

Companies Act 1985

SEC. 389 Qualification for appointment as auditor [extract]

389(1) [Required qualifications] Subject to the next subsection, a person is not qualified for appointment as auditor of a company unless either -

(a) he is a member of a body of accountants established in the United Kingdom and for the time being recognised for the purposes of this provision by the Secretary of State; or

(b) he is for the time being authorised by the Secretary of State to be so appointed, as having similar qualifications obtained outside the United Kingdom or else he retains an authorisation formerly granted by the Board of Trade or the Secretary of State under section 161(i)(b) of the Companies Act 1948 (adequate knowledge and experience, or pre-1947 practice

389(2) [Auditor of unquoted company] Subject to subsections (6) 10 (8) below, a person is qualified for appointment as auditor of an unquoted company if he retains an authorisation granted by the Board of Trade or the Secretary of State under section 13(1) of the Companies Act 1967.

In this subsection -

(a) "unquoted company" means a company in the case of which, at the time of the person's appointment, the following condition is satisfied, namely, that no shares or debentures of the company, or of a body corporate of which it is the subsidiary, have been quoted on a stock exchange (whether in Great Britain or elsewhere) to the public for subscription or purchase, and

(b) "company" does not include a company that carries on business as the promoter of a trading stamp scheme within the meaning of the Trading Stamps Act 1964

389(3) [Bodies of accountants for sec. 389(l)(a)] Subject to the next subsection, the bodies of accountants recognised for the purposes of subsection (l)(a) are -

- (a) the Institute of Chartered Accountants in England and Wales,
- (b) the Institute of Chartered Accountants of Scotland,
- (c) the Chartered Association of Certified Accountants, and
- (d) the Institute of Chartered Accountants in Ireland.