



Insolvency Act 1985

1985 CHAPTER 65

PART III

INDIVIDUAL INSOLVENCY

CHAPTER VII

BANKRUPTCY OFFENCES

190 Failure to keep proper accounts of business

- (1) Where the bankrupt has been engaged in any business for any of the period of two years ending with the presentation of the petition, he shall be guilty of an offence if he has not kept proper accounting records throughout that period and throughout any further period in which he was so engaged between the presentation of the petition and the commencement of the bankruptcy, or has not preserved all the accounting records which he has kept.
- (2) The bankrupt shall not be guilty of an offence under subsection (1) above—
 - (a) if his unsecured liabilities at the commencement of the bankruptcy did not exceed the prescribed amount; or
 - (b) if he proves that in the circumstances in which he carried on business the omission was honest and excusable.
- (3) For the purposes of this section a person shall be deemed not to have kept proper accounting records if he has not kept such records as are necessary to show or explain his transactions and financial position in his business, including—
 - (a) records containing entries from day to day, in sufficient detail, of all cash received and paid ;
 - (b) where the business involved dealings in goods, statements of annual stock-takings ; and

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- (c) except in the case of goods sold by way of retail trade to the actual customer, records of all goods sold and purchased showing the buyers and sellers in sufficient detail to enable the goods and the buyers and sellers to be identified.
- (4) In relation to any such records as are mentioned in subsection (3) above, section 185(2)(d) and (3)(b) above shall have effect with the substitution for any reference to twelve months of a reference to two years.