



# Companies Act 1985

## 1985 CHAPTER 6

### PART XX

#### WINDING UP OF COMPANIES REGISTERED UNDER THIS ACT OR THE FORMER COMPANIES ACTS

#### CHAPTER VI

##### MATTERS ARISING SUBSEQUENT TO WINDING UP

#### **651 Power of court to declare dissolution of company void.**

- (1) Where a company has been dissolved, the court may . . . <sup>F1</sup>, on an application made for the purpose by the liquidator of the company or by any other person appearing to the court to be interested, make an order, on such terms as the court thinks fit, declaring the dissolution to have been void.
- (2) Thereupon such proceedings may be taken as might have been taken if the company had not been dissolved.
- (3) It is the duty of the person on whose application the order was made, within 7 days after its making (or such further time as the court may allow), to deliver to the registrar of companies for registration an office copy of the order.

If the person fails to do so, he is liable to a fine and, for continued contravention, to a daily default fine.

- <sup>F2</sup>(4) Subject to the following provisions, an application under this section may not be made after the end of the period of two years from the date of the dissolution of the company.
- (5) An application for the purpose of bringing proceedings against the company—
  - (a) for damages in respect of personal injuries (including any sum claimed by virtue of section 1(2)(c) of the Law Reform (Miscellaneous Provisions) Act 1934 (funeral expenses)), or

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(b) for damages under the Fatal Accidents Act 1976 or the Damages (Scotland) Act 1976,

may be made at any time; but no order shall be made on such an application if it appears to the court that the proceedings would fail by virtue of any enactment as to the time within which proceedings must be brought.

(6) Nothing in subsection (5) affects the power of the court on making an order under this section to direct that the period between the dissolution of the company and the making of the order shall not count for the purposes of any such enactment.

(7) In subsection (5)(a) “personal injuries” includes any disease and any impairment of a person’s physical or mental condition.]

#### Textual Amendments

- F1** Words repealed by Companies Act 1989 (c. 40, SIF 27), ss. 141(2)(5), 212, 213(2), **Sch. 24**  
**F2** S. 651(4)–(7) inserted by Companies Act 1989 (c. 40, SIF 27), ss. **141(3)–(5)**, 213(1)

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

- C1** S. 651 excluded by Companies Act 1989 (c. 40, SIF 27), ss. **141(4)(5)**, 213(2)  
 S. 651 applied (with modifications) (E.W.) (1.11.1992) by Charities Act 1960 (c. 58), s. **30(3)** (as inserted (1.11.1992) by Charities Act 1992 (c. 41), s. **10(1)**); S.I. 1992/1900, art. 3, **Sch.2**.  
 S. 651 modified (E.W.) (1.8.1993) by 1993 c. 10, ss. **63(3)**, 99(1)  
 S. 651 applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**
- C2** S. 651(1) extended (31.10.1994) by 1994 c. 21, s. **36(5)** (with s. 40(7)); S.I. 1994/2553, **art. 2**  
 S. 651 extended (1.7.2005) by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), ss. **51(1)**, 65; S.I. 2004/3322, **art. 2(3)**, Sch. 3 (subject to arts. 3-13)

## 652 Registrar may strike defunct company off register.

- (1) If the registrar of companies has reasonable cause to believe that a company is not carrying on business or in operation, he may send to the company by post a letter inquiring whether the company is carrying on business or in operation.
- (2) If the registrar does not within one month of sending the letter receive any answer to it, he shall within 14 days after the expiration of that month send to the company by post a registered letter referring to the first letter, and stating that no answer to it has been received, and that if an answer is not received to the second letter within one month from its date, a notice will be published in the Gazette with a view to striking the company’s name off the register.
- (3) If the registrar either receives an answer to the effect that the company is not carrying on business or in operation, or does not within one month after sending the second letter receive any answer, he may publish in the Gazette, and send to the company by post, a notice that at the expiration of 3 months from the date of that notice the name of the company mentioned in it will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved.
- (4) If, in a case where a company is being wound up, the registrar has reasonable cause to believe either that no liquidator is acting, or that the affairs of the company are fully wound up, and the returns required to be made by the liquidator have not been made for a period of 6 consecutive months, the registrar shall publish in the Gazette and send to the company or the liquidator (if any) a like notice as is provided in subsection (3).

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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Chapter VI. (See end of Document for details)*

- (5) At the expiration of the time mentioned in the notice the registrar may, unless cause to the contrary is previously shown by the company, strike its name off the register, and shall publish notice of this in the Gazette; and on the publication of that notice in the Gazette the company is dissolved.
- (6) However—
  - (a) the liability (if any) of every director, managing officer and member of the company continues and may be enforced as if the company had not been dissolved, and
  - (b) nothing in subsection (5) affects the power of the court to wind up a company the name of which has been struck off the register.
- (7) A notice to be sent to a liquidator under this section may be addressed to him at his last known place of business; and a letter or notice to be sent under this section to a company may be addressed to the company at its registered office or, if no office has been registered, to the care of some officer of the company.

If there is no officer of the company whose name and address are known to the registrar of companies, the letter or notice may be sent to each of the persons who subscribed the memorandum, addressed to him at the address mentioned in the memorandum.

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

- C3** S. 652 applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, Sch. 2 Pt. I
- C4** S. 652 extended (1.7.2005) by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), ss. 51(2), 65; S.I. 2004/3322, art. 2(3), Sch. 3 (subject to arts. 3-13)

**[F3]652A Registrar may strike private company off register on application.**

- (1) On application by a private company, the registrar of companies may strike the company's name off the register.
- (2) An application by a company under this section shall—
  - (a) be made on its behalf by its directors or by a majority of them,
  - (b) be in the prescribed form, and
  - (c) contain the prescribed information.
- (3) The registrar shall not strike a company off under this section until after the expiration of 3 months from the publication by him in the Gazette of a notice—
  - (a) stating that he may exercise his power under this section in relation to the company, and
  - (b) inviting any person to show cause why he should not do so.
- (4) Where the registrar strikes a company off under this section, he shall publish notice of that fact in the Gazette.
- (5) On the publication in the Gazette of a notice under subsection (4), the company to which the notice relates is dissolved.
- (6) However, the liability (if any) of every director, managing officer and member of the company continues and may be enforced as if the company had not been dissolved.

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- (7) Nothing in this section affects the power of the court to wind up a company the name of which has been struck off the register.]

**Textual Amendments**

**F3** Ss. 652A-652F inserted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 2**; S.I. 1995/1433, **arts. 2, 3(a)**

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

**C5** S. 652A applied (with modifications) (6.4.2001) by S.I. 2001/1090, **reg. 4, Sch. 2 Pt. I**

**<sup>F4</sup>652B Duties in connection with making application under section 652A.**

- (1) A person shall not make an application under section 652A on behalf of a company if, at any time in the previous 3 months, the company has—
- (a) changed its name,
  - (b) traded or otherwise carried on business,
  - (c) made a disposal for value of property or rights which, immediately before ceasing to trade or otherwise carry on business, it held for the purpose of disposal for gain in the normal course of trading or otherwise carrying on business, or
  - (d) engaged in any other activity, except one which is—
    - (i) necessary or expedient for the purpose of making an application under section 652A, or deciding whether to do so,
    - (ii) necessary or expedient for the purpose of concluding the affairs of the company,
    - (iii) necessary or expedient for the purpose of complying with any statutory requirement, or
    - (iv) specified by the Secretary of State by order for the purposes of this sub-paragraph.
- (2) For the purposes of subsection (1), a company shall not be treated as trading or otherwise carrying on business by virtue only of the fact that it makes a payment in respect of a liability incurred in the course of trading or otherwise carrying on business.
- (3) A person shall not make an application under section 652A on behalf of a company at a time when any of the following is the case—
- (a) an application has been made to the court under section 425 on behalf of the company for the sanctioning of a compromise or arrangement and the matter has not been finally concluded;
  - (b) a voluntary arrangement in relation to the company has been proposed under Part I of <sup>M1</sup> the Insolvency Act 1986 and the matter has not been finally concluded;
  - <sup>F5</sup>(c) the company is in administration under Part II of that Act;
    - (ca) an application to the court for an administration order in respect of the company has been made and not finally dealt with or withdrawn;
    - (cb) a copy of notice of intention to appoint an administrator of the company under paragraph 14 of Schedule B1 to that Act has been filed with the court and neither of the events mentioned in paragraph 44(2)(a) and (b) of that Schedule has occurred;

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- (cc) a copy of notice of intention to appoint an administrator of the company under paragraph 22 of that Schedule has been filed with the court and neither of the events mentioned in paragraph 44(4)(a) and (b) of that Schedule has occurred;]
  - (d) the company is being wound up under Part IV of that Act, whether voluntarily or by the court, or a petition under that Part for the winding up of the company by the court has been presented and not finally dealt with or withdrawn;
  - (e) there is a receiver or manager of the company's property;
  - (f) the company's estate is being administered by a judicial factor.
- (4) For the purposes of subsection (3)(a), the matter is finally concluded if—
- (a) the application has been withdrawn,
  - (b) the application has been finally dealt with without a compromise or arrangement being sanctioned by the court, or
  - (c) a compromise or arrangement has been sanctioned by the court and has, together with anything required to be done under any provision made in relation to the matter by order of the court, been fully carried out.
- (5) For the purposes of subsection (3)(b), the matter is finally concluded if—
- (a) no meetings are to be summoned under section 3 of the Insolvency <sup>M2</sup>Act 1986,
  - (b) meetings summoned under that section fail to approve the arrangement with no, or the same, modifications,
  - (c) an arrangement approved by meetings summoned under that section, or in consequence of a direction under section 6(4)(b) of that Act, has been fully implemented, or
  - (d) the court makes an order under subsection (5) of section 6 of that Act revoking approval given at previous meetings and, if the court gives any directions under subsection (6) of that section, the company has done whatever it is required to do under those directions.
- (6) A person who makes an application under section 652A on behalf of a company shall secure that a copy of the application is given, within 7 days from the day on which the application is made, to every person who, at any time on that day, is—
- (a) a member of the company,
  - (b) an employee of the company,
  - (c) a creditor of the company,
  - (d) a director of the company,
  - (e) a manager or trustee of any pension fund established for the benefit of employees of the company, or
  - (f) a person of a description specified for the purposes of this paragraph by regulations made by the Secretary of State.
- (7) Subsection (6) shall not require a copy of the application to be given to a director who is a party to the application.
- (8) The duty imposed by subsection (6) shall cease to apply if the application is withdrawn before the end of the period for giving the copy application.
- (9) The Secretary of State may by order amend subsection (1) for the purpose of altering the period in relation to which the doing of the things mentioned in paragraphs (a) to (d) of that subsection is relevant.

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#### Textual Amendments

- F4** Ss. 652A-625F inserted (1.7.1995) by 1994 c. 40, s.13(1), **Sch. 5 para. 2**; S.I. 1995/1433, **arts. 2, 3(a)**
- F5** S. 652B(3)(c)-(cc) substituted (15.9.2003) for s. 652B(3)(c) by Enterprise Act 2002 (c. 40), ss. 248, 279, **Sch. 17 para. 7** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2**, Sch. 1 (subject to transitional provisions in arts. 3-8 (as amended by S.I. 2003/2332, S.I. 2003/3340))

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

- C6** S. 652B applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**
- C7** S. 652B(6) modified (1.7.2005) by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), **ss. 51(3), 65**; S.I. 2004/3322, **art. 2(3)**, Sch. 3 (subject to arts. 3-13)

#### Marginal Citations

- M1** 1986 c. 45.
- M2** 1986 c. 45.

### <sup>F6</sup> 652C Directors' duties following application under section 652A.

- (1) Subsection (2) applies in relation to any time after the day on which a company makes an application under section 652A and before the day on which the application is finally dealt with or withdrawn.
- (2) A person who is a director of the company at the end of a day on which a person other than himself becomes—
  - (a) a member of the company,
  - (b) an employee of the company,
  - (c) a creditor of the company,
  - (d) a director of the company,
  - (e) a manager or trustee of any pension fund established for the benefit of employees of the company, or
  - (f) a person of a description specified for the purposes of this paragraph by regulations made by the Secretary of State,

shall secure that a copy of the application is given to that person within 7 days from that day.
- (3) The duty imposed by subsection (2) shall cease to apply if the application is finally dealt with or withdrawn before the end of the period for giving the copy application.
- (4) Subsection (5) applies where, at any time on or after the day on which a company makes an application under section 652A and before the day on which the application is finally dealt with or withdrawn—
  - (a) the company—
    - (i) changes its name,
    - (ii) trades or otherwise carries on business,
    - (iii) makes a disposal for value of any property or rights other than those which it was necessary or expedient for it to hold for the purpose of making, or proceeding with, an application under section 652A, or
    - (iv) engages in any other activity, except one to which subsection (6) applies;

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- (b) an application is made to the court under section 425 on behalf of the company for the sanctioning of a compromise or arrangement;
  - (c) a voluntary arrangement in relation to the company is proposed under Part I of the <sup>M3</sup> Insolvency Act 1986;
  - [<sup>F7</sup>(d) an application to the court for an administration order in respect of the company is made under paragraph 12 of Schedule B1 to that Act;
  - (da) an administrator is appointed in respect of the company under paragraph 14 or 22 of that Schedule;
  - (db) a copy of notice of intention to appoint an administrator of the company under paragraph 14 or 22 of that Schedule is filed with the court;]
  - (e) there arise any of the circumstances in which, under section 84(1) of that Act, the company may be voluntarily wound up;
  - (f) a petition is presented for the winding up of the company by the court under Part IV of that Act;
  - (g) a receiver or manager of the company's property is appointed; or
  - (h) a judicial factor is appointed to administer the company's estate.
- (5) A person who, at the end of a day on which an event mentioned in any of paragraphs (a) to (h) of subsection (4) occurs, is a director of the company shall secure that the company's application is withdrawn forthwith.
- (6) This subsection applies to any activity which is—
- (a) necessary or expedient for the purpose of making, or proceeding with, an application under section 652A,
  - (b) necessary or expedient for the purpose of concluding affairs of the company which are outstanding because of what has been necessary or expedient for the purpose of making, or proceeding with, such an application,
  - (c) necessary or expedient for the purpose of complying with any statutory requirement, or
  - (d) specified by the Secretary of State by order for the purposes of this subsection.
- (7) For the purposes of subsection (4)(a), a company shall not be treated as trading or otherwise carrying on business by virtue only of the fact that it makes a payment in respect of a liability incurred in the course of trading or otherwise carrying on business.

#### Textual Amendments

- F6** Ss. 652A-652F inserted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 2**; S.I. 1995/1433, **arts. 2, 3(a)**
- F7** S. 652C(4)(d)-(db) substituted (15.9.2003) for s. 652C(4)(d) by **Enterprise Act 2002 (c. 40)**, ss. 248, 279, **Sch. 17 para. 8** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, **Sch. 1** (subject to transitional provisions in arts. 3-8 (as amended by S.I. 2003/2332, S.I. 2003/3340))

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

- C8** S. 652C applied (with modifications) (6.4.2001) by S.I. 2001/1090, **reg. 4**, **Sch. 2 Pt. I**

#### Marginal Citations

- M3** 1986 c. 45.

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**F8 652D Sections 652B and 652C: supplementary provisions.**

- (1) For the purposes of sections 652B(6) and 652C(2), a document shall be treated as given to a person if it is delivered to him or left at his proper address or sent by post to him at that address.
- (2) For the purposes of subsection (1) and section 7 of the Interpretation <sup>M4</sup>Act 1978 (which relates to the service of documents by post) in its application to that subsection, the proper address of any person shall be his last known address, except that—
  - (a) in the case of a body corporate, other than one to which subsection (3) applies, it shall be the address of its registered or principal office,
  - (b) in the case of a partnership, other than one to which subsection (3) applies, it shall be the address of its principal office, and
  - (c) in the case of a body corporate or partnership to which subsection (3) applies, it shall be the address of its principal office in the United Kingdom.
- (3) This subsection applies to a body corporate or partnership which—
  - (a) is incorporated or formed under the law of a country or territory outside the United Kingdom, and
  - (b) has a place of business in the United Kingdom.
- (4) Where a creditor of the company has more than one place of business, subsection (1) shall have effect, so far as concerns the giving of a document to him, as if for the words from “delivered” to the end there were substituted “left, or sent by post to him, at each place of business of his with which the company has had dealings in relation to a matter by virtue of which he is a creditor of the company.”
- (5) Any power to make an order or regulations under section 652B or 652C shall—
  - (a) include power to make different provision for different cases or classes of case,
  - (b) include power to make such transitional provisions as the Secretary of State considers appropriate, and
  - (c) be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) For the purposes of sections 652B and 652C, an application under section 652A is withdrawn if notice of withdrawal in the prescribed form is given to the registrar of companies.
- (7) In sections 652B and 652C, “disposal” includes part disposal.
- (8) In sections 652B and 652C and this section, “creditor” includes a contingent or prospective creditor.

**Textual Amendments**

**F8** Ss. 652A-652F inserted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 2**; S.I. 1995/1433, **arts. 2, 3(a)**

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

**C9** S. 652D applied (with modifications) (6.4.2001) by S.I. 2001/1090, **reg. 4, Sch. 2 Pt. I**

**Marginal Citations**

**M4** 1978 c. 30.



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**F<sup>9</sup> 652E Sections 652B and 652C: enforcement.**

- (1) A person who breaches or fails to perform a duty imposed on him by section 652B or 652C is guilty of an offence and liable to a fine.
- (2) A person who fails to perform a duty imposed on him by section 652B(6) or 652C(2) with the intention of concealing the making of the application in question from the person concerned is guilty of an offence and liable to imprisonment or a fine, or both.
- (3) In any proceedings for an offence under subsection (1) consisting of breach of a duty imposed by section 652B(1) or (3), it shall be a defence for the accused to prove that he did not know, and could not reasonably have known, of the existence of the facts which led to the breach.
- (4) In any proceedings for an offence under subsection (1) consisting of failure to perform the duty imposed by section 652B(6), it shall be a defence for the accused to prove that he took all reasonable steps to perform the duty.
- (5) In any proceedings for an offence under subsection (1) consisting of failure to perform a duty imposed by section 652C(2) or (5), it shall be a defence for the accused to prove—
  - (a) that at the time of the failure he was not aware of the fact that the company had made an application under section 652A, or
  - (b) that he took all reasonable steps to perform the duty.

**Textual Amendments**

**F9** Ss. 652A-652F inserted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 2**; S.I. 1995/1433, **arts. 2, 3(a)**

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

**C10** S. 652E applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**

**F<sup>10</sup> 652F Other offences connected with section 652A.**

- (1) Where a company makes an application under section 652A, any person who, in connection with the application, knowingly or recklessly furnishes any information to the registrar of companies which is false or misleading in a material particular is guilty of an offence and liable to a fine.
- (2) Any person who knowingly or recklessly makes an application to the registrar of companies which purports to be an application under section 652A, but which is not, is guilty of an offence and liable to a fine.

**Textual Amendments**

**F10** Ss. 652A-652F inserted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 2**; S.I. 1995/1433, **arts. 2, 3(a)**

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

**C11** S. 652F applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**

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### 653 Objection to striking off by person aggrieved.

- (1) [<sup>F11</sup>Subsection (2)] applies if a company or any member or creditor of it feels aggrieved by the company having been struck off the register [<sup>F12</sup>under section 652].
- (2) The court, on an application by the company or the member or creditor made before the expiration of 20 years from publication in the Gazette of notice under section 652, may, if satisfied that the company was at the time of the striking off carrying on business or in operation, or otherwise that it is just that the company be restored to the register, order the company's name to be restored.
- [<sup>F13</sup>(2A) Subsections (2B) and (2D) apply if a company has been struck off the register under section 652A.
- [<sup>F13</sup>(2B) The court, on an application by a notifiable person made before the expiration of 20 years from publication in the Gazette of notice under section 652A(4), may, if satisfied—
- (a) that any duty under section 652B or 652C with respect to the giving to that person of a copy of the company's application under section 652A was not performed,
  - (b) that the making of the company's application under section 652A involved a breach of duty under section 652B(1) or (3), or
  - (c) that it is for some other reason just to do so,
- order the company's name to be restored to the register.
- [<sup>F13</sup>(2C) In subsection (2B), "notifiable person" means a person to whom a copy of the company's application under section 652A was required to be given under section 652B or 652C.
- [<sup>F13</sup>(2D) The court, on an application by the Secretary of State made before the expiration of 20 years from publication in the Gazette of notice under section 652A(4), may, if satisfied that it is in the public interest to do so, order the company's name to be restored.]
- (3) On an office copy of [<sup>F14</sup>an order under subsection (2), (2B) or (2D)] being delivered to the registrar of companies for registration the company [<sup>F15</sup>to which the order relates] is deemed to have continued in existence as if its name had not been struck off; and the court may by the order give such directions and make such provisions as seem just for placing the company and all other persons in the same position (as nearly as may be) as if the company's name had not been struck off.

#### Textual Amendments

- F11** Words in s. 653(1) substituted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 3(1)(2)(a)**; S.I. 1995/1433, **arts. 2, 3(2)**
- F12** Words in s. 653(1) inserted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 3(1)(2)(b)**; S.I. 1995/1433, **arts. 2, 3(2)**
- F13** S. 653(2A)-(2D) inserted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 3(1)(3)**; S.I. 1995/1433, **arts. 2, 3(2)**
- F14** Words in s. 653(3) substituted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 3(1)(4)(a)**; S.I. 1995/1433, **arts. 2, 3(2)**
- F15** Words in s. 653(3) inserted (1.7.1995) by 1994 c. 40, s. 13(1), **Sch. 5 para. 3(1)(4)(b)**; S.I. 1995/1433, **arts. 2, 3(2)**

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

- C12** S. 653 applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**
- C13** S. 653(2) applied (with modifications) (E.W.) (1.11.1992) by Charities Act 1960 (c. 58), s. 30(4) (as inserted (1.11.1992) by Charities Act 1992 (c. 41), s. 10(1); S.I. 1992/1900, art. 3, **Sch. 2**).  
S. 653(2) modified (E.W.) (1.8.1993) by 1993 c. 10, ss. 63(4), 99(1)  
S. 653(2) extended (31.10.1994) by 1994 c. 21, s. 36(5) (with s. 40(7)); S.I. 1994/2553, art. 2  
S. 653(2) extended (1.7.2005) by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), ss. 51(2), 65; S.I. 2004/3322, art. 2(3), Sch. 3 (subject to arts. 3-13)

**654 Property of dissolved company to be bona vacantia.**

- (1) When a company is dissolved, all property and rights whatsoever vested in or held on trust for the company immediately before its dissolution (including leasehold property, but not including property held by the company on trust for any other person) are deemed to be bona vacantia and—
- (a) accordingly belong to the Crown, or to the Duchy of Lancaster or to the Duke of Cornwall for the time being (as the case may be), and
  - (b) vest and may be dealt with in the same manner as other bona vacantia accruing to the Crown, to the Duchy of Lancaster or to the Duke of Cornwall.
- (2) Except as provided by the section next following, the above has effect subject and without prejudice to any order made by the court under section 651 or 653.

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

- C14** Ss. 654–656 applied with modifications by Building Societies Act 1986 (c. 53, SIF 16), s. 90, **Sch. 15 para. 57**
- C15** S. 654 excluded (19. 12. 1991) by Commercial and Private Bank Act 1991 (c. xxii), s. 14(2)  
S. 654 excluded (5.11.1993) by 1993 c. xvii, s. 16(2)  
S. 654 excluded (5.11.1993) by 1993 c. xviii, s. 14(2)  
S. 654 excluded by 1998 c. v, s. 10(2), in accordance with instructions in s. 3 of that Act  
S. 654 excluded (coming into force in accordance with s. 3 of the amending Act) by 1999 c. iv, ss. 3, 14(2)  
S. 654 excluded (22.3.2001) by 2001 c. i, ss. 3, 12(2) (with s. 13)  
S. 654 excluded (4.12.2001) by 2001 c. v, ss. 3, 12(2)  
S. 654 excluded (7.11.2002) by HSBC Investment Banking Act 2002 (c. iii), s. 11(2)  
S. 654 excluded (7.11.2002) by Barclays Group Reorganisation Act 2002 (c. iv), s. 15(2)  
S. 654 excluded by HBOS Group Reorganisation Act 2006 (c. i), ss. 9, 18(2)
- C16** S. 654 applied (with modifications) (1.2.1993) by Friendly Societies Act 1992 (c. 40), s. 23, **Sch. 10 para. 68(1)(2)(3)** (with ss. 7(5), 93(4)); S.I. 1993/16, art. 2, **Sch. 3**  
S. 654 applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**

**655 Effect on s. 654 of company's revival after dissolution.**

- (1) The person in whom any property or right is vested by section 654 may dispose of, or of an interest in, that property or right notwithstanding that an order may be made under section 651 or 653.
- (2) Where such an order is made—

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- (a) it does not affect the disposition (but without prejudice to the order so far as it relates to any other property or right previously vested in or held on trust for the company), and
- (b) the Crown or, as the case may be, the Duke of Cornwall shall pay to the company an amount equal to—
  - (i) the amount of any consideration received for the property or right, or interest therein, or
  - (ii) the value of any such consideration at the time of the disposition,
 or, if no consideration was received, an amount equal to the value of the property, right or interest disposed of, as at the date of the disposition.
- (3) Where a liability accrues under subsection (2) in respect of any property or right which, before the order under section 651 or 653 was made, had accrued as bona vacantia to the Duchy of Lancaster, the Attorney General of the Duchy shall represent Her Majesty in any proceedings arising in connection with that liability.
- (4) Where a liability accrues under subsection (2) in respect of any property or right which, before the order under section 651 or 653 was made, had accrued as bona vacantia to the Duchy of Cornwall, such persons as the Duke of Cornwall (or other possessor for the time being of the Duchy) may appoint shall represent the Duke (or other possessor) in any proceedings arising out of that liability.
- (5) This section applies in relation to the disposition of any property, right or interest on or after 22nd December 1981, whether the company concerned was dissolved before, on or after that day.

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

- C17** Ss. 654–656 applied with modifications by [Building Societies Act 1986 \(c. 53, SIF 16\)](#), s. 90, [Sch. 15 para. 57](#)  
 S. 655 applied (with modifications) (6.4.2001) by [S.I. 2001/1090](#), reg. 4, [Sch. 2 Pt. I](#)
- C18** S. 655 applied (with modifications) (1.2.1993) by [Friendly Societies Act 1992 \(c. 40\)](#), s. 23, [Sch. 10 para. 68\(1\)\(2\)\(3\)](#) (with ss. 7(5), 93(4)); [S.I. 1993/16](#), art. 2, [Sch.3](#)

**656 Crown disclaimer of property vesting as bona vacantia.**

- (1) Where property vests in the Crown under section 654, the Crown's title to it under that section may be disclaimed by a notice signed by the Crown representative, that is to say the Treasury Solicitor, or, in relation to property in Scotland, the Queen's and Lord Treasurer's Remembrancer
- (2) The right to execute a notice of disclaimer under this section may be waived by or on behalf of the Crown either expressly or by taking possession or other act evincing that intention.
- (3) A notice of disclaimer under this section is of no effect unless it is executed—
  - (a) within 12 months of the date on which the vesting of the property under section 654 came to the notice of the Crown representative, or
  - (b) if an application in writing is made to the Crown representative by any person interested in the property requiring him to decide whether he will or will not disclaim, within a period of 3 months after the receipt of the application or

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such further period as may be allowed by the court which would have had jurisdiction to wind up the company if it had not been dissolved.

- (4) A statement in a notice of disclaimer of any property under this section that the vesting of it came to the notice of the Crown representative on a specified date, or that no such application as above mentioned was received by him with respect to the property before a specified date, is sufficient evidence of the fact stated, until the contrary is proved.
- (5) A notice of disclaimer under this section shall be delivered to the registrar of companies and retained and registered by him; and copies of it shall be published in the Gazette and sent to any persons who have given the Crown representative notice that they claim to be interested in the property.
- (6) This section applies to property vested in the Duchy of Lancaster or the Duke of Cornwall under section 654 as if for references to the Crown and the Crown representative there were respectively substituted references to the Duchy of Lancaster and to the Solicitor to that Duchy, or to the Duke of Cornwall and to the Solicitor to the Duchy of Cornwall, as the case may be.

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

- C19** Ss. 654–656 applied with modifications by [Building Societies Act 1986 \(c. 53, SIF 16\)](#), s. 90, [Sch. 15 para. 57](#)
- C20** S. 656 applied (1.2.1993) by [Friendly Societies Act 1992 \(c. 40\)](#), s. 23, [Sch. 10 para. 68\(1\)\(2\)\(3\)](#) (with ss. 7(5), 93(4)); S.I. 1993/16, art. 2, [Sch.3](#)
- S. 656 applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, [Sch. 2 Pt. I](#)

**657 Effect of Crown disclaimer under s. 656.**

- (1) Where notice of disclaimer is executed under section 656 as respects any property, that property is deemed not to have vested in the Crown under section 654.
- <sup>[F16]</sup>(2) As regards property in England and Wales <sup>[F17]</sup>section 178(4) and sections 179 to 182 of the Insolvency Act] shall apply as if the property had been disclaimed by the liquidator under the said section 91 immediately before the dissolution of the company.]
- (3) As regards property in Scotland, the following 4 subsections apply.
- (4) The Crown's disclaimer operates to determine, as from the date of the disclaimer, the rights, interests and liabilities of the company, and the property of the company, in or in respect of the property disclaimed; but it does not (except so far as is necessary for the purpose of releasing the company and its property from liability) affect the rights or liabilities of any other person.
- (5) The court may, on application by a person who either claims an interest in disclaimed property or is under a liability not discharged by this Act in respect of disclaimed property, and on hearing such persons as it thinks fit, make an order for the vesting of the property in or its delivery to any persons entitled to it, or to whom it may seem just that the property should be delivered by way of compensation for such liability, or a trustee for him, and on such terms as the court thinks just.

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- (6) On such a vesting order being made, the property comprised in it vests accordingly in the person named in that behalf in the order, without conveyance or assignation for that purpose.
- (7) Part II of Schedule 20 has effect for the protection of third parties where the property disclaimed is held under a lease.

#### Textual Amendments

- F16** S. 657(2) substituted by [Insolvency Act 1985 \(c. 65, SIF 66\)](#), ss. 109, 235, Sch. 6 para. 46, **Sch. 9 para. 9**
- F17** Words substituted by [Insolvency Act 1986 \(c. 45, SIF 66\)](#), s. 439(1), **Sch. 13 Pt. I**

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

- C21** S. 657 applied with modifications by [Building Societies Act 1986 \(c. 53, SIF 16\)](#), s. 90, **Sch. 15 para. 57**  
 S. 657 applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**
- C22** S. 657 applied (1.2.1993) by [Friendly Societies Act 1992 \(c. 40\)](#), s. 23, **Sch. 10 para. 68(1)(2)(3)** (with ss. 7(5), 93(4)); S.I. 1993/16, art. 2, **Sch.3**

### 658 Liability for rentcharge on company's land after dissolution.

[<sup>F18</sup>(1) [<sup>F19</sup>Section 180 of the Insolvency Act] shall apply to land in England and Wales which by operation of law vests subject to a rentcharge in the Crown or any other person on the dissolution of a company as it applies to land so vesting on a disclaimer under that section.]

- (2) In this section “company” includes any body corporate.

#### Textual Amendments

- F18** S. 658(1) substituted by [Insolvency Act 1985 \(c. 65, SIF 27\)](#), s. 109, **Sch. 6 para. 47**
- F19** Words substituted by [Insolvency Act 1986 \(c. 45, SIF 66\)](#), s. 439(1), **Sch. 13 Pt. I**

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

- C23** S. 658 applied with modifications by [Building Societies Act 1986 \(c. 53, SIF 16\)](#), s. 90, **Sch. 15 para. 57**  
 S. 658 applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**  
 S. 658 applied (1.2.1993) by [Friendly Societies Act 1992 \(c. 40\)](#), s. 23, **Sch. 10 para. 68(1)(2)(3)** (with ss. 7(5), 9(4)); S.I. 1993/16, art. 2, **Sch.3**

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**Changes to legislation:**

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