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STATUTORY INSTRUMENTS

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**1995 No. 589**

**COMPANIES**

**The Companies Act 1985 (Audit Exemption) (Amendment) Regulations 1995**

<i>Made</i>	- - - -	<i>6th March 1995</i>
<i>Laid before Parliament</i>		<i>9th March 1995</i>
<i>Coming into force</i>	- -	<i>30th March 1995</i>

The Secretary of State, in exercise of the powers conferred on him by section 257 of the Companies Act 1985(1) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

1. These Regulations may be cited as the Companies Act 1985 (Audit Exemption) (Amendment) Regulations 1995 and shall come into force on 30th March 1995.

2.—(1) Section 249D of the Companies Act 1985(2) (the reporting accountant) shall be amended as follows.

(2) For subsection (1) there shall be substituted the following subsections—

“(1) The reporting accountant shall be either—

(a) any member of a body listed in subsection (3) who, under the rules of the body—

(i) is entitled to engage in public practice, and

(ii) is not ineligible for appointment as a reporting accountant, or

(b) any person (whether or not a member of any such body) who—

(i) is subject to the rules of any such body in seeking appointment or acting as auditor under Chapter V of Part XI, and

(ii) under those rules, is eligible for appointment as auditor under that Chapter.

(1A) In subsection (1), references to the rules of a body listed in subsection (3) are to the rules (whether or not laid down by the body itself) which the body has power to enforce and which are relevant for the purposes of Part II of the Companies Act 1989 or this section.

This includes rules relating to the admission and expulsion of members of the body, so far as relevant for the purposes of that Part or this section.”

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(1) 1985 c. 6; section 257 was substituted by section 20 of the Companies Act 1989 (c. 40).

(2) Section 249D was inserted by regulation 2 of the Companies Act 1985 (Audit Exemption) Regulations 1994 (S.I. 1994/1935). S.I. 1994/1935 was amended by S.I. 1994/2879 in a manner not relevant for the purposes of these Regulations.

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*Status: This is the original version (as it was originally made).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

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(3) In subsection (3), for the words “subsection (1)” there shall be substituted the words “subsections (1) and (1A)”.

**3.—(1)** This Regulation applies to any report made for the purposes of section 249A(2) of the Companies Act 1985 (“the 1985 Act”) before the commencement of these Regulations.

(2) Any report to which this Regulation applies which was prepared by a person who was not eligible under section 249D of the 1985 Act to prepare it, but who would have been so eligible if the amendments made by regulation 2 of these Regulations had been in force when the report was prepared, shall be taken for the purposes of the 1985 Act to have been prepared by a person who was eligible under that section.

6th March 1995

*Jonathan Evans*  
Parliamentary Under-Secretary of State for  
Corporate Affairs,  
Department of Trade and Industry

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend section 249D of the Companies Act 1985, as inserted by the Companies Act 1985 (Audit Exemption) Regulations 1994 (S.I. 1994/1935) by redefining the persons who are entitled to act as reporting accountants for the purposes of section 249C of the 1985 Act, as so inserted. The Regulations also provide a definition of the references in section 249D(1) to the rules of a body listed in subsection (3) of that section.

Regulation 3 provides for the validation of certain reports made for the purposes of section 249A(2) before the commencement of the Regulations.