



Insolvency Act 1985

1985 CHAPTER 65

PART II

COMPANY INSOLVENCY ETC

CHAPTER I

DISQUALIFICATION AND PERSONAL LIABILITY OF DIRECTORS AND OTHERS

18 Personal liability of persons acting while disqualified

- (1) A person shall be personally responsible for all the relevant debts of a company if at any time—
 - (a) in contravention of a disqualification order, of section 17 above or of section 302 of the 1985 Act (provision against undischarged bankrupt acting as director etc.), he is involved in the management of the company; or
 - (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 to be the subject of a disqualification order, to be in contravention in relation to that company of section 17 above or to be an undischarged bankrupt.
- (2) Where a person is personally responsible under this section for the relevant debts of a company he shall be 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) above, 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

Status: This is the original version (as it was originally enacted).

- (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.
- (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 to be the subject of a disqualification order, to be in contravention in relation to that company of section 17 above or to be an undischarged bankrupt shall be presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by that person.
- (6) In this section " company " includes a company which may be wound up under Part XXI of the 1985 Act.