



Company Directors Disqualification Act 1986

1986 CHAPTER 46

Disqualification for general misconduct in connection with companies

3 Disqualification for persistent breaches of companies legislation.

- (1) The court may make a disqualification order against a person where it appears to it that he has been persistently in default in relation to [^{F1}provisions of the companies legislation requiring any return, account or other document to be filed with, delivered or sent, or notice of any matter to be given, to the registrar of companies][^{F1}relevant provisions of the companies legislation (see subsection (3B))].
- (2) On an application to the court for an order to be made under this section, the fact that a person has been persistently in default in relation to [^{F2}such provisions as are mentioned above][^{F2}relevant provisions of the companies legislation] may (without prejudice to its proof in any other manner) be conclusively proved by showing that in the 5 years ending with the date of the application he has been adjudged guilty (whether or not on the same occasion) of three or more defaults in relation to those provisions.
- (3) A person is to be treated under subsection (2) as being adjudged guilty of a default in relation to any [^{F3}provision of that legislation][^{F3}such provision] if—
 - (a) he is convicted (whether on indictment or summarily) of an offence consisting in a contravention of or failure to comply with that provision (whether on his own part or on the part of any company),
 - [^{F4}(aa) a financial penalty is imposed on the person in respect of such an offence by virtue of regulations under—
 - (i) section 1132A of the Companies Act 2006, or
 - (ii) section 39 of the Economic Crime (Transparency and Enforcement) Act 2022,] or
 - (b) a default order is made against him, that is to say an order under any of the following provisions—

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- (i) [^{F5}section 452 of the Companies Act 2006] (order requiring delivery of company accounts),
- [^{F6}(ia) [^{F7}section 456] of that Act (order requiring preparation of revised accounts),]
- [^{F8}(ii) section 1113 of that Act (enforcement of company's filing obligations)]
- (iii) section 41 of the Insolvency Act [^{F9}1986](enforcement of receiver's or manager's duty to make returns), or
- (iv) section 170 of that Act (corresponding provision for liquidator in winding up),

in respect of any such contravention of or failure to comply with that provision (whether on his own part or on the part of any company).

[^{F10}(3A) In this section “company” includes overseas company.]

[^{F11}(3B) In this section “relevant provisions of the companies legislation” means—

- (a) any provision of the companies legislation requiring any return, account or other document to be filed with, delivered or sent, or notice of any matter to be given, to the registrar of companies,
- (b) sections 167M and 167N of the Companies Act 2006 (prohibitions on acting as director where identity not verified or where there has been a failure to notify a directorship), and
- (c) sections 790LQ and 790LR of the Companies Act 2006 (persons with significant control: ongoing duties in relation to identity verification).]

(4) In this section “the court” means

- [^{F12}(a)] any court having jurisdiction to wind up any of the companies in relation to which the offence or other default has been or is alleged to have been committed[^{F13}, or
- (b) in relation to an overseas company not falling within paragraph (a), the High Court or, in Scotland, the Court of Session.]

[^{F15}(4A) In this section “the companies legislation” means—

- (a) the Companies Acts,
- (b) Parts A1 to 7 of the Insolvency Act 1986 (company insolvency and winding up), and
- (c) Part 1 of the Economic Crime (Transparency and Enforcement) Act 2022 (registration of overseas entities).]

(5) The maximum period of disqualification under this section is 5 years.

Textual Amendments

- F1** Words in s. 3(1) substituted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), **ss. 31(2)**, 219(1)(2)(b)
- F2** Words in s. 3(2) substituted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), **ss. 31(3)**, 219(1)(2)(b)
- F3** Words in s. 3(3) substituted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), **ss. 31(4)(a)**, 219(1)(2)(b)
- F4** S. 3(3)(aa) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), **ss. 31(4)(b)**, 219(1)(2)(b)

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- F5** Words in s. 3(3)(b)(i) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 106(2)(a)** (with arts. 6, 11, 12)
- F6** S. 3(3)(b)(ia) added (subject to the transitional and savings provisions in S.I. 1990/2569, **arts. 3, 6**) after s. 3(3)(b)(i) by Companies Act 1989 (c. 40, SIF 27), ss. 23, 213(2), **Sch. 10 para. 35(2)(b)**
- F7** Words in s. 3(3)(b)(ia) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 106(2)(b)** (with arts. 6, 11, 12)
- F8** Words in s. 3(b)(ii) 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(2)(a)(i)** (with art. 10)
- F9** Words in s. 3(b)(iii) inserted (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(2)(a)(ii)** (with art. 10)
- F10** S. 3(3A) 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), s. 164(1), **Sch. 7 para. 5(2)**; S.I. 2015/1329, reg. 3(c); S.I. 2015/1689, reg. 2(g)
- F11** S. 3(3B) inserted (26.10.2023 for specified purposes) by Economic Crime and Corporate Transparency Act 2023 (c. 56), **ss. 31(5)**, 219(1)(2)(b)
- F12** Words in s. 3(4) 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), s. 164(1), **Sch. 7 para. 5(3)(a)**; S.I. 2015/1329, reg. 3(c); S.I. 2015/1689, reg. 2(g)
- F13** S. 3(4)(b) and preceding word 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), s. 164(1), **Sch. 7 para. 5(3)(b)**; S.I. 2015/1329, reg. 3(c); S.I. 2015/1689, reg. 2(g)
- F14** S. 3(4A) inserted (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(2)(b)** (with art. 10)
- F15** S. 3(4A) substituted (26.10.2023 for specified purposes) by Economic Crime and Corporate Transparency Act 2023 (c. 56), **ss. 31(6)**, 219(1)(2)(b)

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