



# Company Directors Disqualification Act 1986

## 1986 CHAPTER 46

### *Consequences of contravention*

#### 13 Criminal penalties.

—If a person acts in contravention of a disqualification order or [<sup>F1</sup>disqualification undertaking or in contravention] of section 12(2) [<sup>F2</sup>, 12A or 12B], or is guilty of an offence under section 11, he is liable—

- (a) on conviction on indictment, to imprisonment for not more than 2 years or a fine, or both; and
- (b) on summary conviction, to imprisonment for not more than 6 months or a fine not exceeding the statutory maximum, or both.

#### **Textual Amendments**

- F1** Words in s. 13 inserted (2.4.2001) by 2000 c. 39, s. 8, **Sch. 4 Pt. I para. 8(a)(b)**; S.I. 2001/766, **art. 2(1)(a)** (subject to transitional provisions in art. 3)
- F2** Words in s. 13 substituted (1.9.2004) by **The Insolvency Act 2000 (Company Directors Disqualification Undertakings) Order 2004** (S.I. 2004/1941), **art. 2(3)** (with art. 1(2))

#### 14 Offences by body corporate.

- (1) Where a body corporate is guilty of an offence of acting in contravention of a disqualification order [<sup>F3</sup>or disqualification undertaking or in contravention of section 12A][<sup>F4</sup>or 12B], and it is proved that the offence occurred with the consent or connivance of, or was attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity he, as well as the body corporate, is guilty of the offence and liable to be proceeded against and punished accordingly.

*Status: Point in time view as at 01/03/2016.*

*Changes to legislation: Company Directors Disqualification Act 1986, Cross Heading: Consequences of contravention is up to date with all changes known to be in force on or before 05 October 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)*

- (2) Where the affairs of a body corporate are managed by its members, subsection (1) applies in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

#### Textual Amendments

- F3** Words in s. 14(1) inserted (2.4.2001) by 2000 c. 39, s. 8, **Sch. 4 Pt. I para. 9**; S.I. 2001/766, **art. 2(1)(a)** (subject to transitional provisions in **art. 3**)
- F4** Words in s. 14(1) inserted (1.9.2004) by **The Insolvency Act 2000 (Company Directors Disqualification Undertakings) Order 2004 (S.I. 2004/1941), art. 2(4)** (with **art. 1(2)**)

## 15 Personal liability for company's debts where person acts while disqualified.

- (1) A person is personally responsible for all the relevant debts of a company if at any time—
- (a) in contravention of a disqualification order or [<sup>F5</sup>disqualification undertaking or in contravention] of section 11 [<sup>F6</sup>, 12A or 12B] of this Act he is involved in the management of the company, or
  - [<sup>F7</sup>(b) as a person who is involved in the management of the company, he acts or is willing to act on instructions given without the leave of the court by a person whom he knows at that time—
    - (i) to be the subject of a disqualification order made or disqualification undertaking accepted under this Act or under the Company Directors Disqualification (Northern Ireland) Order 2002, or
    - (ii) to be an undischarged bankrupt.]
- (2) Where a person is personally responsible under this section for the relevant debts of a company, he is jointly and severally liable in respect of those debts with the company and any other person who, whether under this section or otherwise, is so liable.
- (3) For the purposes of this section the relevant debts of a company are—
- (a) in relation to a person who is personally responsible under paragraph (a) of subsection (1), such debts and other liabilities of the company as are incurred at a time when that person was involved in the management of the company, and
  - (b) in relation to a person who is personally responsible under paragraph (b) of that subsection, such debts and other liabilities of the company as are incurred at a time when that person was acting or was willing to act on instructions given as mentioned in that paragraph.
- (4) For the purposes of this section, a person is involved in the management of a company if he is a director of the company or if he is concerned, whether directly or indirectly, or takes part, in the management of the company.
- [<sup>F8</sup>(5) For the purposes of this section a person who, as a person involved in the management of a company, has at any time acted on instructions given without the leave of the court by a person whom he knew at that time—
- (a) to be the subject of a disqualification order made or disqualification undertaking accepted under this Act or under the Company Directors Disqualification (Northern Ireland) Order 2002, or
  - (b) to be an undischarged bankrupt,

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is presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by that person.]

#### Textual Amendments

- F5** Words in s. 15(1)(a) inserted (2.4.2001) by 2000 c. 39, s. 8, **Sch. 4 Pt. I para. 10(2)(a)**; S.I. 2001/766, **art. 2(1)(a)** (subject to transitional provisions in art. 3)
- F6** Words in s. 15(1)(a) substituted (1.9.2004) by The Insolvency Act 2000 (Company Directors Disqualification Undertakings) Order 2004 (S.I. 2004/1941), **art. 2(5)(a)(i)** (with art. 1(2))
- F7** S. 15(1)(b) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 2(1), **Sch. 1 para. 85(9)(a)** (with art. 10)
- F8** S. 15(5) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 2(1), **Sch. 1 para. 85(9)(b)** (with art. 10)

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

- C1** S. 15 extended (with modifications) by S.I. 1986/2142, **art. 6**
- C2** S. 15 extended (with modifications) (1.7.1989) by S.I. 1989/638, **regs. 20, 21**
- C3** S. 15 applied (1.12.1994) by S.I. 1994/2421, art. 16, **Sch. 8**

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