



Insolvency Act 1986

1986 CHAPTER 45

PART IV

WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

CHAPTER VII

LIQUIDATORS

Liquidator's powers and duties

166 Creditors' voluntary winding up.

(1) This section applies where, in the case of a creditors' voluntary winding up, a liquidator has been nominated by the company.

[^{F1}(1A) The exercise by the liquidator of the power specified in paragraph 6 of Schedule 4 to this Act (power to sell any of the company's property) shall not be challengeable on the ground of any prior inhibition.]

(2) The powers conferred on the liquidator by section 165 shall not be exercised, except with the sanction of the court, [^{F2}before—

- (a) the company's creditors under section 100 nominate a person to be liquidator, or
- (b) the procedure by which the company's creditors were to have made such a nomination concludes without a nomination having been made.]

(3) Subsection (2) does not apply in relation to the power of the liquidator—

- (a) to take into his custody or under his control all the property to which the company is or appears to be entitled;
- (b) to dispose of perishable goods and other goods the value of which is likely to diminish if they are not immediately disposed of; and

Status: Point in time view as at 06/04/2017. This version of this provision has been superseded.

Changes to legislation: Insolvency Act 1986, Section 166 is up to date with all changes known to be in force on or before 01 July 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)

- (c) to do all such other things as may be necessary for the protection of the company's assets.

^{F3}(4)

- (5) [^{F4}If the directors fail to comply with—
 (a) section 99(1), (2) or (2A), or
 (b) section 100(1B),]

the liquidator shall, within 7 days of the relevant day, apply to the court for directions as to the manner in which that default is to be remedied.

- (6) “The relevant day” means the day on which the liquidator was nominated by the company or the day on which he first became aware of the default, whichever is the later.
- (7) If the liquidator without reasonable excuse fails to comply with this section, he is liable to a fine.

Textual Amendments

- F1** S. 166(1A) inserted (S.) (22.4.2009) by **Bankruptcy and Diligence etc. (Scotland) Act 2007** (asp 3), **ss. 155(3), 227(3)** (with s. 223); S.S.I. 2009/67, **art. 3(a)** (with arts. 5, 6); as amended by S.S.I. 2011/31, **art. 5**
- F2** Words in s. 166(2) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015** (c. 26), s. 164(1), **Sch. 9 para. 40(2)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F3** S. 166(4) omitted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by virtue of **Small Business, Enterprise and Employment Act 2015** (c. 26), s. 164(1), **Sch. 9 para. 40(3)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F4** Words in s. 166(5) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015** (c. 26), s. 164(1), **Sch. 9 para. 40(4)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

Modifications etc. (not altering text)

- C1** S. 166 applied (with modifications) (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(1), **Sch. 2**
- C2** S. 166(5) modified (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(2), **Sch. 3**

Status:

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