
 S T A T U T O R Y I N S T R U M E N T S

1986 No. 2134

INSOLVENCY

COMPANIES

**The Insolvent Companies (Reports on Conduct of Directors)
No. 2 Rules 1986**

<i>Made</i> - - - - -	4th December 1986
<i>Laid before Parliament</i>	8th December 1986
<i>Coming into Force</i>	29th December 1986

The Lord Chancellor, in exercise of his powers under section 106 of the Insolvency Act 1985(a), section 411 of the Insolvency Act 1986(b) and section 21 of the Company Directors Disqualification Act 1986(c), with the concurrence of the Secretary of State, and after consulting the committee existing for that purpose under section 413 of the Insolvency Act 1986, hereby makes the following Rules:—

Citation, commencement and interpretation

1.—(1) These Rules may be cited as the Insolvent Companies (Reports on Conduct of Directors) No. 2 Rules 1986.

(2) These Rules shall come into force on 29th December 1986, and that day is referred to in these Rules as “the commencement date”.

(3) In these Rules references to “the Act” are references to the Company Directors Disqualification Act 1986.

Revocation

2. The Insolvent Companies (Reports on Conduct of Directors) Rules 1986(d) are hereby revoked.

Reports required under section 7(3) of the Act

3.—(1) This Rule applies to any report made to the Secretary of State under section 7(3) of the Act by:—

- (a) the liquidator of a company registered in England and Wales which passes a resolution for voluntary winding up on or after the commencement date;
- (b) an administrative receiver of a company appointed otherwise than under section 51 of the Insolvency Act 1986 (power to appoint receivers under the law of Scotland) on or after the commencement date; or

 (a) 1985 c. 65.

(b) 1986 c. 45.

(c) 1986 c. 46.

(d) S.I. 1986/611.

(c) the administrator of a company registered in England and Wales in respect of which the court makes an administration order on or after the commencement date.

(2) Such a report shall be made in the Form D1, D2 or D6 set out in the Schedule hereto, as the case may be, and in the manner and to the extent required by the applicable form.

Return by office-holder

4.—(1) This Rule applies where it appears to a liquidator of a company as mentioned in Rule 3(1)(a), to an administrative receiver as mentioned in Rule 3(1)(b), or to an administrator as mentioned in Rule 3(1)(c) (each of whom is here referred to as “the office-holder”) that the company has at any time become insolvent within the meaning of section 6(2) of the Act.

(2) Subject as follows there may be furnished to the Secretary of State by an office-holder at any time during the period of 6 months from the relevant date (defined in paragraph 4 below) a return with respect to every person who:—

- (a) was, on the relevant date a director or shadow director of the company, or
- (b) had been a director or shadow director of the company at any time in the 3 years immediately preceding that date.

(3) The return shall be made in the Form D3, D4, D5 or D7 set out in the Schedule hereto, as the case may be, and in the manner and to the extent required by the applicable form.

(4) For the purposes of this Rule, “the relevant date” means:—

- (a) in the case of a company in creditors’ voluntary winding up (there having been no declaration of solvency by the directors under section 89 of the Insolvency Act 1986) the date of the passing of the resolution for voluntary winding up,
- (b) in the case of a company in members’ voluntary winding up the date on which the liquidator forms the opinion that, at the time when the company went into liquidation, its assets were insufficient for the payment of its debts and other liabilities and the expenses of winding up,
- (c) in the case of the administrative receiver, the date of his appointment,
- (d) in the case of the administrator, the date of the administration order made in relation to the company,

and for the purposes of sub-paragraph (c) above the only appointment of an administrative receiver to be taken into account in determining the relevant date shall be that appointment which is not that of a successor in office to an administrative receiver who has vacated office either by death or pursuant to section 45 of the Insolvency Act 1986.

(5) It shall be the duty of the responsible office-holder to furnish a return complying with the provisions of paragraphs 3 and 4 of this Rule to the Secretary of State not later than the expiry of the period of 6 months from the relevant date where no return has been so furnished by a day one week before the expiry of that period: and for the purposes of this paragraph the responsible office-holder shall be the person in office in relation to the company on the day specified above or where no person is in office on that day the office-holder who vacated office nearest to that day.

(6) A return need not be provided under this Rule if an office-holder has, since the relevant date, made reports to the Secretary of State under section 7(3) of the Act with respect to all the persons falling within paragraph (2) and (apart from this paragraph) required to be the subject of return.

(7) If a responsible office-holder without reasonable excuse fails to comply with the duty imposed by paragraph (5) of the Rule, he is liable to a fine not exceeding £400 and, for continued contravention, to a daily default fine not exceeding £40.

Enforcement of section 7(4)

5.—(1) This Rule applies where under section 7(4) of the Act (power to call on liquidators, former liquidators and others to provide information) the Secretary of State or the official receiver requires a person:—

- (a) to furnish him with information with respect to a person's conduct as director or shadow director of a company, and
- (b) to produce and permit inspection of relevant books, papers and other records.

(2) On the application of the Secretary of State or (as the case may be) the official receiver, the court may make an order directing compliance within such period as may be specified.

(3) The court's order may provide that all costs of and incidental to the application shall be borne by the person to whom the order is directed.

Transitional provisions

6. Notwithstanding Rule 2 the provisions of Rules 2 and 3 of the Insolvent Companies (Reports on Conduct of Directors) Rules 1986 shall continue to apply, and have effect in relation to:—

- (a) any report to which the provisions of Rule 2 of those Rules apply, and
- (b) any interim return required to be made by Rule 3 of those Rules.

Hailsham of St Marylebone, C.

Dated 4th December 1986.

I concur,

Michael Howard,
Parliamentary Under Secretary of State,
Department of Trade and Industry.

Dated 4th December 1986.

COMPANIES IN VOLUNTARY LIQUIDATION

REPORT ON CONDUCT OF DIRECTORS UNDER SECTION 7(3) OF THE
COMPANY DIRECTORS DISQUALIFICATION ACT 1986

Before completing this form read the DTI Guidance Notes

	Official Use
Company registered number _____	
Name of Company _____	
Registered Office address _____	
Nature of Business _____	
Trading Names _____	
Principal place of business _____	
Date of liquidation _____	
Name of Liquidator _____	
Office holder number _____	
Liquidator's address _____	

Period covered by report From: _____ To: _____	

1. I am the liquidator of the company and it appears to me that the persons listed in the schedule were either directors or shadow directors of the company and **were the only** such directors of the company during the period covered by this report.
2. It further appears to me that the conduct of each of the persons in respect of whom I have marked Y in column 5 in the schedule as a director of the company, either considered in relation to this company alone or taken together with his conduct as a director of any other company, makes him unfit to be concerned in the management of a company. Details of his conduct are provided in Part D1(B) of the report.

Schedule

1 Full name and other known names	2 Last known address	3 Mark X if Shadow Director	4 Period as Director From To		5 If you have attached supplementary details please mark with a Y

Liquidator's Signature _____

Date _____

Remember to attach forms D1(A) and D1(B)

D1(A)**PART A****FURTHER DETAILS OF THE COMPANY****NAME OF COMPANY**

3. Date of incorporation _____

4. Period of trading From _____ To _____

5. Estimated distribution(s)
(pence in £) to creditors

- preferential:
- unsecured:

6. Summary of statement of affairs £

Gross assets: _____

Gross liabilities to creditors: _____

Estimated total deficiency as regards creditors: _____

Called-up capital: _____

7. Approximate number and value of unsecured creditors distinguishing between

	No.	£
Trade and expense:	_____	_____
Depositor or consumer pre-paid:	_____	_____
Connected companies:	_____	_____
Other:	_____	_____

8. Details of other connected companies with which the company has had any dealings

The above is correct to the best of my knowledge, information and belief.

Liquidator's Signature _____

Date _____

D1(B)

A separate "part B" is to be completed for each Director to be reported upon.

PART B

NAME OF COMPANY

FULLER DETAILS OF THE INDIVIDUAL DIRECTOR SUBJECT TO THIS REPORT

- 9. Full name of the Director:
- 10. Date of birth:
- 11. Occupation, trade or profession:
- 12. Position(s) held within company:

13. Give details (on such additional pages as necessary) of the conduct of the director, which makes it appear to you that the conditions of Section 6(1) of the Act are satisfied. You should have particular regard to Schedule 1 of the Act.

14. List the remuneration and other benefits during each of the 3 years to the date of liquidation

Period ended	Remuneration received £	Remuneration voted £	Cash expenses £	Benefits in kind £
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

15(a) Other companies of which the director is or was during the 3 years to the date of liquidation also a director or shadow director.

Name of Company	Reg. No.	Are you also the Liquidator Administrative Receiver or Administrator of that Company (Y/N)	Mark X here if you are to submit a conduct report in respect of the Company or enter date of report if already submitted

(b) Give details of any other companies not listed at Q8 or 15(a) above with which the director may have had an association which you feel may be relevant to the consideration of his conduct.

16. Give brief details of any civil or criminal proceedings in relation to the company taken or likely to be taken against the director.

17. Are there any other matter(s) which you consider the Secretary of State should take into consideration.

The details given in Part D1(B) (comprising _____ pages)
are correct to the best of my knowledge, information and belief.

Liquidator's Signature _____

Date _____

Schedule

1 Full name and other known names	2 Last known address	3 Mark X if Shadow Director	4 Period as Director From To		5 If you have attached supplementary details please mark with a Y

Administrative Receiver's Signature _____

Date _____

Remember to attach forms D2(A) and D2(B)

D2(A)

PART A

FURTHER DETAILS OF THE COMPANY

NAME OF COMPANY

3. Date of incorporation		
4. Period of trading	From _____	To _____
5. Estimated assets available for		
• preferential creditors:		
• unsecured creditors:		
6. Summary of statement of affairs	£	
Gross assets:	_____	
Gross liabilities to creditors:	_____	
Estimated total deficiency as regards creditors:	=====	
Called-up capital:	=====	
7. Approximate number and value of unsecured creditors distinguishing between		
	No.	£
Trade and expense:	_____	_____
Depositor or consumer pre-paid:	_____	_____
Connected companies:	_____	_____
Other:	_____	_____
8. Details of connected companies with which the company has had any dealings		

The above is correct to the best of my knowledge, information and belief.

Administrative Receiver's Signature _____

Date _____

D2(B)

A separate "Part B" is to be completed for each Director to be reported upon.

PART B

NAME OF COMPANY

FULLER DETAILS OF THE INDIVIDUAL DIRECTOR SUBJECT TO THIS REPORT

9. Full name of the Director:

10. Date of birth:

11. Occupation, trade or profession:

12. Position(s) held within company:

13. Give details (on such additional pages as necessary) of the conduct of the director, which makes it appear to you that the conditions of Section 6(1) are satisfied. You should have particular regard to Schedule 1 of the Act.

14. List the remuneration and other benefits during each of the 3 years to the relevant date in relation to the company as defined in Rule 4

Period ended	Remuneration received £	Remuneration voted £	Cash expenses £	Benefits in kind £
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

15(a) Other companies of which the director is or was during the 3 years to the relevant date in relation to the company as determined under Rule 4(4) also a director or shadow director

Name of Company	Reg. No.	Are you also the Liquidator, Administrative Receiver or Administrator of that Company (Y/N)	Mark X here if you are to submit a conduct report in respect of the Company or enter date of report if already submitted

-
- (b) Give details of any other companies not listed at Q8 or 15(a) above with which the director may have had an association which you feel may be relevant to the consideration of his conduct.
16. Give brief details of any civil or criminal proceedings in relation to the company taken or likely to be taken against the director.
17. Are there any other matter(s) which you consider the Secretary of State should take into consideration.

The details given in Part D2(B) (comprising _____ pages) are correct to the best of my knowledge, information and belief.

Administrative Receiver's Signature _____

Date _____

COMPANIES IN CREDITORS' VOLUNTARY LIQUIDATION
 RETURN OF DIRECTORS UNDER RULE 4 OF THE INSOLVENT COMPANIES
 (REPORT ON CONDUCT OF DIRECTORS) NO. 2 RULES 1986

Before completing this form read the DTI Guidance Notes

Company registered number _____ Name of Company _____ Registered Office address _____ Nature of Business _____ Trading Names _____ Principal place of business _____ Date of liquidation _____ Name of Liquidator _____ Office holder number _____ Liquidator's address _____ _____ _____	Official Use
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Mark with an X the statement which applies

1. (i) I have not submitted a report in this case because:
- (a) the company has sufficient assets to pay its debts and other liabilities and the expenses of any winding-up
- (b) as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act
- (c) sufficient information is not yet to hand (see below).
- (ii) I have not submitted a report on all of the directors in this case because:
- (d) as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act on the remaining directors
- (e) sufficient information is not yet to hand (see below).

If you have marked box (c) or box (e) please indicate the likely date when the report if any will be submitted:

_____ Month _____ Year

2. The persons listed in the schedule were to the best of my knowledge and belief all the persons who were directors or shadow directors of the company during the three years prior to the liquidation.

Schedule

Full name and other known names	Last known address	Mark X if Shadow Director	Period as Director	
			From	To

Liquidator's Signature _____

Date _____

COMPANIES IN VOLUNTARY LIQUIDATION WHICH BEGAN AS
MEMBERS VOLUNTARY LIQUIDATION BUT INSOLVENT
RETURN OF DIRECTORS UNDER RULE 4 OF THE INSOLVENT COMPANIES
(REPORT ON CONDUCT OF DIRECTORS) NO. 2 RULES 1986

Before completing this form read the DTI Guidance Notes

Company registered number _____ Name of Company _____ Registered Office address _____ Nature of Business _____ Trading Names _____ Principal place of business _____ Date of Liquidation _____ Name of Liquidator _____ Office holder number _____ Liquidator's address _____ _____ _____	Official use
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Mark with an X the statement which applies

1. (i) I have not submitted a report in this case because:
- (a) as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act
- (b) sufficient information is not yet to hand (see below).
- (ii) I have not submitted a report on all of the directors in this case because:
- (c) as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act on the remaining directors
- (d) sufficient information is not yet to hand (see below).

If you have marked box (b) or box (d) please indicate the likely date when the report will be submitted:

Month

Year

2. The persons listed in the schedule were to the best of my knowledge and belief all the persons who were directors or shadow directors of the company during the three years prior to the liquidation.

Schedule

Full name and other known names	Last known address	Mark X if Shadow Director	Period as Director	
			From	To

Liquidator's Signature _____

Date _____

RETURN OF DIRECTORS BY AN ADMINISTRATIVE RECEIVER UNDER RULE 4 OF THE INSOLVENT COMPANIES (REPORT ON CONDUCT OF DIRECTORS) NO. 2 RULES 1986

Before completing this form read the DTI Guidance Notes

Company registered number _____ Name of Company _____ Registered Office address _____ Nature of Business _____ Trading Names _____ Principal place of business _____ Date of appointment of Administrative Receiver _____ Name of Administrative Receiver _____ Office holder number _____ Administrative Receiver's address _____ _____ _____	Official Use
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Mark with an X the statement which applies

1. (i) I have not submitted a report in this case because:
 - (a) as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act
 - (b) sufficient information is not yet to hand (see below).
- (ii) I have not submitted a report on all of the directors in this case because:
 - (c) as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act on the remaining directors
 - (d) sufficient information is not yet to hand (see below).

If you have marked box (b) or box (d) please indicate the likely date when the report if any will be submitted:

_____ Month _____ Year

2. The persons listed in the schedule were to the best of my knowledge and belief all the persons who were directors or shadow directors of the company during the three years prior to the relevant date in relation to the company as determined under Rule 4(4).

Schedule

Full name and other known names	Last known address	Mark X if Shadow Director	Period as Director	
			From	To

Administrative Receiver's Signature _____

Date _____

2. It further appears to me that the conduct of each of the persons in respect of whom I have marked Y in column 5 in the schedule as a director of the company, either considered in relation to this company alone or taken together with his conduct as a director of any other company, makes him unfit to be concerned in the management of a company. Details of his conduct are provided in Part D6(B) of the report.

Schedule

1 Full name and other known names	2 Last known address	3 Mark X if Shadow Director	4 Period as Director From To		5 If you have attached supplementary details please mark with a Y

Administrator's Signature _____

Date _____

Remember to attach forms D6(A) and D6(B)

D6(A)

PART A

FURTHER DETAILS OF THE COMPANY

NAME OF COMPANY _____

3. Date of incorporation _____
4. Period of trading From _____ To _____
5. Estimated assets available for
- preferential creditors: _____
 - unsecured creditors: _____
6. Summary of statement of affairs £
- | | | |
|--|--|-------|
| Gross assets: | | _____ |
| Gross liabilities to creditors: | | _____ |
| Estimated total deficiency as regards creditors: | | ===== |
| Called-up capital: | | ===== |
7. Approximate number and value of unsecured creditors distinguishing between
- | | No. | £ |
|---------------------------------|-------|-------|
| Trade and expense: | _____ | _____ |
| Depositor or consumer pre-paid: | _____ | _____ |
| Connected companies: | _____ | _____ |
| Other: | _____ | _____ |
8. Details of connected companies with which the company has had any dealings

The above is correct to the best of my knowledge, information and belief

Administrator's Signature _____

Date _____

D6(B)

A separate "Part B" is to be completed for each Director to be reported upon.

PART B

NAME OF COMPANY

FULLER DETAILS OF THIS INDIVIDUAL DIRECTOR SUBJECT TO THIS REPORT

9. Full name of the Director:
 10. Date of birth:
 11. Occupation, trade or profession:
 12. Position(s) held within company:

13. Give details (on such additional pages as necessary) of the conduct of the director, which makes it appear to you that the conditions of Section 6(1) are satisfied. You should have particular regard to Schedule 1 of the Act.

14. List the remuneration and other benefits during each of the 3 years to the date of the making of the administration order in relation to the company

Period ended	Remuneration received £	Remuneration voted £	Cash expenses £	Benefits in kind £
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- 15(a). Other companies of which the director is or was during the 3 years to the date of the making of the administration order in relation to the company also a director or shadow director

Name of Company	Reg. No.	Are you also the Liquidator, Administrative Receiver or Administrator of that Company (Y/N)	Mark X here if you are to submit a conduct report in respect of the Company or enter date of report if already submitted

- (b). Give details of any other companies not listed at Q8 or 15(a) above with which the director may have had an association which you feel may be relevant to the consideration of his conduct.

16. Give brief details of any civil or criminal proceedings in relation to the company taken or likely to be taken against the director.
17. Are there any other matter(s) which you consider the Secretary of State should take into consideration.

The details given in Part D6(B) (comprising _____ pages) are correct to the best of my knowledge, information and belief.

Administrator's Signature _____

Date _____

D7

**RETURN OF DIRECTORS BY AN ADMINISTRATOR UNDER RULE 4 OF THE
INSOLVENT COMPANIES (REPORT ON CONDUCT OF DIRECTORS) NO. 2 RULES
1986**

Before completing this form read the DTI Guidance Notes

Company registered number _____ Name of Company _____ Registered Office address _____ _____ Nature of Business _____ Trading Names _____ Principal place of business _____ _____ Date of making of administration order _____ Name of administrator _____ Office holder number _____ Administrator's address _____ _____ _____	Official Use
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Mark with an X the statement which applies

1. (i) I have not submitted a report in this case because:

- (a) as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act
- (b) sufficient information is not yet to hand (see below).

(ii) I have not submitted a report on all of the directors in this case because:

- (c) as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act on the remaining directors
- (d) sufficient information is not yet to hand (see below).

If you have marked box (b) or box (d) please indicate the likely date when the report if any will be submitted:

Month

Year

2. The persons listed in the schedule were to the best of my knowledge and belief all the persons who were directors or shadow directors of the company during the three years prior to the making of an administration order in relation to the company.

Schedule

Full name and other known names	Last known address	Mark X if Shadow Director	Period as Director	
			From	To

Administrator's Signature _____

Date _____

EXPLANATORY NOTE

(This Note does not form part of the Rules.)

These Rules make provision in relation to England and Wales for the manner in which a voluntary liquidator, administrative receiver or an administrator of a company appointed after 29th December 1986 shall make to the Secretary of State the report required by section 7(3) of that Act as to the conduct of persons who have been directors or shadow directors of insolvent companies which makes such directors appear to that liquidator, administrative receiver or administrator to be unfit to be concerned in the management of a company. Provision is also made for the revocation of the Insolvent Companies (Reports on Conduct of Directors) Rules 1986.

Rule 3 provides that reports under section 7(3) should be made in the forms set out in the Schedule and Rule 4 provides for a return to be made 6 months after the commencement of the relevant insolvent proceeding where reports on all the directors have not already been made.

Rule 5 enables the Secretary of State to apply to the court to enforce compliance by the voluntary liquidator, administrative receiver or administrator with a requirement by the Secretary of State under section 7(4) of the Company Directors Disqualification Act 1986 to furnish information and books, papers and other records relevant to the conduct of a person as a director.

Rule 6 makes transitional provision in respect of reports and interim returns made in relation to relevant insolvency proceedings commenced before 29th December 1986.

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