

These notes refer to the Small Business, Enterprise and Employment Act 2015 (c.26) which received Royal Assent on 26 March 2015

SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 9: DIRECTORS' DISQUALIFICATION ETC.

Compensation awards

Section 110: Compensation orders and undertakings

698. This section gives the court a new power to make a compensation order against a person, on the application of the Secretary of State, where the conduct for which that person has been disqualified has caused loss to one or more creditors of an insolvent company of which they have at any time been a director.
699. Subsection (2) of new section 15A of the CDDA 1986 allows the Secretary of State to accept a compensation undertaking from a director where the conditions for the making of a compensation order are met, instead of applying or proceeding with an application to court for a compensation order.
700. Subsection (5) of new section 15A requires an application for a compensation order to be made within two years of the date on which the person subject to the application was disqualified.
701. New section 15B of the CDDA 1986 requires any person against whom a compensation order has been made, or who has had a compensation undertaking accepted by the Secretary of State, to pay the amount specified in the order or undertaking to the person or persons specified.
702. Subsection (3) of new section 15B of the CDDA 1986 sets out the factors which the court or Secretary of State must have particular regard to when deciding on the amount of compensation to award or seek.
703. New section 15C of the CDDA 1986 allows a person who is subject to a compensation undertaking to apply to the court for an order removing or varying the terms of the compensation undertaking.