



Company Directors Disqualification Act 1986

1986 CHAPTER 46

[^{F1}Persons instructing unfit directors]

Textual Amendments

- F1** Ss. 8ZA-8ZE and cross-heading inserted (26.5.2015 for specified purposes, 1.10.2015 in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015](#) (c. 26), **ss. 105**, 164(1); S.I. 2015/1329, reg. 3(c); S.I. 2015/1689, reg. 2(c) (with Sch. para. 1)

8ZA Order disqualifying person instructing unfit director of insolvent company

- (1) The court may make a disqualification order against a person (“P”) if, on an application under section 8ZB, it is satisfied—
- (a) either—
 - (i) that a disqualification order under section 6 has been made against a person who is or has been a director (but not a shadow director) of a company, or
 - (ii) that the Secretary of State has accepted a disqualification undertaking from such a person under section 7(2A), and
 - (b) that P exercised the requisite amount of influence over the person.

That person is referred to in this section as “the main transgressor”.

- (2) For the purposes of this section, P exercised the requisite amount of influence over the main transgressor if any of the conduct—
- (a) for which the main transgressor is subject to the order made under section 6, or
 - (b) in relation to which the undertaking was accepted from the main transgressor under section 7(2A),

was the result of the main transgressor acting in accordance with P’s directions or instructions.

Status: Point in time view as at 01/03/2016.

Changes to legislation: Company Directors Disqualification Act 1986, Cross Heading: Persons instructing unfit directors is up to date with all changes known to be in force on or before 26 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)

- (3) But P does not exercise the requisite amount of influence over the main transgressor by reason only that the main transgressor acts on advice given by P in a professional capacity.
- (4) Under this section the minimum period of disqualification is 2 years and the maximum period is 15 years.
- (5) In this section and section 8ZB “the court” has the same meaning as in section 6; and subsection (3B) of section 6 applies in relation to proceedings mentioned in subsection (6) below as it applies in relation to proceedings mentioned in section 6(3B) (a) and (b).
- (6) The proceedings are proceedings—
 - (a) for or in connection with a disqualification order under this section, or
 - (b) in connection with a disqualification undertaking accepted under section 8ZC.

8ZB Application for order under section 8ZA

- (1) If it appears to the Secretary of State that it is expedient in the public interest that a disqualification order should be made against a person under section 8ZA, the Secretary of State may—
 - (a) make an application to the court for such an order, or
 - (b) in a case where an application for an order under section 6 against the main transgressor has been made by the official receiver, direct the official receiver to make such an application.
- (2) Except with the leave of the court, an application for a disqualification order under section 8ZA must not be made after the end of the period of 3 years beginning with the day on which the company in question became insolvent (within the meaning given by section 6(2)).
- (3) Subsection (4) of section 7 applies for the purposes of this section as it applies for the purposes of that section.

8ZC Disqualification undertaking instead of an order under section 8ZA

- (1) If it appears to the Secretary of State that it is expedient in the public interest to do so, the Secretary of State may accept a disqualification undertaking from a person (“P”) if—
 - (a) any of the following is the case—
 - (i) a disqualification order under section 6 has been made against a person who is or has been a director (but not a shadow director) of a company,
 - (ii) the Secretary of State has accepted a disqualification undertaking from such a person under section 7(2A), or
 - (iii) it appears to the Secretary of State that such an undertaking could be accepted from such a person (if one were offered), and
 - (b) it appears to the Secretary of State that P exercised the requisite amount of influence over the person.

That person is referred to in this section as “the main transgressor”.

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- (2) For the purposes of this section, P exercised the requisite amount of influence over the main transgressor if any of the conduct—
- (a) for which the main transgressor is subject to the disqualification order made under section 6,
 - (b) in relation to which the disqualification undertaking was accepted from the main transgressor under section 7(2A), or
 - (c) which led the Secretary of State to the conclusion set out in subsection (1)(a)(iii),
- was the result of the main transgressor acting in accordance with P's directions or instructions.
- (3) But P does not exercise the requisite amount of influence over the main transgressor by reason only that the main transgressor acts on advice given by P in a professional capacity.
- (4) Subsection (4) of section 7 applies for the purposes of this section as it applies for the purposes of that section.

8ZD Order disqualifying person instructing unfit director: other cases

- (1) The court may make a disqualification order against a person (“P”) if, on an application under this section, it is satisfied—
- (a) either—
 - (i) that a disqualification order under section 8 has been made against a person who is or has been a director (but not a shadow director) of a company, or
 - (ii) that the Secretary of State has accepted a disqualification undertaking from such a person under section 8(2A), and
 - (b) that P exercised the requisite amount of influence over the person.

That person is referred to in this section as “the main transgressor”.

- (2) The Secretary of State may make an application to the court for a disqualification order against P under this section if it appears to the Secretary of State that it is expedient in the public interest for such an order to be made.
- (3) For the purposes of this section, P exercised the requisite amount of influence over the main transgressor if any of the conduct—
- (a) for which the main transgressor is subject to the order made under section 8, or
 - (b) in relation to which the undertaking was accepted from the main transgressor under section 8(2A),
- was the result of the main transgressor acting in accordance with P's directions or instructions.
- (4) But P does not exercise the requisite amount of influence over the main transgressor by reason only that the main transgressor acts on advice given by P in a professional capacity.
- (5) Under this section the maximum period of disqualification is 15 years.
- (6) In this section “the court” means the High Court or, in Scotland, the Court of Session.

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

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8ZE Disqualification undertaking instead of an order under section 8ZD

- (1) If it appears to the Secretary of State that it is expedient in the public interest to do so, the Secretary of State may accept a disqualification undertaking from a person (“P”) if—
- (a) any of the following is the case—
 - (i) a disqualification order under section 8 has been made against a person who is or has been a director (but not a shadow director) of a company,
 - (ii) the Secretary of State has accepted a disqualification undertaking from such a person under section 8(2A), or
 - (iii) it appears to the Secretary of State that such an undertaking could be accepted from such a person (if one were offered), and
 - (b) it appears to the Secretary of State that P exercised the requisite amount of influence over the person.

That person is referred to in this section as “the main transgressor”.

- (2) For the purposes of this section, P exercised the requisite amount of influence over the main transgressor if any of the conduct—
- (a) for which the main transgressor is subject to the disqualification order made under section 8,
 - (b) in relation to which the disqualification undertaking was accepted from the main transgressor under section 8(2A), or
 - (c) which led the Secretary of State to the conclusion set out in subsection (1)(a)(iii),
- was the result of the main transgressor acting in accordance with P’s directions or instructions.
- (3) But P does not exercise the requisite amount of influence over the main transgressor by reason only that the main transgressor acts on advice given by P in a professional capacity.]

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