



# Companies Act 2006

## 2006 CHAPTER 46

### PART 16

#### AUDIT

#### <sup>F1</sup>CHAPTER 4

#### REMOVAL, RESIGNATION, ETC OF AUDITORS

#### *Resignation of auditor*

#### 516 Resignation of auditor

- (1) An auditor of a company may resign his office by [<sup>F1</sup>sending a notice to that effect to the company].
- (2) [<sup>F2</sup>Where the company is a public interest company, the] notice is not effective unless it is accompanied by the statement required by section 519.
- (3) An effective notice of resignation operates to bring the auditor's term of office to an end as of the date on which the notice is [<sup>F3</sup>received] or on such later date as may be specified in it.

#### Textual Amendments

- F1** Words in s. 516(1) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), [Sch. 5 para. 16\(2\)](#); [S.I. 2015/1732](#), art. 2(d) (with arts. 46)
- F2** Words in s. 516(2) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), [Sch. 5 para. 3](#); [S.I. 2015/1732](#), art. 2(d) (with arts. 46)
- F3** Word in s. 516(3) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), [Sch. 5 para. 16\(3\)](#); [S.I. 2015/1732](#), art. 2(d) (with arts. 46)

---

*Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

---

**Modifications etc. (not altering text)**

- C1** Ss. 515-518 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 45**; (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), Sch. 3 para. 18 (with reg. 2(6)(7))
- C2** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 11** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

**<sup>F4</sup>517 Notice to registrar of resignation of auditor**

.....

**Textual Amendments**

- F4** S. 517 omitted (1.10.2015) by virtue of [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), **Sch. 5 para. 4**; [S.I. 2015/1732](#), art. 2(d) (with arts. 46)

**518 Rights of resigning auditor**

- (1) This section applies where an [<sup>F5</sup>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 to the attention of members or creditors of the company (as required by section 519(3B)).]
- (2) He may [<sup>F6</sup>send] with the notice [<sup>F7</sup>an authenticated] requisition calling on the directors of the company forthwith duly to convene a general meeting of the company for the purpose of receiving and considering such explanation of the [<sup>F8</sup>reasons for, and matters connected with,] his resignation as he may wish to place before the meeting.
- (3) He may request the company to circulate to its members—
- (a) before the meeting convened on his requisition, or
  - (b) before any general meeting at which his term of office would otherwise have expired or at which it is proposed to fill the vacancy caused by his resignation,
- a statement in writing (not exceeding a reasonable length) of the [<sup>F9</sup>reasons for, and matters connected with,] his resignation.
- (4) The company must (unless the statement is received too late for it to comply)—
- (a) in any notice of the meeting given to members of the company, state the fact of the statement having been made, and
  - (b) send a copy of the statement to every member of the company to whom notice of the meeting is or has been sent.
- (5) The directors must within 21 days from the date [<sup>F10</sup>on which the company receives] a requisition under this section proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given.

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

- (6) If default is made in complying with subsection (5), every director who failed to take all reasonable steps to secure that a meeting was convened commits an offence.
- (7) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine;
  - (b) on summary conviction to a fine not exceeding the statutory maximum.
- (8) If a copy of the statement mentioned above is not sent out as required because received too late or because of the company's default, the auditor may (without prejudice to his right to be heard orally) require that the statement be read out at the meeting.
- (9) Copies of a statement need not be sent out and the statement need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the court is satisfied that the auditor is using the provisions of this section to secure needless publicity for defamatory matter.

The court may order the company's costs (in Scotland, expenses) on such an application to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.

- (10) An auditor who has resigned has, notwithstanding his resignation, the rights conferred by section 502(2) in relation to any such general meeting of the company as is mentioned in subsection (3)(a) or (b) above.

In such a case the references in that section to matters concerning the auditor as auditor shall be construed as references to matters concerning him as a former auditor.

#### Textual Amendments

- F5** Words in s. 518(1) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), **Sch. 5 para. 5(2)**; [S.I. 2015/1732](#), art. 2(d) (with arts. 46)
- F6** Word in s. 518(2) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), **Sch. 5 para. 17(2)(a)**; [S.I. 2015/1732](#), art. 2(d) (with arts. 46)
- F7** Words in s. 518(2) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), **Sch. 5 para. 17(2)(b)**; [S.I. 2015/1732](#), art. 2(d) (with arts. 46)
- F8** Words in s. 518(2) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), **Sch. 5 para. 5(3)**; [S.I. 2015/1732](#), art. 2(d) (with arts. 46)
- F9** Words in s. 518(3) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), **Sch. 5 para. 5(4)**; [S.I. 2015/1732](#), art. 2(d) (with arts. 46)
- F10** Words in s. 518(5) substituted (1.10.2015) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), **Sch. 5 para. 17(3)**; [S.I. 2015/1732](#), art. 2(d) (with arts. 46)

#### Modifications etc. (not altering text)

- C3** Ss. 515-518 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 45**; (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), Sch. 3 para. 18 (with reg. 2(6)(7))
- C4** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 11** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

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

- Act amendment to earlier affecting provision S.I. 1989/638, Sch. 4 by [S.I. 2024/410 Sch. 2 para. 1](#)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by [S.I. 2013/1971 reg. 9\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by [S.I. 2013/1971 reg. 4](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)

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

- s. 156A-156C inserted by [2015 c. 26 s. 87\(4\)](#)
- s. 156B(5) omitted by [2023 c. 56 Sch. 2 para. 26](#)
- s. 156C(2) words substituted by [2023 c. 56 s. 41\(2\)\(a\)](#)
- s. 156C(2A) inserted by [2023 c. 56 s. 41\(2\)\(b\)](#)
- s. 156C(3) substituted for s. 156C(3)-(5) by [2023 c. 56 Sch. 2 para. 27](#)
- s. 479A(2)(c)(zi) inserted by [S.I. 2019/177 reg. 4\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 4 substituted by regs. 4, 4A immediately before IP completion day by S.I. 2019/1392, regs. 1(2), 4)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34 by [S.R. 2024/78 reg. 31\(4\)](#)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34A by [S.R. 2024/78 reg. 31\(5\)](#)
- s. 1047(4)(i)(j) inserted by [2023 c. 56 s. 21\(2\)](#)
- s. 1087(da) substituted by [2023 c. 56 s. 52\(2\)](#)
- s. 1087A-1807C applied by S.I. 2009/2436, Sch. 1 para. 20(1)(ca) (as substituted) by [S.I. 2024/410 Sch. 2 para. 5\(d\)\(ii\)](#)
- s. 1110E-110G applied by S.I. 2009/1804, reg. 60 (as amended) by [S.I. 2024/234 reg. 26](#)
- s. 11989A applied (with modifications) by S.I. 2009/1804, reg. 79A (as inserted) by [S.I. 2024/234 reg. 46](#)
- Sch. 10 para. 6(2D) inserted by [S.I. 2019/177 reg. 28\(e\)](#) (This amendment not applied to legislation.gov.uk. Reg. 28(e) omitted immediately before IP completion day by virtue of S.I. 2020/523, regs. 1(2), 14(e)(iv))
- Sch. 10 para. 7(2A) inserted by [S.I. 2019/177 reg. 29\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 29 substituted immediately before IP completion day by S.I. 2020/523, regs. 1(2), 14(f))