



Company Directors Disqualification Act 1986

1986 CHAPTER 46

[^{F1}Compensation orders and undertakings

[^{F1}15A Compensation orders and undertakings

- (1) The court may make a compensation order against a person on the application of the Secretary of State if it is satisfied that the conditions mentioned in subsection (3) are met.
- (2) If it appears to the Secretary of State that the conditions mentioned in subsection (3) are met in respect of a person who has offered to give the Secretary of State a compensation undertaking, the Secretary of State may accept the undertaking instead of applying, or proceeding with an application, for a compensation order.
- (3) The conditions are that—
 - (a) the person is subject to a disqualification order or disqualification undertaking under this Act, and
 - (b) conduct for which the person is subject to the order or undertaking has caused loss to one or more creditors of an insolvent company [^{F2}, or a company which has been dissolved without becoming insolvent,] of which the person has at any time been a director.
- (4) An “insolvent company” is a company that is or has been insolvent and 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) the company enters administration, or
 - (c) an administrative receiver of the company is appointed.
- (5) The Secretary of State may apply for a compensation order at any time before the end of the period of two years beginning with the date on which the disqualification

Changes to legislation: There are currently no known outstanding effects for the Company Directors Disqualification Act 1986, Section 15A. (See end of Document for details)

order referred to in paragraph (a) of subsection (3) was made, or the disqualification undertaking referred to in that paragraph was accepted.

- (6) In the case of a person subject to a disqualification order under section 8ZA or 8ZD, or a disqualification undertaking under section 8ZC or 8ZE, the reference in subsection (3)(b) to conduct is a reference to the conduct of the main transgressor in relation to which the person has exercised the requisite amount of influence.
- (7) In this section and sections 15B and 15C “the court” means—
- (a) in a case where a disqualification order has been made, the court that made the order,
 - (b) in any other case, the High Court or, in Scotland, the Court of Session.]

Textual Amendments

- F1** Ss. 15A-15C and cross-heading inserted (26.5.2015 for specified purposes, 1.10.2015 in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), **ss. 110**, 164(1); [S.I. 2015/1329](#), reg. 3(c); [S.I. 2015/1689](#), reg. 2(f) (with [Sch. para. 4](#))
- F2** Words in [s. 15A\(3\)\(b\)](#) inserted (15.12.2021 for specified purposes, 15.2.2022 in so far as not already in force) by [Rating \(Coronavirus\) and Directors Disqualification \(Dissolved Companies\) Act 2021 \(c. 34\)](#), **ss. 2(6)**, 4(4)(b)(5) (with [s. 2\(14\)](#))

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](#))

Changes to legislation:

There are currently no known outstanding effects for the Company Directors Disqualification Act 1986, Section 15A.