



# Companies (Audit, Investigations and Community Enterprise) Act 2004

## 2004 CHAPTER 27

### PART 2

#### COMMUNITY INTEREST COMPANIES

##### *Supervision by Regulator*

#### **47 Appointment of manager**

- (1) The Regulator may by order appoint a manager in respect of the property and affairs of a community interest company.
- (2) The person appointed may be anyone whom the Regulator thinks appropriate, other than a member of the Regulator's staff.
- (3) An order under subsection (1) may make provision as to the functions to be exercised by, and the powers of, the manager.
- (4) The order may in particular provide—
  - (a) for the manager to have such of the functions of the company's directors as are specified in the order, and
  - (b) for the company's directors to be prevented from exercising any of those functions.
- (5) In carrying out his functions the manager acts as the company's agent; and a person dealing with the manager in good faith and for value need not inquire whether the manager is acting within his powers.
- (6) The appointment of the manager does not affect—
  - (a) any right of any person to appoint a receiver or manager of the company's property (including any right under section 51 of the Insolvency Act 1986 (c. 45)), or

- (b) the rights of a receiver or manager appointed by a person other than the Regulator.
- (7) The manager's functions are to be discharged by him under the supervision of the Regulator; and the Regulator must from time to time review the order by which the manager is appointed and, if it is appropriate to do so, discharge it in whole or in part.
  - (8) In particular, the Regulator must discharge the order on the appointment of a person to act as administrative receiver, administrator, provisional liquidator or liquidator of the company.
  - (9) The Regulator may apply to the court for directions in relation to any matter arising in connection with the manager's functions or powers.
  - (10) On an application under subsection (9) the court may give such directions or make such orders as it thinks fit.
  - (11) The costs of any application under subsection (9) are to be paid by the company.
  - (12) Regulations may authorise the Regulator—
    - (a) to require a manager to make reports,
    - (b) to require a manager to give security (or, in Scotland, to find caution) for the due exercise of the manager's functions, and
    - (c) to remove a manager in circumstances prescribed by the regulations.
  - (13) Regulations may—
    - (a) provide for a manager's remuneration to be payable from the property of the company, and
    - (b) authorise the Regulator to determine the amount of a manager's remuneration and to disallow any amount of remuneration in circumstances prescribed by the regulations.
  - (14) The company may appeal to the Appeal Officer against an order under this section.