



Insolvency Act 1986

1986 CHAPTER 45

PART IV

WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

CHAPTER IX

DISSOLUTION OF COMPANIES AFTER WINDING UP

204 Early dissolution (Scotland).

- (1) This section applies where a winding-up order has been made by the court in Scotland.
 - (2) If after a [^{F1}liquidator has been appointed] under section 138 (appointment of liquidator in Scotland) it appears to the liquidator that the realisable assets of the company are insufficient to cover the expenses of the winding up, [^{F2}he may apply][^{F2}the liquidator may at any time apply] to the court for an order that the company be dissolved.
 - (3) Where the liquidator makes that application, if the court is satisfied that the realisable assets of the company are insufficient to cover the expenses of the winding up and it appears to the court appropriate to do so, the court shall make an order that the company be dissolved in accordance with this section.
 - (4) A copy of the order shall within 14 days from its date be forwarded by the liquidator to the registrar of companies, who shall forthwith register it; and, at the end of the period of 3 months beginning with the day of the registration of the order, the company shall be dissolved.
- [^{F3}(4A) Subsection (4B) applies where immediately before the liquidator makes an application under subsection (2), there are EU insolvency proceedings open in respect of the company in one or more other member States.
- (4B) The liquidator must send to the registrar with the copy of the order forwarded under subsection (4) a statement—

Status: Point in time view as at 26/06/2017. This version of this provision has been superseded.

Changes to legislation: Insolvency Act 1986, Section 204 is up to date with all changes known to be in force on or before 21 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)

- (a) identifying those proceedings,
 - (b) identifying the member State liquidator appointed in each of those proceedings, and
 - (c) indicating, in relation to each of those member State liquidators, whether that member State liquidator consents to the company being dissolved.
- (4C) The registrar must forthwith register a statement received under subsection (4B).
- (4D) Subsection (4E) applies where—
- (a) the court makes an order under subsection (3) that the company be dissolved in accordance with this section, but
 - (b) a statement under subsection (4B) indicates that a member State liquidator does not consent to the company being dissolved.
- (4E) The company is deemed to be dissolved at the end of the period of 3 months beginning with the date (if any) recorded in the register as the date on which the registrar was notified that—
- (a) all proceedings identified in the statement under subsection (4B) were closed, or
 - (b) every member State liquidator appointed in those proceedings consented to the company being dissolved.]
- (5) The court may, on an application by any person who appears to the court to have an interest, order that the date at which the dissolution of the company is to take effect shall be deferred for such period as the court thinks fit.
- (6) It is the duty of the person on whose application an order is made under subsection (5), within 7 days after the making of the order, to deliver to the registrar of companies such a copy of the order as is prescribed.
- (7) If the liquidator without reasonable excuse fails to comply with the requirements of subsection (4), he is liable to a fine and, for continued contravention, to a daily default fine.
- (8) If a person without reasonable excuse fails to deliver a copy as required by subsection (6), he is liable to a fine and, for continued contravention, to a daily default fine.

Textual Amendments

- F1** Words in s. 204(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. 50](#); 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)
- F2** Words in s. 204(2) substituted (S.) (coming into force in accordance with art. 1(3)(4) of the amending S.S.I.) by [The Public Services Reform \(Insolvency\) \(Scotland\) Order 2016 \(S.S.I. 2016/141\), art. 11](#) (with arts. 14, 15)
- F3** [S. 204\(4A\)-\(4E\)](#) inserted (S.) (26.6.2017) by [The Insolvency Amendment \(EU 2015/848\) Regulations 2017 \(S.I. 2017/702\), reg. 1, Sch. para. 59](#) (with regs. 3, 4)

Status:

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