



Companies Act 2006

2006 CHAPTER 46

PART 42

STATUTORY AUDITORS

CHAPTER 6

SUPPLEMENTARY AND GENERAL

Power to require second company audit

1248 Secretary of State's power to require second audit of a company

- (1) This section applies where a person appointed as statutory auditor of a company was not an appropriate person for any part of the period during which the audit was conducted.
- (2) The Secretary of State may direct the company concerned to retain an appropriate person—
 - (a) to conduct a second audit of the relevant accounts, or
 - (b) to review the first audit and to report (giving his reasons) whether a second audit is needed.
- (3) For the purposes of subsections (1) and (2) a person is “appropriate” if he—
 - (a) is eligible for appointment as a statutory auditor or, if the person is an Auditor General, for appointment as statutory auditor of the company, and
 - (b) is not prohibited by section 1214(1) (independence requirement) from acting as statutory auditor of the company.
- (4) The Secretary of State must send a copy of a direction under subsection (2) to the registrar of companies.
- (5) The company is guilty of an offence if—

Status: Point in time view as at 27/03/2019.

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- (a) it fails to comply with a direction under subsection (2) within the period of 21 days beginning with the date on which it is given, or
 - (b) it has been convicted of a previous offence under this subsection and the failure to comply with the direction which led to the conviction continues after the conviction.
- (6) The company must—
- (a) send a copy of a report under subsection (2)(b) to the registrar of companies, and
 - (b) if the report states that a second audit is needed, take such steps as are necessary for the carrying out of that audit.
- (7) The company is guilty of an offence if—
- (a) it fails to send a copy of a report under subsection (2)(b) to the registrar within the period of 21 days beginning with the date on which it receives it,
 - (b) in a case within subsection (6)(b), it fails to take the steps mentioned immediately it receives the report, or
 - (c) it has been convicted of a previous offence under this subsection and the failure to send a copy of the report, or take the steps, which led to the conviction continues after the conviction.
- (8) A company guilty of an offence under this section is liable on summary conviction—
- (a) in a case within subsection (5)(a) or (7)(a) or (b), to a fine not exceeding level 5 on the standard scale, and
 - (b) in a case within subsection (5)(b) or (7)(c), to a fine not exceeding [^{F1}one-tenth of level 5 on the standard scale][^{F1}one-tenth of the greater of £5,000 or level 4 on the standard scale] for each day on which the failure continues.
- (9) In this section “registrar of companies” has the meaning given by section 1060.

Textual Amendments

- F1** Words in s. 1248(8)(b) substituted (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 3 para. 9\(26\)](#) (with reg. 5(1))

Modifications etc. (not altering text)

- C1** S. 1248 applied (with modifications) by 1986 c. 53, Sch. 11 para. 3DA(3) (as inserted (with effect in accordance with reg. 2(1) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), [Sch. 1 para. 3](#) (with reg. 2(6)(7)))

1249 Supplementary provision about second audits

- (1) If a person accepts an appointment, or continues to act, as statutory auditor of a company at a time when he knows he is not an appropriate person, the company may recover from him any costs incurred by it in complying with the requirements of section 1248.

For this purpose “appropriate” is to be construed in accordance with subsection (3) of that section.

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- (2) Where a second audit is carried out under section 1248, any statutory or other provision applying in relation to the first audit applies also, in so far as practicable, in relation to the second audit.
- (3) A direction under section 1248(2) is, on the application of the Secretary of State, enforceable by injunction or, in Scotland, by an order under section 45 of the Court of Session Act 1988 (c. 36).

Modifications etc. (not altering text)

- C2** S. 1249 applied (with modifications) by 1986 c. 53, Sch. 11 para. 3DA(3) (as inserted (with effect in accordance with reg. 2(1) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 1 para. 3** (with reg. 2(6)(7)))

False and misleading statements

1250 Misleading, false and deceptive statements

- (1) A person is guilty of an offence if—
 - (a) for the purposes of or in connection with any application under this Part, or
 - (b) in purported compliance with any requirement imposed on him by or by virtue of this Part,he knowingly or recklessly furnishes information which is misleading, false or deceptive in a material particular.
- (2) It is an offence for a person whose name does not appear on the register of auditors kept under regulations under section 1239 in an entry made under subsection (1)(a) of that section to describe himself as a registered auditor or so to hold himself out as to indicate, or be reasonably understood to indicate, that he is a registered auditor.
- (3) It is an offence for a person whose name does not appear on the register of auditors kept under regulations under that section in an entry made under subsection (1)(b) of that section to describe himself as a registered third country auditor or so to hold himself out as to indicate, or be reasonably understood to indicate, that he is a registered third country auditor.
- (4) It is an offence for a body which is not a recognised supervisory body or a recognised qualifying body to describe itself as so recognised or so to describe itself or hold itself out as to indicate, or be reasonably understood to indicate, that it is so recognised.
- (5) A person guilty of an offence under subsection (1) is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both),
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum (or both).

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In relation to an offence committed before the commencement of section 154(1) of the Criminal Justice Act 2003 (c. 44), for “twelve months” in paragraph (b)(i) substitute “six months”.

- (6) Subject to subsection (7), a person guilty of an offence under subsection (2), (3) or (4) is liable on summary conviction—
- (a) in England and Wales, to imprisonment for a term not exceeding 51 weeks or to a fine not exceeding level 5 on the standard scale (or both),
 - (b) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding level 5 on the standard scale (or both).

In relation to an offence committed before the commencement of section 281(5) of the Criminal Justice Act 2003, for “51 weeks” in paragraph (a) substitute “six months”.

- (7) Where a contravention of subsection (2), (3) or (4) involves a public display of the offending description, the maximum fine that may be imposed is an amount equal to level 5 on the standard scale multiplied by the number of days for which the display has continued.
- (8) It is a defence for a person charged with an offence under subsection (2), (3) or (4) to show that he took all reasonable precautions and exercised all due diligence to avoid the commission of the offence.

Fees

1251 Fees

- (1) An applicant for a recognition order under this Part must pay such fee in respect of his application as the Secretary of State may by regulations prescribe; and no application is to be regarded as duly made unless this subsection is complied with.
- (2) The Secretary of State may by regulations prescribe periodical fees to be paid by—
 - (a) every recognised supervisory body,
 - (b) every recognised qualifying body,
 - (c) every Auditor General, and
 - (d) every registered third country auditor.
- (3) Fees received by the Secretary of State by virtue of this Part are to be paid into the Consolidated Fund.
- (4) Regulations under this section are subject to negative resolution procedure.

Commencement Information

- II** S. 1251 wholly in force at 6.4.2008; s. 1251 not in force at Royal Assent, see s. 1300; s. 1251 in force for specified purposes at 20.1.2007 by S.I. 2006/3428, **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 1251 in force at 6.4.2008 by S.I. 2007/3495, **art. 3(1)(u)** (with savings in **arts. 7, 12, Sch. 4 paras. 37-42**)

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[^{F2}Duty of Secretary of State to report on inspections

Textual Amendments

- F2** S. 1251A and cross-heading inserted (6.4.2008) by [The Statutory Auditors and Third Country Auditors Regulations 2007 \(S.I. 2007/3494\)](#), [reg. 11](#)

1251A Duty of the Secretary of State to report on inspections

The Secretary of State must, at least once in every calendar year, publish a report containing a summary of the results of inspections that are delivered to him—

- (a) by the Independent Supervisor under section 1229(5A);
- (b) by a recognised supervisory body under [^{F3}paragraph 13(12)] of Schedule 10.]

Textual Amendments

- F3** Words in s. 1251A(b) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), [reg. 1\(1\)\(a\)](#), [Sch. 3 para. 38\(2\)](#)

Delegation of Secretary of State's functions

1252 Delegation of the Secretary of State's functions

- (1) The Secretary of State may make an order under this section (a “delegation order”) for the purpose of enabling functions of the Secretary of State under this Part to be exercised by a body designated by the order.
- (2) The body designated by a delegation order may be either—
 - (a) a body corporate which is established by the order, or
 - (b) subject to section 1253, a body [^{F4}(including the competent authority, and whether] a body corporate or an unincorporated association) which is already in existence (“an existing body”).
- (3) A delegation order has the effect of making the body designated by the order designated under section 5 of the Freedom of Information Act 2000 (c. 36) (further powers to designate public authorities).
- (4) A delegation order has the effect of transferring to the body designated by it all functions of the Secretary of State under this Part—
 - (a) subject to such exceptions and reservations as may be specified in the order, and
 - (b) except—
 - (i) his functions in relation to the body itself, and
 - (ii) his functions under section 1228 (appointment of Independent Supervisor).
- (5) A delegation order may confer on the body designated by it such other functions supplementary or incidental to those transferred as appear to the Secretary of State to be appropriate.

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- (6) Any transfer of functions under the following provisions must be subject to the reservation that the functions remain exercisable concurrently by the Secretary of State—
- (a) section 1224 (power to call for information from recognised bodies etc);
 - (b) section 1244 (power to call for information from registered third country auditors);
 - (c) section 1254 (directions to comply with international obligations).
- (7) Any transfer of—
- (a) the function of refusing to make a declaration under section 1221(1) (approval of [^{F5}third country] qualifications) on the grounds referred to in section 1221(4) (lack of comparable treatment), or
 - (b) the function of withdrawing such a declaration under section 1221(7) on those grounds,
- must be subject to the reservation that the function is exercisable only with the consent of the Secretary of State.
- (8) A delegation order may be amended or, if it appears to the Secretary of State that it is no longer in the public interest that the order should remain in force, revoked by a further order under this section.
- (9) Where functions are transferred or resumed, the Secretary of State may by order confer or, as the case may be, take away such other functions supplementary or incidental to those transferred or resumed as appear to him to be appropriate.
- (10) Where a delegation order is made, Schedule 13 has effect with respect to—
- (a) the status of the body designated by the order in exercising functions of the Secretary of State under this Part,
 - (b) the constitution and proceedings of the body where it is established by the order,
 - (c) the exercise by the body of certain functions transferred to it, and
 - (d) other supplementary matters.
- (11) An order under this section which has the effect of transferring or resuming any functions is subject to affirmative resolution procedure.
- (12) Any other order under this section is subject to negative resolution procedure.

Textual Amendments

- F4** Words in s. 1252(2)(b) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 39(2)**
- F5** Words in s. 1252(7)(a) substituted (6.4.2008) by [The Statutory Auditors and Third Country Auditors Regulations 2007 \(S.I. 2007/3494\)](#), reg. 12

Commencement Information

- I2** S. 1252 wholly in force at 6.4.2008; s. 1252 not in force at Royal Assent, see s. 1300; s. 1252 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 1252 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(u)** (with savings in [arts. 7, 12](#), [Sch. 4 paras. 37-42](#))

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1253 Delegation of functions to an existing body

- (1) The Secretary of State's power to make a delegation order under section 1252 which designates an existing body is exercisable in accordance with this section.
- (2) The Secretary of State may make such a delegation order if it appears to him that—
 - (a) the body is able and willing to exercise the functions that would be transferred by the order, and
 - (b) the body has arrangements in place relating to the exercise of those functions which are such as to be likely to ensure that the conditions in subsection (3) are met.
- (3) The conditions are—
 - (a) that the functions in question will be exercised effectively, and
 - (b) where the delegation order is to contain any requirements or other provisions specified under subsection (4), that those functions will be exercised in accordance with any such requirements or provisions.
- (4) The delegation order may contain such requirements or other provision relating to the exercise of the functions by the designated body as appear to the Secretary of State to be appropriate.
- (5) An existing body—
 - (a) may be designated by a delegation order under section 1252, and
 - (b) may accordingly exercise functions of the Secretary of State in pursuance of the order,despite any involvement of the body in the exercise of any functions under arrangements within ^{F6}... paragraph 1 or 2 of Schedule 12.

Textual Amendments

- F6** Words in s. 1253(5) omitted (17.6.2016) by virtue of [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 40(2)**

Commencement Information

- I3** S. 1253 wholly in force at 6.4.2008; s. 1253 not in force at Royal Assent, see s. 1300; s. 1253 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 1253 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(u)** (with savings in [arts. 7, 12](#), [Sch. 4 paras. 37-42](#))

[^{F7}Cooperation with foreign competent authorities

Textual Amendments

- F7** Ss. 1253A-1253C and cross-heading inserted (6.4.2008) by [The Statutory Auditors and Third Country Auditors Regulations 2007 \(S.I. 2007/3494\)](#), **reg. 14(1)** (with [reg. 14\(2\)](#))

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1253A Requests to foreign competent authorities

The Secretary of State may request from an EEA competent authority or a third country competent authority such assistance, information or investigation as he may reasonably require in connection with the exercise of his functions under this Part.

1253B Requests from EEA competent authorities

- [^{F8}(1) The Secretary of State must take all necessary steps to—
- (a) ensure that an investigation is carried out, or
 - (b) provide any other assistance or information,
- if requested to do so by an EEA competent authority or a European supervisory authority (“the requesting authority”), in accordance with Article 36 of the Audit Directive (regulatory co-operation between Member States) or Article 31, 32 or 33 of the Audit Regulation.]
- (2) Within 28 days following the date on which he receives the request, the Secretary of State must—
- (a) provide the assistance or information required by [^{F9}the requesting authority] under subsection (1)(b), or
 - (b) notify [^{F10}the requesting authority] of the reasons why he has not done so.
- (3) But the Secretary of State need not take steps to comply with a request under subsection (1) if—
- (a) he considers that complying with the request may prejudice the sovereignty, security or public order of the United Kingdom;
 - (b) legal proceedings have been brought in the United Kingdom (whether continuing or not) in relation to the persons and matters to which the request relates; or
 - (c) disciplinary action has been taken by a recognised supervisory body in relation to the persons and matters to which the request relates.
- [In this section “European supervisory authority” means—
- ^{F11}(4) (a) the European Securities and Markets Authority;
- (b) the European Banking Authority;
 - (c) the European Insurance and Occupational Pensions Authority.]

Textual Amendments

- F8** S. 1253B(1) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 41(2)**
- F9** Words in s. 1253B(2)(a) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 41(3)(a)**
- F10** Words in s. 1253B(2)(b) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 41(3)(b)**
- F11** S. 1253B(4) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 41(4)**

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1253C Notification to competent authorities of other EEA States

- [^{F12}(1) If the Secretary of State receives notice from a recognised supervisory body under section 1223A(1) (notification of matters relevant to other EEA States) that—
- (a) a person has become eligible for appointment as a statutory auditor, or
 - (b) a person’s eligibility for appointment as a statutory auditor has been withdrawn,
- the Secretary of State must notify the relevant EEA competent authority.]
- (2) In subsection (1) “ the relevant EEA competent authority ” means the EEA competent authority which has approved the person concerned in accordance with the Audit Directive to carry out audits of annual accounts or consolidated accounts required by [^{F13}EU] law.
- (3) The notification under subsection (1) must include the name of the person concerned and [^{F14}, in a case where a person’s eligibility for appointment as a statutory auditor has been withdrawn, the reasons for the withdrawal].
- (4) The Secretary of State must notify the relevant EEA competent authority if he has reasonable grounds for suspecting that—
- (a) a person has contravened the law of the United Kingdom, or any other EEA State or part of an EEA State, implementing the Audit Directive, and
 - (b) the act or omission constituting that contravention took place on the territory of an EEA State other than the United Kingdom.,
- (5) In subsection (4) “ the relevant EEA competent authority ” means the EEA competent authority for the EEA State in which the suspected contravention took place.
- (6) The notification under subsection (4) must include the name of the person concerned and the grounds for the Secretary of State's suspicion.]

Textual Amendments

- F12** S. 1253C(1) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 42(2)**
- F13** S. 1253C(2): term substituted (22.4.2011 with application in accordance with art. 3(3) of the amending S.I.) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#), art. {6(2)}
- F14** Words in s. 1253C(3) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 42(3)**

[^{F15}Transfer of papers to third countries

Textual Amendments

- F15** Ss. 1253D-1253F and cross-heading inserted (6.4.2008) by [The Statutory Auditors and Third Country Auditors Regulations 2007 \(S.I. 2007/3494\)](#), **reg. 15(1)** (with **reg. 15(2)** (as amended by [S.I. 2008/499](#)), **reg. 2(4)**))

[^{F16}1253I] **Restriction on transfer of audit working papers to third countries**

- (1) [^{F17}Audit working papers and investigation reports] must not be transferred to a third country competent authority except in accordance with—

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- (a) section 1253DA (transfer by Secretary of State),
 - (b) section 1253DB (transfer by statutory auditor with approval of Secretary of State), or
 - (c) section 1253DC (transfer by statutory auditor for purposes of investigation of auditor).
- (2) The following are approved third country competent authorities for the purposes of this Part—
- (a) the Australian Securities and Investments Commission;
 - (b) the Canadian Public Accountability Board;
 - (c) the Certified Public Accountants and Auditing Oversight Board of Japan;
 - (d) the Financial Services Agency of Japan;
 - (e) the Federal Audit Oversight Authority of Switzerland;
 - (f) the Public Company Accounting Oversight Board of the United States of America;
 - (g) the Securities and Exchange Commission of the United States of America.
 - [^{F18}(h) the Comissão de Valores Mobiliários of Brazil;
 - (i) the Dubai Financial Service Authority of Dubai International Financial Centre;
 - (j) the Registrar of Companies of Guernsey;
 - (k) the Finance Professions Supervisory Centre of Indonesia;
 - (l) the Isle of Man Financial Services Authority;
 - (m) the Jersey Financial Services Commission;
 - (n) the Audit Oversight Board of Malaysia;
 - (o) the Independent Regulatory Board for Auditors of South Africa;
 - (p) the Financial Services Commission of South Korea;
 - (q) the Financial Supervisory Service of South Korea;
 - (r) the Financial Supervisory Commission of Taiwan;
 - (s) the Securities and Exchange Commission of Thailand.]
- (3) Nothing in the sections referred to in subsection (1) authorises the making of a disclosure in contravention of [^{F19}the data protection legislation].]

Textual Amendments

- F16** Ss. 1253D-1253DE substituted for s. 1253D (15.11.2010) by [The Companies Act 2006 \(Transfer of Audit Working Papers to Third Countries\) Regulations 2010 \(S.I. 2010/2537\)](#), regs. 1(2), **2**
- F17** Words in s. 1253D(1) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 43(2)** (with reg. 1(2)(b))
- F18** S. 1253D(2)(h)-(s) inserted (1.5.2017) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **13(5)**
- F19** Words in s. 1253D(3) substituted (25.5.2018) by [Data Protection Act 2018 \(c. 12\)](#), s. 212(1), **Sch. 19 para. 126** (with ss. 117, 209, 210); S.I. 2018/625, reg. 2(1)(g)

[^{F20}1253DA] **Transfer by Secretary of State**

- (1) The Secretary of State may transfer [^{F21}audit working papers and investigation reports] to an approved third country competent authority if the following conditions are met (but see also section 1253DD).

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- (2) The first condition is that the authority has made a request to the Secretary of State for the transfer of the [F21audit working papers and investigation reports].
- (3) The second condition is that the [F21audit working papers and investigation reports] relate to audits of companies that—
 - (a) have issued securities in the third country in which the authority is established, or
 - (b) form part of a group issuing statutory consolidated accounts in that third country.
- (4) The third condition is that the authority has entered into arrangements with the Secretary of State in accordance with section 1253E.

Textual Amendments

- F20** Ss. 1253D-1253DE substituted for s. 1253D (15.11.2010) by [The Companies Act 2006 \(Transfer of Audit Working Papers to Third Countries\) Regulations 2010 \(S.I. 2010/2537\)](#), regs. 1(2), **2**
- F21** Words in s. 1253DA substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 44(2)** (with reg. 1(2)(b))

1253DB Transfer by statutory auditor with approval of Secretary of State

- (1) A statutory auditor may transfer [F22audit working papers and investigation reports] to an approved third country competent authority if the transfer is made—
 - (a) with the prior approval of the Secretary of State, and
 - (b) in accordance with rules of a recognised supervisory body meeting the requirements of paragraph 16AA of Schedule 10.
- (2) The Secretary of State must not approve a transfer of [F22audit working papers and investigation reports] to an approved third country competent authority for the purposes of this section unless the following conditions are met (see also section 1253DD).
- (3) The first condition is that the authority has made a request to the Secretary of State for the transfer of the [F22audit working papers and investigation reports].
- (4) The second condition is that the [F22audit working papers and investigation reports] relate to audits of companies that—
 - (a) have issued securities in the third country in which the authority is established, or
 - (b) form part of a group issuing statutory consolidated accounts in that third country.
- (5) The third condition is that the authority has entered into arrangements with the Secretary of State in accordance with section 1253E.

Textual Amendments

- F20** Ss. 1253D-1253DE substituted for s. 1253D (15.11.2010) by [The Companies Act 2006 \(Transfer of Audit Working Papers to Third Countries\) Regulations 2010 \(S.I. 2010/2537\)](#), regs. 1(2), **2**

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F22 Words in s. 1253DB substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 45(2)** (with reg. 1(2)(b))

1253DC Transfer by statutory auditor for purposes of investigation of auditor

A statutory auditor may transfer [^{F23}audit working papers and investigation reports] to a third country competent authority if the transfer is made—

- (a) for the purposes of an investigation of an auditor or audit firm, and
- (b) in accordance with rules of a recognised supervisory body meeting the requirements of paragraph 16AB of Schedule 10.

Textual Amendments

- F20** Ss. 1253D-1253DE substituted for s. 1253D (15.11.2010) by [The Companies Act 2006 \(Transfer of Audit Working Papers to Third Countries\) Regulations 2010 \(S.I. 2010/2537\)](#), regs. 1(2), **2**
- F23** Words in s. 1253DC substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 46** (with reg. 1(2)(b))

1253DD Agreement of EEA competent authority

- (1) This section applies where—
 - (a) an approved third country competent authority makes a request to the Secretary of State for the transfer of [^{F24}audit working papers and investigation reports] which relate to the audit of the consolidated accounts of a group, and
 - (b) the [^{F24}audit working papers and investigation reports] that are the subject of the request—
 - (i) have been created by the auditor of a subsidiary that is located in another EEA State in relation to the audit of that subsidiary, and
 - (ii) are in the possession of a statutory auditor.
- (2) In the case of a transfer by the Secretary of State under section 1253DA, the transfer must not take place unless the EEA competent authority responsible for the auditor of the subsidiary has given its express agreement to the transfer.
- (3) In the case of a transfer by a statutory auditor under section 1253DB, the Secretary of State must not approve the transfer unless the EEA competent authority responsible for the auditor of the subsidiary has given its express agreement to the transfer.

Textual Amendments

- F20** Ss. 1253D-1253DE substituted for s. 1253D (15.11.2010) by [The Companies Act 2006 \(Transfer of Audit Working Papers to Third Countries\) Regulations 2010 \(S.I. 2010/2537\)](#), regs. 1(2), **2**
- F24** Words in s. 1253DD substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 47(1)** (with reg. 1(2)(b))

1253DE Transfer by means of inspection

- (1) This section applies in the case of a transfer of [^{F25}audit working papers and investigation reports] if—

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- (a) it is a transfer to an approved third country competent authority listed in section 1253D(2)(a), (f) or (g),
 - (b) it is a transfer under section 1253DA or 1253DB, and
 - (c) it is to take place by means of an inspection in the United Kingdom by the authority.
- (2) The Secretary of State must participate in the inspection.
- (3) The inspection must be under the leadership of the Secretary of State unless the Secretary of State otherwise permits.]

Textual Amendments

- F20** Ss. 1253D-1253DE substituted for s. 1253D (15.11.2010) by [The Companies Act 2006 \(Transfer of Audit Working Papers to Third Countries\) Regulations 2010 \(S.I. 2010/2537\)](#), regs. 1(2), **2**
- F25** Words in s. 1253DE(1) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 48(2)** (with reg. 1(2)(b))

[^{F26}**1253E** Working arrangements for transfer of papers

- (1) The Secretary of State may enter into arrangements with a third country competent authority relating to the transfer of [^{F27}audit working papers and investigation reports]—
- (a) from the third country competent authority or a third country auditor regulated by that authority to the Secretary of State, and
 - (b) from the Secretary of State or a statutory auditor to the third country competent authority.
- (2) The arrangements must provide that a request by the Secretary of State or the third country competent authority for a transfer mentioned in subsection (1) must be accompanied by a statement explaining the reasons for the request.
- (3) The arrangements must—
- (a) provide that the Secretary of State may not use [^{F27}audit working papers and investigation reports] obtained from the third country competent authority or a third country auditor regulated by that authority except in connection with one or more of the functions mentioned in subsection (4), and
 - (b) include comparable provision in relation to [^{F27}audit working papers and investigation reports] obtained by the third country competent authority from the Secretary of State or a statutory auditor.
- (4) Those functions are—
- (a) quality assurance functions which meet requirements equivalent to those of Article 29 of the Audit Directive (quality assurance);
 - (b) investigation or disciplinary functions which meet requirements equivalent to those of Article 30 of the Audit Directive (investigations and penalties);
 - (c) public oversight functions which meet requirements equivalent to those of Article 32 of the Audit Directive (principles of public oversight).
- (5) The arrangements must—
- (a) provide that the Secretary of State, a person exercising the functions of the Secretary of State and persons employed or formerly employed in discharging

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- those functions must be subject to obligations of confidentiality as to personal data, professional secrets and sensitive commercial information contained in [F²⁷ audit working papers and investigation reports] transferred to the Secretary of State, F²⁸...
- (b) provide that the third country competent authority and persons involved in exercising its functions are subject to comparable obligations in relation to [F²⁷ audit working papers and investigation reports] transferred to the authority [F²⁹ and
- (c) ensure that the protection of the commercial interests of any audited person, including its industrial and intellectual property, is not undermined.]
- (6) The arrangements must—
- (a) provide that the Secretary of State may refuse, or direct a statutory auditor to refuse, a request from the third country competent authority for a transfer of [F²⁷ audit working papers and investigation reports] in a case mentioned in subsection (7)(a) or (b), and
- (b) provide that the third country competent authority has comparable rights in relation to a request from the Secretary of State.
- (7) Those cases are—
- (a) where the transfer of the papers would adversely affect the sovereignty, security or public order of the European Union or of the United Kingdom;
- (b) where legal proceedings have been brought in the United Kingdom (whether continuing or not) in relation to the persons and matters to which the request relates.
- [F³⁰(7A) The arrangements must—
- (a) provide that the Secretary of State may only disclose confidential information received from the third country competent authority—
- (i) with the agreement of that authority or for purposes for which that authority has given its agreement,
- (ii) where disclosure is required by law, or
- (iii) where disclosure is necessary in connection with legal proceedings, and
- (b) provide that the third country competent authority may only disclose confidential information received from the Secretary of State—
- (i) with the Secretary of State’s agreement or for purposes for which the Secretary of State has given agreement,
- (ii) where disclosure is required by law, or
- (iii) where disclosure is necessary in connection with legal proceedings.]
- (8) Arrangements with [F³¹ the Australian Securities and Investments Commission] must—
- (a) provide that any contact between a statutory auditor and the authority relating to a relevant transfer of [F²⁷ audit working papers and investigation reports] to the authority must take place via the Secretary of State, and
- (b) include comparable provision in relation to transfers of [F²⁷ audit working papers and investigation reports] to the Secretary of State.
- (9) “ Relevant transfer ” means any transfer other than a transfer by a statutory auditor under section 1253DC.]

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Textual Amendments

- F26** S. 1253E substituted (15.11.2010) by [The Companies Act 2006 \(Transfer of Audit Working Papers to Third Countries\) Regulations 2010 \(S.I. 2010/2537\)](#), regs. 1(2), **3**
- F27** Words in s. 1253E substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 49(2)** (with reg. 1(2)(b))
- F28** Word in s. 1253E(5)(a) omitted (17.6.2016) by virtue of [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 49(3)(a)** (with reg. 1(2)(b))
- F29** S. 1253E(5)(c) and word inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 49(3)(b)** (with reg. 1(2)(b))
- F30** S. 1253E(7A) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 49(4)** (with reg. 1(2)(b))
- F31** Words in s. 1253E(8) substituted (1.5.2017) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **13(6)**

1253F Publication of working arrangements

If the Secretary of State enters into working arrangements in accordance with section 1253E, he must publish on a website without undue delay—

- (a) the name of the third country competent authority with which he has entered into such arrangements, and
- (b) the country or territory in which it is established.]

International obligations

1254 Directions to comply with international obligations

- (1) If it appears to the Secretary of State—
 - [^{F32}(a) that any action proposed to be taken by—
 - (i) a recognised supervisory body,
 - (ii) a recognised qualifying body,
 - (iii) a person keeping a register of auditors, or part of such a register, in accordance with regulations under section 1239(1),
 - (iv) a body exercising functions under arrangements within Schedule 12,
 - (v) the Independent Supervisor,
 - (vi) the competent authority, or
 - (vii) a body designated by order under section 1252,would be incompatible with EU obligations or any other international obligations of the United Kingdom, or]
 - (b) that any action which that body has power to take is required for the purpose of implementing any such obligations,he may direct the body not to take or, as the case may be, to take the action in question.
- (2) A direction may include such supplementary or incidental requirements as the Secretary of State thinks necessary or expedient.
- (3) A direction under this section given to [^{F33}the Independent Supervisor] [^{F34}, the competent authority] or a body designated by order under section 1252 is enforceable

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on the application of the Secretary of State by injunction or, in Scotland, by an order under section 45 of the Court of Session Act 1988 (c. 36).

Textual Amendments

- F32** S. 1254(1)(a) substituted (1.5.2017) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **13(7)(a)**
- F33** Words in s. 1254(3) inserted (6.4.2008) by [The Statutory Auditors and Third Country Auditors Regulations 2007 \(S.I. 2007/3494\)](#), **reg. 16(3)**
- F34** Words in s. 1254(3) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 50(3)**

General provision relating to offences

1255 Offences by bodies corporate, partnerships and unincorporated associations

- (1) Where an offence under this Part committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, an officer of the body, or a person purporting to act in any such capacity, he as well as the body corporate is guilty of the offence and liable to be proceeded against and punished accordingly.
- (2) Where an offence under this Part committed by a partnership is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a partner, he as well as the partnership is guilty of the offence and liable to be proceeded against and punished accordingly.
- (3) Where an offence under this Part committed by an unincorporated association (other than a partnership) is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any officer of the association or any member of its governing body, he as well as the association is guilty of the offence and liable to be proceeded against and punished accordingly.

Modifications etc. (not altering text)

- C3** S. 1255 modified (retrospective to 30.3.2009 at 8.00 a.m.) by [The Amendments to Law \(Resolution of Dunfermline Building Society\) Order 2009 \(S.I. 2009/814\)](#), arts. 1(2), 7, **Sch. para. 2(o)**
- C4** S. 1255 modified (1.3.2016) by [The NRAM plc \(formerly Northern Rock plc\) Consequential and Supplementary Provisions Order 2016 \(S.I. 2016/114\)](#), arts. 1(1), 7(1), (3), **Sch. para. 1(r)**

1256 Time limits for prosecution of offences

- (1) An information relating to an offence under this Part which is triable by a magistrates' court in England and Wales may be so tried if it is laid at any time within the period of twelve months beginning with the date on which evidence sufficient in the opinion of the Director of Public Prosecutions or the Secretary of State to justify the proceedings comes to his knowledge.
- (2) Proceedings in Scotland for an offence under this Part may be commenced at any time within the period of twelve months beginning with the date on which evidence sufficient in the Lord Advocate's opinion to justify proceedings came to his knowledge

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- or, where such evidence was reported to him by the Secretary of State, within the period of twelve months beginning with the date on which it came to the knowledge of the Secretary of State.
- (3) For the purposes of subsection (2) proceedings are to be deemed to be commenced on the date on which a warrant to apprehend or cite the accused is granted, if the warrant is executed without undue delay.
- (4) A complaint charging an offence under this Part which is triable by a magistrates' court in Northern Ireland may be so tried if it is made at any time within the period of twelve months beginning with the date on which evidence sufficient in the opinion of the Director of Public Prosecutions for Northern Ireland or the Secretary of State to justify the proceedings comes to his knowledge.
- (5) This section does not authorise—
- (a) in the case of proceedings in England and Wales, the trial of an information laid,
 - (b) in the case of proceedings in Scotland, the commencement of proceedings, or
 - (c) in the case of proceedings in Northern Ireland, the trial of a complaint made, more than three years after the commission of the offence.
- (6) For the purposes of this section a certificate of the Director of Public Prosecutions, the Lord Advocate, the Director of Public Prosecutions for Northern Ireland or the Secretary of State as to the date on which such evidence as is referred to above came to his knowledge is conclusive evidence.
- (7) Nothing in this section affects proceedings within the time limits prescribed by section 127(1) of the Magistrates' Courts Act 1980 (c. 43), section 331 of the Criminal Procedure (Scotland) Act 1975 or Article 19 of the Magistrates' Courts (Northern Ireland) Order 1981 (S.I. 1981/1675 (N.I. 26)) (the usual time limits for criminal proceedings).

Modifications etc. (not altering text)

- C5** S. 1256(1)(2)(4)(6) modified (6.4.2008) by [The Statutory Auditors \(Delegation of Functions etc\) Order 2008 \(S.I. 2008/496\)](#), **art. 10** (which modifying S.I. was revoked (2.7.2012) by [S.I. 2012/1741](#), **art. 6**)
- C6** S. 1256(1)(2)(4)(6) modified (2.7.2012) by [The Statutory Auditors \(Amendment of Companies Act 2006 and Delegation of Functions etc\) Order 2012 \(S.I. 2012/1741\)](#), arts. 1(2), **14**
- C7** S. 1256(1) modified (19.8.2014) by [The Local Audit \(Delegation of Functions\) and Statutory Audit \(Delegation of Functions\) Order 2014 \(S.I. 2014/2009\)](#), arts. 1(1), **9**
- C8** S. 1256(6) modified (19.8.2014) by [The Local Audit \(Delegation of Functions\) and Statutory Audit \(Delegation of Functions\) Order 2014 \(S.I. 2014/2009\)](#), arts. 1(1), **9**

1257 Jurisdiction and procedure in respect of offences

- (1) Summary proceedings for an offence under this Part may, without prejudice to any jurisdiction exercisable apart from this section, be taken—
- (a) against a body corporate or unincorporated association at any place at which it has a place of business, and
 - (b) against an individual at any place where he is for the time being.
- (2) Proceedings for an offence alleged to have been committed under this Part by an unincorporated association must be brought in the name of the association (and not in

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that of any of its members), and for the purposes of any such proceedings any rules of court relating to the service of documents apply as in relation to a body corporate.

- (3) Section 33 of the Criminal Justice Act 1925 (c. 86) and Schedule 3 to the Magistrates' Courts Act 1980 (c. 43) (procedure on charge of offence against a corporation) apply in a case in which an unincorporated association is charged in England and Wales with an offence under this Part as they apply in the case of a corporation.
- (4) Section 18 of the Criminal Justice Act (Northern Ireland) 1945 (c. 15 (N.I.)) and Article 166 and Schedule 4 to the Magistrates' Courts (Northern Ireland) Order 1981 (S.I. 1981/1675 (N.I. 26)) (procedure on charge of offence against a corporation) apply in a case in which an unincorporated association is charged in Northern Ireland with an offence under this Part as they apply in the case of a corporation.
- (5) In relation to proceedings on indictment in Scotland for an offence alleged to have been committed under this Part by an unincorporated association, section 70 of the Criminal Procedure (Scotland) Act 1995 (proceedings on indictment against bodies corporate) applies as if the association were a body corporate.
- (6) A fine imposed on an unincorporated association on its conviction of such an offence must be paid out of the funds of the association.

Notices etc

1258 Service of notices

- (1) This section has effect in relation to any notice, direction or other document required or authorised by or by virtue of this Part to be given to or served on any person other than the Secretary of State.
- (2) Any such document may be given to or served on the person in question—
 - (a) by delivering it to him,
 - (b) by leaving it at his proper address, or
 - (c) by sending it by post to him at that address.
- (3) Any such document may—
 - (a) in the case of a body corporate, be given to or served on an officer of that body;
 - (b) in the case of a partnership, be given to or served on any partner;
 - (c) in the case of an unincorporated association other than a partnership, be given to or served on any member of the governing body of that association.
- (4) For the purposes of this section and section 7 of the Interpretation Act 1978 (c. 30) (service of documents by post) in its application to this section, the proper address of any person is his last known address (whether of his residence or of a place where he carries on business or is employed) and also—
 - (a) in the case of a person who is eligible under the rules of a recognised supervisory body for appointment as a statutory auditor and who does not have a place of business in the United Kingdom, the address of that body;
 - (b) in the case of a body corporate or an officer of that body, the address of the registered or principal office of that body in the United Kingdom;
 - (c) in the case of an unincorporated association other than a partnership or a member of its governing body, its principal office in the United Kingdom.

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1259 Documents in electronic form

- (1) This section applies where—
 - (a) section 1258 authorises the giving or sending of a notice, direction or other document by its delivery to a particular person (“the recipient”), and
 - (b) the notice, direction or other document is transmitted to the recipient—
 - (i) by means of an electronic communications network, or
 - (ii) by other means but in a form that requires the use of apparatus by the recipient to render it intelligible.
- (2) The transmission has effect for the purposes of this Part as a delivery of the notice, direction or other document to the recipient, but only if the recipient has indicated to the person making the transmission his willingness to receive the notice, direction or other document in the form and manner used.
- (3) An indication to a person for the purposes of subsection (2)—
 - (a) must be given to the person in such manner as he may require,
 - (b) may be a general indication or an indication that is limited to notices, directions or other documents of a particular description,
 - (c) must state the address to be used,
 - (d) must be accompanied by such other information as the person requires for the making of the transmission, and
 - (e) may be modified or withdrawn at any time by a notice given to the person in such manner as he may require.
- (4) In this section “electronic communications network” has the same meaning as in the Communications Act 2003 (c. 21).

Interpretation

1260 Meaning of “associate”

- (1) In this Part “associate”, in relation to a person, is to be construed as follows.
- (2) In relation to an individual, “associate” means—
 - (a) that individual's spouse, civil partner or minor child or step-child,
 - (b) any body corporate of which that individual is a director, and
 - (c) any employee or partner of that individual.
- (3) In relation to a body corporate, “associate” means—
 - (a) any body corporate of which that body is a director,
 - (b) any body corporate in the same group as that body, and
 - (c) any employee or partner of that body or of any body corporate in the same group.
- (4) In relation to a partnership constituted under the law of Scotland, or any other country or territory in which a partnership is a legal person, “associate” means—
 - (a) any body corporate of which that partnership is a director,
 - (b) any employee of or partner in that partnership, and
 - (c) any person who is an associate of a partner in that partnership.

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- (5) In relation to a partnership constituted under the law of England and Wales or Northern Ireland, or the law of any other country or territory in which a partnership is not a legal person, “associate” means any person who is an associate of any of the partners.
- (6) In subsections (2)(b), (3)(a) and (4)(a), in the case of a body corporate which is a limited liability partnership, “director” is to be read as “member”.

1261 Minor definitions

- (1) In this Part, unless a contrary intention appears—

“address” means—

- (a) in relation to an individual, his usual residential or business address;
- (b) in relation to a firm, its registered or principal office in the United Kingdom;

[^{F35} “the Audit Directive ” means Directive 2006/43/ EC of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/ EEC and 83/349/ EEC and repealing Council Directive 84/253/ EEC^{F36}...;]

[^{F37} “the Audit Regulation ” means Regulation 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public interest entities;]

^{F38}
...

[^{F37} “audit working papers and investigation reports” means—

- (a) any documents which are or have been held by a statutory auditor, an EEA auditor or a third country auditor and which are related to the conduct of an audit conducted by that auditor;
- (b) any report of an inspection of the conduct of an audit by a statutory auditor, an EEA auditor or a third country auditor, or
- (c) any report of an investigation into the conduct of a statutory auditor, an EEA auditor or a third country auditor,]

“company” means any company or other body the accounts of which must be audited in accordance with Part 16;

[^{F37} “the competent authority” means the Financial Reporting Council Limited]

[^{F39} “the data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);]

“director”, in relation to a body corporate, includes any person occupying in relation to it the position of a director (by whatever name called) and any person in accordance with whose directions or instructions (not being advice given in a professional capacity) the directors of the body are accustomed to act;

[^{F40} “ EEA auditor ” means an individual or firm approved in accordance with the Audit Directive by an EEA competent authority to carry out audits of annual accounts or consolidated accounts required by European Union law;]

[^{F41} “ EEA competent authority ” means a competent authority within the meaning of Article 2.10 of the Audit Directive of an EEA State other than the United Kingdom;]

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“firm” means any entity, whether or not a legal person, which is not an individual and includes a body corporate, a corporation sole and a partnership or other unincorporated association;

“group”, in relation to a body corporate, means the body corporate, any other body corporate which is its holding company or subsidiary and any other body corporate which is a subsidiary of that holding company;

“holding company” and “subsidiary” are to be read in accordance with section 1159 and Schedule 6;

“officer”, in relation to a body corporate, includes a director, a manager, a secretary or, where the affairs of the body are managed by its members, a member;

“parent undertaking” and “subsidiary undertaking” are to be read in accordance with section 1162 and Schedule 7.

[^{F42} “ third country ” means a country or territory that is not an EEA State or part of an EEA State;]

[^{F43} “ third country auditor ” means a person, other than [^{F44}an EEA auditor or] a person eligible for appointment as a statutory auditor, who is eligible to conduct audits of the accounts of bodies corporate incorporated or formed under the law of a third country in accordance with the law of that country;]

[^{F45} “ third country competent authority ” means a body established in a third country exercising functions related to the regulation or oversight of auditors;]

[^{F46} “ transfer ”, in relation to audit working papers [^{F47}and investigation reports], includes physical and electronic transfer and allowing access to such papers;]

(2) For the purposes of this Part a body is to be regarded as “established in the United Kingdom” if and only if—

(a) it is incorporated or formed under the law of the United Kingdom or a part of the United Kingdom, or

(b) its central management and control are exercised in the United Kingdom;

and any reference to a qualification “obtained in the United Kingdom” is to a qualification obtained from such a body.

[^{F48}(2A) For the purposes of this Part, Gibraltar shall be treated as if it were an EEA State.]

(3) The Secretary of State may by regulations make such modifications of this Part as appear to him to be necessary or appropriate for the purposes of its application in relation to any firm, or description of firm, which is not a body corporate or a partnership.

(4) Regulations under subsection (3) are subject to negative resolution procedure.

Textual Amendments

F35 S. 1261(1): definition inserted (6.4.2008) by [The Statutory Auditors and Third Country Auditors Regulations 2007 \(S.I. 2007/3494\)](#), **reg. 2(2)**

F36 Words in s. 1261(1) omitted (17.6.2016) by virtue of [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), **reg. 1(1)(a)**, **Sch. 3 para. 51(2)(b)**

F37 Words in s. 1261(1) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), **reg. 1(1)(a)**, **Sch. 3 para. 51(2)(a)** (with **reg. 1(2)(c)(i)**)

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- F38** Words in s. 1261(1) omitted (17.6.2016) by virtue of The Statutory Auditors and Third Country Auditors Regulations 2016 (S.I. 2016/649), reg. 1(1)(a), **Sch. 3 para. 51(2)(c)** (with reg. 1(2)(c)(ii))
- F39** Words in s. 1261(1) inserted (25.5.2018) by Data Protection Act 2018 (c. 12), s. 212(1), **Sch. 19 para. 127** (with ss. 117, 209, 210); S.I. 2018/625, reg. 2(1)(g)
- F40** S. 1261(1): definition of "EEA auditor" substituted (15.11.2010) by The Companies Act 2006 (Transfer of Audit Working Papers to Third Countries) Regulations 2010 (S.I. 2010/2537), regs. 1(2), **6(3)**
- F41** S. 1261(1): definition inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 2(2)**
- F42** S. 1261(1): definition inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 2(2)**
- F43** S. 1261(1): definition inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 2(2)**
- F44** Words in s. 1261(1) inserted (17.6.2016) by The Statutory Auditors and Third Country Auditors Regulations 2016 (S.I. 2016/649), reg. 1(1)(a), **Sch. 3 para. 51(2)(d)**
- F45** S. 1261(1): definition inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 2(2)**
- F46** S. 1261(1): definition of "transfer" inserted (15.11.2010) by The Companies Act 2006 (Transfer of Audit Working Papers to Third Countries) Regulations 2010 (S.I. 2010/2537), regs. 1(2), **6(4)**
- F47** Words in s. 1261(1) inserted (17.6.2016) by The Statutory Auditors and Third Country Auditors Regulations 2016 (S.I. 2016/649), reg. 1(1)(a), **Sch. 3 para. 51(2)(e)** (with reg. 1(2)(c)(ii))
- F48** S. 1261(2A) inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 2(3)**

Commencement Information

- I4** S. 1261 wholly in force at 6.4.2008; s. 1261 not in force at Royal Assent, see s. 1300; s. 1261 in force for specified purposes at 20.1.2007 by S.I. 2006/3428, **art. 3(3)** (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5); s. 1261 in force at 6.4.2008 by S.I. 2007/3495, **art. 3(1)(u)** (with savings in arts. 7, 12, Sch. 4 paras. 37-42)

1262 Index of defined expressions

The following Table shows provisions defining or otherwise explaining expressions used in this Part (other than provisions defining or explaining an expression used only in the same section)—

<i>Expression</i>	<i>Provision</i>
address	section 1261(1)
appropriate qualification	section 1219
[^{F49} approved third country competent authority	Section 1253D(2);]
associate	section 1260
[^{F50} Audit Directive	section 1261(1)]
[^{F51} Audit Regulation	section 1261(1)]
^{F52}	^{F52}
...	...
[^{F51} audit working papers and investigation reports	section 1261(1)]

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audited person	section 1210(2)
Auditor General	section 1226(1)
company	section 1261(1)
[^{F51} competent authority	section 1261(1)]
[^{F53} the data protection legislation]	[^{F53} section 1261(1)]
delegation order	section 1252(1)
director (of a body corporate)	section 1261(1)
enactment	section 1293
established in the United Kingdom	section 1261(2)
[^{F54} EEA auditor	section 1261(1)]
[^{F55} EEA competent authority	section 1261(1)]
firm	section 1261(1)
group (in relation to a body corporate)	section 1261(1)
holding company	section 1261(1)
main purposes of this Part	section 1209
member (of a supervisory body)	section 1217(2)
obtained in the United Kingdom	section 1261(2)
officer	section 1261(1)
parent undertaking	section 1261(1)
qualifying body	section 1220(1)
recognised, in relation to a professional qualification	section 1220(3) and Schedule 11
recognised, in relation to a qualifying body	paragraph 1(2) of Schedule 11
recognised, in relation to a supervisory body	section 1217(4) and Schedule 10
registered third country auditor	section 1241(1)
rules of a qualifying body	section 1220(2)
rules of a supervisory body	section 1217(3)
statutory auditor, statutory audit and statutory audit work	section 1210(1)
subsidiary	section 1261(1)
supervisory body	section 1217(1)
subsidiary undertaking	section 1261(1)
[^{F56} third country	section 1261(1)]
third country auditor, ^{F57}	Section 1261(1).

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...

[^{F58} third country competent authority	section 1261(1)]
[^{F59} transfer (in relation to audit working papers)	section 1261(1)]
[^{F60} UK-traded non-EEA company	section 1261(2)]

Textual Amendments

- F49** S. 1262: entry inserted (15.11.2010) by The Companies Act 2006 (Transfer of Audit Working Papers to Third Countries) Regulations 2010 (S.I. 2010/2537), regs. 1(2), **6(5)**
- F50** S. 1262: entry inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 3(2)**
- F51** S. 1262 entries inserted (17.6.2016) by The Statutory Auditors and Third Country Auditors Regulations 2016 (S.I. 2016/649), reg. 1(1)(a), **Sch. 3 para. 52(2)** (with reg. 1(2)(d)(i))
- F52** S. 1262 entry omitted (17.6.2016) by virtue of The Statutory Auditors and Third Country Auditors Regulations 2016 (S.I. 2016/649), reg. 1(1)(a), **Sch. 3 para. 52(3)** (with reg. 1(2)(d)(ii))
- F53** Words in s. 1262 inserted (25.5.2018) by Data Protection Act 2018 (c. 12), s. 212(1), **Sch. 19 para. 128** (with ss. 117, 209, 210); S.I. 2018/625, reg. 2(1)(g)
- F54** S. 1262: entry inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 3(2)**
- F55** S. 1262: entry inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 3(2)**
- F56** S. 1262: entry inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 3(2)**
- F57** Words in s. 1262 omitted (6.4.2008) by virtue of The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 3(3)(a)**
- F58** S. 1262: entry inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 3(2)**
- F59** S. 1262: entry inserted (15.11.2010) by The Companies Act 2006 (Transfer of Audit Working Papers to Third Countries) Regulations 2010 (S.I. 2010/2537), regs. 1(2), **6(5)**
- F60** S. 1262: entry inserted (6.4.2008) by The Statutory Auditors and Third Country Auditors Regulations 2007 (S.I. 2007/3494), **reg. 3(2)**

Miscellaneous and general

1263 Power to make provision in consequence of changes affecting accountancy bodies

- (1) The Secretary of State may by regulations make such amendments of enactments as appear to him to be necessary or expedient in consequence of any change of name, merger or transfer of engagements affecting—
 - (a) a recognised supervisory body or recognised qualifying body, or
 - (b) a body of accountants referred to in, or approved, authorised or otherwise recognised for the purposes of, any other enactment.
- (2) Regulations under this section are subject to negative resolution procedure.

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Commencement Information

- I5** S. 1263 wholly in force at 6.4.2008; s. 1263 not in force at Royal Assent, see s. 1300; s. 1263 in force for specified purposes at 20.1.2007 by S.I. 2006/3428, **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 1263 in force at 6.4.2008 by S.I. 2007/3495, **art. 3(1)(u)** (with savings in **arts. 7, 12, Sch. 4 paras. 37-42**)

1264 Consequential amendments

Schedule 14 contains consequential amendments relating to this Part.

Status:

Point in time view as at 27/03/2019.

Changes to legislation:

Companies Act 2006, Chapter 6 is up to date with all changes known to be in force on or before 07 September 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.