



# Company Directors Disqualification Act 1986

## 1986 CHAPTER 46

### *Disqualification for unfitness*

#### **6 Duty of court to disqualify unfit directors of insolvent companies.**

- (1) The court shall make a disqualification order against a person in any case where, on an application under this section, it is satisfied—
- (a) that he is or has been a director of a company which has at any time become insolvent (whether while he was a director or subsequently), and
  - (b) that his conduct as a director of that company (either taken alone or taken together with his conduct as a director of any other company or companies) makes him unfit to be concerned in the management of a company.
- (2) For the purposes of this section and the next, a company becomes insolvent if—
- (a) the company goes into liquidation at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up,
  - (b) an administration order is made in relation to the company, or
  - (c) an administrative receiver of the company is appointed;
- and references to a person's conduct as a director of any company or companies include, where that company or any of those companies has become insolvent, that person's conduct in relation to any matter connected with or arising out of the insolvency of that company.
- (3) In this section and the next "the court" means—
- (a) in the case of a person who is or has been a director of a company which is being wound up by the court, the court by which the company is being wound up,
  - (b) in the case of a person who is or has been a director of a company which is being wound up voluntarily, any court having jurisdiction to wind up the company,

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*Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Company Directors Disqualification Act 1986, Section 6. (See end of Document for details)*

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- (c) in the case of a person who is or has been a director of a company in relation to which an administration order is in force, the court by which that order was made, and
  - (d) in any other case, the High Court or, in Scotland, the Court of Session; and in both sections “director” includes a shadow director.
- (4) Under this section the minimum period of disqualification is 2 years, and the maximum period is 15 years.

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

- C1** Ss. 4–6 extended (with modifications) (1.7.1989) by S.I. 1989/638, **regs. 20, 21**
- C2** Ss. 6–7 extended (with modifications) by S.I. 1986/2142, **art. 6**
- C3** s. 6 applied (with modifications) (1.12.1994) by S.I. 1994/2421, **art. 16, Sch. 8**  
S. 6 amended (*prosp.*) by 2000 c. 8, **s. 356(1)** (as substituted by 2000 c. 39, **ss. 15(3)(a)(b), 16(1)**)

**Status:**

Point in time view as at 01/02/1991. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Company Directors Disqualification Act 1986, Section 6.