



Company Directors Disqualification Act 1986

1986 CHAPTER 46

Consequences of contravention

13 Criminal penalties.

—If a person acts in contravention of a disqualification order or [^{F1}disqualification undertaking or in contravention] of section 12(2) [^{F2}, 12A or 12B], or is guilty of an offence under section 11 [^{F3} or 11A], he is liable—

- (a) on conviction on indictment, to imprisonment for not more than 2 years or a fine, or both; and
- (b) on summary conviction, to imprisonment for not more than 6 months or a fine not exceeding the statutory maximum, or both.

Textual Amendments

- F1** Words in s. 13 inserted (2.4.2001) by 2000 c. 39, s. 8, **Sch. 4 Pt. I para. 8(a)(b)**; S.I. 2001/766, **art. 2(1)(a)** (subject to transitional provisions in art. 3)
- F2** Words in s. 13 substituted (1.9.2004) by *The Insolvency Act 2000 (Company Directors Disqualification Undertakings) Order 2004* (S.I. 2004/1941), **art. 2(3)** (with art. 1(2))
- F3** Words in s. 13 inserted (26.10.2023 for specified purposes) by *Economic Crime and Corporate Transparency Act 2023* (c. 56), **ss. 36(3)**, 219(1)(2)(b)

Modifications etc. (not altering text)

- C1** Ss. 13-15C applied (with modifications) by S.I. 1994/2421, **art. 16, Sch. 8** (as amended (E.W.) (8.12.2017) by *The Insolvency (Miscellaneous Amendments) Regulations 2017* (S.I. 2017/1119), reg. 1(1), **Sch. 2 paras. 4, 8**)

14 Offences by body corporate.

[^{F4}(1) Where—

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- (a) a body corporate is—
 - (i) guilty of an offence of acting in contravention of a disqualification order or disqualification undertaking or in contravention of section 12A or 12B, or
 - (ii) guilty of an offence under section 11A, and
- (b) it is proved that the offence occurred with the consent or connivance of, or was attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity,

the person, as well as the body corporate, is guilty of the offence and liable to be proceeded against and punished accordingly.]

- (2) Where the affairs of a body corporate are managed by its members, subsection (1) applies in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

Textual Amendments

- F4** S. 14(1) substituted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), **ss. 36(4)**, 219(1)(2)(b)
- F5** Words in s. 14(1) inserted (2.4.2001) by 2000 c. 39, s. 8, **Sch. 4 Pt. I para. 9**; S.I. 2001/766, **art. 2(1)(a)** (subject to transitional provisions in [art. 3](#))
- F6** Words in s. 14(1) inserted (1.9.2004) by [The Insolvency Act 2000 \(Company Directors Disqualification Undertakings\) Order 2004 \(S.I. 2004/1941\)](#), **art. 2(4)** (with [art. 1\(2\)](#))

Modifications etc. (not altering text)

- C1** Ss. 13-15C applied (with modifications) by S.I. 1994/2421, **art. 16**, **Sch. 8** (as amended (E.W.) (8.12.2017) by [The Insolvency \(Miscellaneous Amendments\) Regulations 2017 \(S.I. 2017/1119\)](#), [reg. 1\(1\)](#), [Sch. 2 paras. 4, 8](#))

15 Personal liability for company's debts where person acts while disqualified.

- (1) A person is personally responsible for all the relevant debts of a company if at any time—
 - (a) in contravention of a disqualification order or [^{F7}disqualification undertaking or in contravention] of section 11 [^{F8}, 11A][^{F9}, 12A or 12B] of this Act he is involved in the management of the company, [^{F10}or]
 - [^{F11}(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—
 - (i) to be the subject of a disqualification order made or disqualification undertaking accepted under this Act or under the Company Directors Disqualification (Northern Ireland) Order 2002, or
 - (ii) to be an undischarged bankrupt.][^{F12}, or
 - (c) as a person who is involved in the management of the company, they act or are willing to act on instructions where—
 - (i) the instructions are given by a person whom they know at that time to be subject to director disqualification sanctions (within the meaning of section 11A),

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- (ii) the giving of the instructions does not fall within any exception from section 11A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and
 - (iii) the instructions are not authorised,
(but see subsection (3A)).]
- (2) Where a person is personally responsible under this section for the relevant debts of a company, he is 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), 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
 - (b) in relation to a person who is personally responsible under paragraph (b) [^{F13}or (c)] 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.
- [^{F14}(3A) But—
 - (a) a person who is subject to director disqualification sanctions (within the meaning of section 11A) is not personally responsible under subsection (1) (a) for any relevant debts of the company incurred at a time when the person did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions;
 - (b) a person is not personally responsible under subsection (1)(c) for any relevant debts of the company incurred at a time when the person reasonably believed that the instructions were authorised.]
- (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.
- [^{F15}(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—
 - (a) to be the subject of a disqualification order made or disqualification undertaking accepted under this Act or under the Company Directors Disqualification (Northern Ireland) Order 2002, or
 - (b) to be an undischarged bankrupt,is presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by that person.]
- [^{F16}(6) Subsection (7) applies where a person (“P”) at any time—
 - (a) was involved in the management of a company, and
 - (b) acted on instructions where—
 - (i) the instructions were given by a person (“D”) whom P knew at that time to be subject to director disqualification sanctions (within the meaning of section 11A),

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- (ii) the giving of the instructions did not fall within any exception from section 11A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and
- (iii) the instructions were not authorised,
- unless P reasonably believed at that time that the instructions were authorised.
- (7) For the purposes of this section P is presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by D.
- (8) For the purposes of this section instructions are “authorised” if they are given under the authority of a licence issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018.]

Textual Amendments

- F7** Words in s. 15(1)(a) inserted (2.4.2001) by 2000 c. 39, s. 8, **Sch. 4 Pt. 1 para. 10(2)(a)**; S.I. 2001/766, **art. 2(1)(a)** (subject to transitional provisions in art. 3)
- F8** Word in s. 15(1)(a) inserted (26.10.2023 for specified purposes) by Economic Crime and Corporate Transparency Act 2023 (c. 56), **ss. 36(5)(a)**, 219(1)(2)(b)
- F9** Words in s. 15(1)(a) substituted (1.9.2004) by The Insolvency Act 2000 (Company Directors Disqualification Undertakings) Order 2004 (S.I. 2004/1941), **art. 2(5)(a)(i)** (with art. 1(2))
- F10** Word in s. 15(1)(a) omitted (26.10.2023 for specified purposes) by virtue of Economic Crime and Corporate Transparency Act 2023 (c. 56), **ss. 36(5)(b)**, 219(1)(2)(b)
- F11** S. 15(1)(b) 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(9)(a)** (with art. 10)
- F12** S. 15(1)(c) and word inserted (26.10.2023 for specified purposes) by Economic Crime and Corporate Transparency Act 2023 (c. 56), **ss. 36(5)(c)**, 219(1)(2)(b)
- F13** Words in s. 15(3)(b) inserted (26.10.2023 for specified purposes) by Economic Crime and Corporate Transparency Act 2023 (c. 56), **ss. 36(5)(d)**, 219(1)(2)(b)
- F14** S. 15(3A) inserted (26.10.2023 for specified purposes) by Economic Crime and Corporate Transparency Act 2023 (c. 56), **ss. 36(5)(e)**, 219(1)(2)(b)
- F15** S. 15(5) 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(9)(b)** (with art. 10)
- F16** S. 15(6)-(8) inserted (26.10.2023 for specified purposes) by Economic Crime and Corporate Transparency Act 2023 (c. 56), **ss. 36(5)(f)**, 219(1)(2)(b)

Modifications etc. (not altering text)

- C1** Ss. 13-15C applied (with modifications) by S.I. 1994/2421, art. 16, **Sch. 8** (as amended (E.W.) (8.12.2017) by The Insolvency (Miscellaneous Amendments) Regulations 2017 (S.I. 2017/1119), reg. 1(1), **Sch. 2 paras. 4, 8**)
- C2** S. 15 extended (with modifications) by S.I. 1986/2142, **art. 6**
- C3** S. 15 extended (with modifications) (1.7.1989) by S.I. 1989/638, **regs. 20, 21**
- C4** S. 15 applied (1.12.1994) by S.I. 1994/2421, art. 16, **Sch. 8**

Changes to legislation:

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