection (4) of this section or an intended resolution under section 515(4).”

(3) In subsection (3), for “The” substitute “ Where this section applies, the ”.

Commencement Information

I14 Sch. 5 para. 14 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

15 (1) Section 515 (failure to re-appoint auditor: special notice required for resolution at general meeting) is amended as follows.

(2) For subsections (1) and (2) substitute—

“(1) Special notice is required for a resolution at a general meeting of a private company whose effect would be to appoint a person as auditor in place of a person (the “outgoing auditor”) who, at the time the notice is given, is an auditor of the company and who is to cease to hold office at the end of a period for appointing auditors.

But special notice is not required under this subsection if the auditor is to cease to hold office by virtue of section 510 or 516.

(1A) Special notice is required for a resolution at a general meeting of a public company whose effect would be to appoint a person as auditor in place of a person (the “outgoing auditor”) who, at the time the notice is given, is an auditor of the company and who is to cease to hold office at the end of an accounts meeting.

Changes to legislation: Deregulation Act 2015, SCHEDULE 5 is up to date with all changes known to be in force on or before 15 May 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) View outstanding changes

But special notice is not required under this subsection if the auditor is to cease to hold office by virtue of section 510 or 516.

- (2) Special notice is required for a resolution at a general meeting of a company whose effect would be to appoint a person as auditor where, at the time the notice is given, the company does not have an auditor and the person proposed to be appointed is not a person (the “outgoing auditor”) who was an auditor of the company when the company last had an auditor.

But this is subject to subsection (2A).

- (2A) Special notice is not required under subsection (2) if—
- (a) a period for appointing auditors has ended or (as the case may be) an accounts meeting of the company has been held since the outgoing auditor ceased to hold office,
 - (b) the outgoing auditor ceased to hold office by virtue of section 510 or 516, or
 - (c) the outgoing auditor has previously had the opportunity to make representations with respect to an intended resolution under subsection (4) of this section or a proposed resolution under section 514(4).”
- (3) In subsection (3)—
- (a) omit “such”;
 - (b) after “resolution” insert “ mentioned in subsection (1), (1A) or (2) ”.

Commencement Information

I15 Sch. 5 para. 15 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

Replacement of references to documents being deposited at the company's registered office

- 16 (1) Section 516 (resignation of auditor) is amended as follows.
- (2) In subsection (1), for the words from “depositing” to the end of the subsection substitute “ sending a notice to that effect to the company ”.
- (3) In subsection (3), for “deposited” substitute “ received ”.

Commencement Information

I16 Sch. 5 para. 16 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 17 (1) Section 518 (rights of resigning auditor) is amended as follows.
- (2) In subsection (2)—
- (a) for “deposit” substitute “ send ”;
 - (b) for “a signed” substitute “ an authenticated ”.
- (3) In subsection (5), for “of the deposit of” substitute “ on which the company receives ”.

Changes to legislation: Deregulation Act 2015, SCHEDULE 5 is up to date with all changes known to be in force on or before 15 May 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) View outstanding changes

Commencement Information

I17 Sch. 5 para. 17 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 18 (1) Section 519 (statement by auditor to be deposited with company) is amended as follows.
- (2) In subsection (4), for “deposited” substitute “ sent ”.
- (3) In the heading, for “deposited with” substitute “ sent to ”.

Commencement Information

I18 Sch. 5 para. 18 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 19 In section 520(2) (company's duties in relation to statement), for “deposit” substitute “ receipt ”.

Commencement Information

I19 Sch. 5 para. 19 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

- 20 In section 521(1) (copy of statement to be sent to registrar), for “deposited” substitute “ sent ”.

Commencement Information

I20 Sch. 5 para. 20 in force at 1.10.2015 by S.I. 2015/1732, art. 2(d) (with arts. 4, 6)

Changes to legislation:

Deregulation Act 2015, SCHEDULE 5 is up to date with all changes known to be in force on or before 15 May 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.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- specified provision(s) amendment to earlier commencing SI 2015/994 art. 13 Sch. by [S.I. 2015/1405 art. 2\(3\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 110A inserted by [2016 c. 12 s. 16\(1\)](#)