



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

^{F1}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a company makes an application under section 652A and before the day on which the application is finally dealt with or withdrawn.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- (3) The duty imposed by subsection (2) shall cease to apply if the application is finally dealt with or withdrawn before the end of the period for giving the copy application.

Status: Point in time view as at 06/01/1997. This version of this provision has been superseded.

Changes to legislation: Companies Act 1985, Section 652C is up to date with all changes known to be in force on or before 12 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (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a company makes an application under section 652A and before the day on which the application is finally dealt with or withdrawn—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;
 - (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 ^{M1} Insolvency Act 1986;
 - (d) a petition is presented for the making of an administration order under Part II of that Act in relation to the company;
 - (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

F1 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)

C1 S. 652C applied (with modifications) (6.4.2001) by S.I. 2001/1090, **reg. 4, Sch. 2 Pt. I**

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Marginal Citations

M1 1986 c. 45.

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