



Companies Act 2006

2006 CHAPTER 46

PART 42

STATUTORY AUDITORS

CHAPTER 2

INDIVIDUALS AND FIRMS

Independence requirement

1214 Independence requirement

- (1) A person may not act as statutory auditor of an audited person if one or more of subsections (2), (3) and (4) apply to him.
- (2) This subsection applies if the person is—
 - (a) an officer or employee of the audited person, or
 - (b) a partner or employee of such a person, or a partnership of which such a person is a partner.
- (3) This subsection applies if the person is—
 - (a) an officer or employee of an associated undertaking of the audited person, or
 - (b) a partner or employee of such a person, or a partnership of which such a person is a partner.
- (4) This subsection applies if there exists, between—
 - (a) the person or an associate of his, and
 - (b) the audited person or an associated undertaking of the audited person,a connection of any such description as may be specified by regulations made by the Secretary of State.

Status: Point in time view as at 06/06/2008.

Changes to legislation: Companies Act 2006, Section 1214 is up to date with all changes known to be in force on or before 19 July 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)

- (5) An auditor of an audited person is not to be regarded as an officer or employee of the person for the purposes of subsections (2) and (3).
- (6) In this section “associated undertaking”, in relation to an audited person, means—
- (a) a parent undertaking or subsidiary undertaking of the audited person, or
 - (b) a subsidiary undertaking of a parent undertaking of the audited person.
- (7) Regulations under subsection (4) are subject to negative resolution procedure.

Modifications etc. (not altering text)

- C1** S. 1214 applied (15.12.2007) by [The Companies \(Cross-Border Mergers\) Regulations 2007 \(S.I. 2007/2974\)](#), [reg. 9\(8\)\(b\)](#)
- C2** S. 1214 applied (1.1.2012) by [Budget Responsibility and National Audit Act 2011 \(c. 4\)](#), ss. 20, 29, [Sch. 2 para. 25\(4\)](#); S.I. 2011/2576, [art. 3\(c\)](#) (with art. 4)

Commencement Information

- I1** S. 1214 wholly in force at 6.4.2008; s. 1214 not in force at Royal Assent, see s. 1300; s. 1214 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. 1214 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](#))

Status:

Point in time view as at 06/06/2008.

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