



Companies Act 2006

2006 CHAPTER 46

PART 32

COMPANY INVESTIGATIONS: AMENDMENTS

1035 Powers of Secretary of State to give directions to inspectors

- (1) In Part 14 of the Companies Act 1985 (c. 6) (investigation of companies and their affairs), after section 446 insert—

“Powers of Secretary of State to give directions to inspectors

446A General powers to give directions

- (1) In exercising his functions an inspector shall comply with any direction given to him by the Secretary of State under this section.
- (2) The Secretary of State may give an inspector appointed under section 431, 432(2) or 442(1) a direction—
- (a) as to the subject matter of his investigation (whether by reference to a specified area of a company’s operation, a specified transaction, a period of time or otherwise), or
 - (b) which requires the inspector to take or not to take a specified step in his investigation.
- (3) The Secretary of State may give an inspector appointed under any provision of this Part a direction requiring him to secure that a specified report under section 437—
- (a) includes the inspector’s views on a specified matter,
 - (b) does not include any reference to a specified matter,
 - (c) is made in a specified form or manner, or
 - (d) is made by a specified date.

Status: This is the original version (as it was originally enacted).

- (4) A direction under this section—
 - (a) may be given on an inspector’s appointment,
 - (b) may vary or revoke a direction previously given, and
 - (c) may be given at the request of an inspector.
- (5) In this section—
 - (a) a reference to an inspector’s investigation includes any investigation he undertakes, or could undertake, under section 433(1) (power to investigate affairs of holding company or subsidiary);
 - (b) “specified” means specified in a direction under this section.

446B Direction to terminate investigation

- (1) The Secretary of State may direct an inspector to take no further steps in his investigation.
 - (2) The Secretary of State may give a direction under this section to an inspector appointed under section 432(1) or 442(3) only on the grounds that it appears to him that—
 - (a) matters have come to light in the course of the inspector’s investigation which suggest that a criminal offence has been committed, and
 - (b) those matters have been referred to the appropriate prosecuting authority.
 - (3) Where the Secretary of State gives a direction under this section, any direction already given to the inspector under section 437(1) to produce an interim report, and any direction given to him under section 446A(3) in relation to such a report, shall cease to have effect.
 - (4) Where the Secretary of State gives a direction under this section, the inspector shall not make a final report to the Secretary of State unless—
 - (a) the direction was made on the grounds mentioned in subsection (2) and the Secretary of State directs the inspector to make a final report to him, or
 - (b) the inspector was appointed under section 432(1) (appointment in pursuance of order of the court).
 - (5) An inspector shall comply with any direction given to him under this section.
 - (6) In this section, a reference to an inspector’s investigation includes any investigation he undertakes, or could undertake, under section 433(1) (power to investigate affairs of holding company or subsidiary).”
- (2) In section 431 of that Act (inspectors' powers during investigation) in subsection (1) for “report on them in such manner as he may direct” substitute “report the result of their investigations to him”.
 - (3) In section 432 of that Act (other company investigations) in subsection (1) for “report on them in such manner as he directs” substitute “report the result of their investigations to him”.
 - (4) In section 437 of that Act (inspectors' reports)—

- (a) in subsection (1) omit the second sentence, and
 - (b) subsections (1B) and (1C) shall cease to have effect.
- (5) In section 442 of that Act (power to investigate company ownership), omit subsection (2).