

Status: Point in time view as at 22/07/2020.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: “Insolvency procedure” etc. (See end of Document for details)

SCHEDULES

SCHEDULE 13

JOINT AND SEVERAL LIABILITY OF COMPANY DIRECTORS ETC

“Insolvency procedure” etc

- 8 (1) For the purposes of this Schedule a company is “subject to an insolvency procedure” if—
- (a) it is undergoing, or has undergone, a relevant winding up (see sub-paragraphs (2) and (3)),
 - (b) it is in administration (see sub-paragraph (4)) or is a company to which sub-paragraph (5) applies,
 - (c) it is in receivership (see sub-paragraph (6)),
 - (d) a relevant scheme (see sub-paragraph (7)) has effect in relation to it, or
 - (e) its name has been struck off the register under section 1000 or 1003 of the Companies Act 2006.
- (2) A company is “undergoing a relevant winding up” for the purposes of this paragraph if—
- (a) it is being wound up under—
 - (i) the Insolvency Act 1986 (“the 1986 Act”), or
 - (ii) the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) (“the 1989 Order”),otherwise than by way of a members' voluntary winding up,
 - (b) it is being wound up by way of a members' voluntary winding up under the 1986 Act, or the 1989 Order, and the period of 12 months beginning with the day on which that winding up commenced has expired without the company having paid its debts in full together with interest at the official rate, or
 - (c) a corresponding situation to a winding up under the 1986 Act or the 1989 Order exists in relation to the company under the law of a country or territory outside the United Kingdom.
- (3) A company has “undergone a relevant winding up” for the purposes of this paragraph if—
- (a) it has been wound up under the 1986 Act, or the 1989 Order, otherwise than by way of a members' voluntary winding up,
 - (b) it has been wound up by way of a members' voluntary winding up under the 1986 Act, or the 1989 Order, without having paid its debts in full together with interest at the official rate, or
 - (c) it has been wound up or dissolved under the law of a country or territory outside the United Kingdom.
- (4) A company is “in administration” for the purposes of this paragraph if—

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- (a) it is in administration within the meaning given by paragraph 1 of Schedule B1 to the 1986 Act or paragraph 2 of Schedule B1 to the 1989 Order, or
 - (b) there is in force in relation to it under the law of a country or territory outside the United Kingdom any appointment corresponding to the appointment of an administrator under either of those Schedules.
- (5) This sub-paragraph applies to a company in respect of which—
- (a) a notice under sub-paragraph (1) of paragraph 84 of Schedule B1 to the 1986 Act (moving from administration to dissolution) has been registered under sub-paragraph (3) of that paragraph, or
 - (b) a notice under sub-paragraph (1) of paragraph 85 of Schedule B1 to the 1989 Order (corresponding provision for Northern Ireland) has been registered under sub-paragraph (3) of that paragraph,
- unless an order has been made in relation to that notice under sub-paragraph (7)(c) of that paragraph.
- (6) A company is “in receivership” for the purposes of this paragraph if—
- (a) there is (or, but for a temporary vacancy, would be) a person who in relation to the company—
 - (i) is acting as administrative receiver in accordance with Chapter 1 of Part 3 of the 1986 Act or Part 4 of the 1989 Order, or
 - (ii) is acting as receiver by virtue of section 51 of the 1986 Act, or
 - (b) a corresponding situation under the law of a country or territory outside the United Kingdom exists in relation to the company.
- (7) In this paragraph “relevant scheme” means a compromise or arrangement—
- (a) under Part 1 of the 1986 Act or Part 2 of the 1989 Order (company voluntary arrangements),
 - (b) under Part 26 of the Companies Act 2006 (arrangements and reconstructions), or
 - (c) under any corresponding provision of a country or territory outside the United Kingdom.

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