
STATUTORY INSTRUMENTS

1986 No. 1916 (S. 140)

INSOLVENCY

COMPANIES

**The Insolvent Companies (Reports on Conduct of Directors)
(No. 2) (Scotland) Rules 1986**

Made - - - - 10th November 1986

Laid before Parliament 26th November 1986

Coming into Operation 29th November 1986

The Secretary of State, in exercise of the powers conferred on him by section 106 of the Insolvency Act 1985(a) and section 411 of the Insolvency Act 1986(b), as read with section 21(2) of the Company Directors' Disqualification Act 1986(c), and of all other powers enabling him in that behalf, hereby makes the following Rules:-

Citation, commencement and interpretation

1.—(1) These Rules may be cited as the Insolvent Companies (Reports on Conduct of Directors) (No. 2) (Scotland) Rules 1986.

(2) These Rules shall come into operation on 29th December 1986.

(3) In these Rules -

“the Act” means the Company Directors Disqualification Act 1986,

“commencement date” means the date on which these Rules come into operation, and

“a company” means a company which the courts in Scotland have jurisdiction to wind up.

Reports required under section 7(3) of the Act

2.—(1) This Rule applies to any report made to the Secretary of State under section 7(3) of the Act by -

(a) the liquidator of a company which is being wound up by an order of the court made on or after the commencement date;

(b) the liquidator of a company which passes a resolution for voluntary winding up on or after that date;

(a) 1985 c.65.

(b) 1986 c.45.

(c) 1986 c.46.

(c) a receiver of a company, appointed under section 51 of the Insolvency Act 1986 (power to appoint receivers under the law of Scotland) on or after that date, who is an administrative receiver; or

(d) an administrator of a company in relation to which an administration order is made on or after that date.

(2) Such a report shall be made in the Form D1 (Scot), D2 (Scot) or D5 (Scot) set out in the Schedule hereto, as the case may be, and in the manner and to the extent required by the applicable form.

Return by office-holder

3.—(1) This Rule applies where it appears to a liquidator of a company as mentioned in Rule 2(1)(a) or (b), to an administrative receiver as mentioned in Rule 2(1)(c) or to an administrator as mentioned in Rule 2(1)(d) (each of whom is referred to hereinafter as “the office-holder”) that the company has at any time become insolvent within the meaning of section 6(2) of the Act.

(2) Subject as follows, there may be furnished to the Secretary of State by an office-holder, at any time during the period of 6 months from the relevant date, a return with respect to every person who -

(a) was, on the relevant date, a director or shadow director of the company, or

(b) had been a director or shadow director of the company at any time in the three years immediately preceding that date.

(3) The return shall be made in the Form D3 (Scot), D4 (Scot) or D6 (Scot) set out in the Schedule hereto, as the case may be, and in the manner and to the extent required by the applicable form.

(4) For the purposes of this Rule, “the relevant date” means -

(a) in the case of a company in liquidation (except in the case mentioned in paragraph (4)(b) below), the date on which the company goes into liquidation within the meaning of section 247(2) of the Insolvency Act 1986,

(b) in the case of a company in members' voluntary winding up, the date on which the liquidator forms the opinion that, at the time when the company went into liquidation, its assets were insufficient for the payment of its debts and other liabilities and the expenses of winding up,

(c) in the case of the administrative receiver, the date of his appointment,

(d) in the case of the administrator, the date of the administration order made in relation to the company,

and for the purposes of sub-paragraph (c) above the only appointment of an administrative receiver to be taken into account in determining the relevant date shall be that appointment which is not that of a successor in office to an administrative receiver who has vacated office either by death or pursuant to section 62 of the Insolvency Act 1986.

(5) It shall be the duty of the responsible office-holder to furnish a return complying with the provisions of paragraphs (3) and (4) of this Rule to the Secretary of State not later than the expiry of the period of 6 months from the

relevant date, where no return has been so furnished by a day one week before the expiry of that period; and for the purposes of this paragraph the responsible office-holder shall be the person in office in relation to the company on the day specified above or, where no person is in office on that day, the office-holder who vacated office nearest to that day.

(6) A return need not be provided under this Rule if the office-holder has, since the relevant date, made reports to the Secretary of State under section 7(3) of the Act with respect to all the persons falling within paragraph (2) and (apart from this paragraph) required to be the subject of return.

(7) If a responsible office-holder without reasonable excuse fails to comply with the duty imposed by paragraph (5) of this Rule, he is liable on summary conviction to a fine not exceeding £400 and, for continued contravention, to a daily default fine not exceeding £40.

Enforcement of section 7(4)

4.—(1) This Rule applies where, under section 7(4) of the Act (power to call on liquidators, former liquidators and others to provide information), the Secretary of State requires a person -

- (a) to furnish him with information with respect to a person's conduct as director or shadow director of a company, and
- (b) to produce and permit inspection of relevant books, papers and other records.

(2) On the application of the Secretary of State, the court may make an order directing compliance within such period as may be specified.

(3) The court's order may provide that all expenses of and incidental to the application shall be borne by the person to whom the order is directed.

Revocation and transitional provisions

5.—(1) The Insolvent Companies (Reports on Conduct of Directors) (Scotland) Rules 1986(a) ("the former Rules") are hereby revoked.

(2) Notwithstanding paragraph (1), the provisions of Rules 2 and 3 of the former Rules shall continue to apply and have effect in relation to -

- (a) any report to which the provisions of Rule 2 of those Rules applies, and
- (b) any interim return required to be made by Rule 3 of those Rules.

Michael Howard,

Parliamentary Under Secretary of State.

Department of Trade and Industry,
1 Victoria Street,
London.

10th November 1986.

(a) S.I. 1986/626.

SCHEDULE

Rules 2(2) and 3(3)

FORMS

Form	Title
D1 (Scot)	Companies in Liquidation: Report on Conduct of Directors under Section 7(3) of the Company Directors' Disqualification Act 1986.
D2 (Scot)	Report on Conduct of Directors by an Administrative Receiver under Section 7(3) of the Company Directors' Disqualification Act 1986.
D3 (Scot)	Companies in Liquidation: Return of Directors under Rule 3 of the Insolvent Companies (Reports on Conduct of Directors) (No. 2) (Scotland) Rules 1986.
D4 (Scot)	Return of Directors by an Administrative Receiver under Rule 3 of the Insolvent Companies (Reports on Conduct of Directors) (No. 2) (Scotland) Rules 1986.
D5 (Scot)	Report on Conduct of Directors by an Administrator under Section 7(3) of the Company Directors' Disqualification Act 1986.
D6 (Scot)	Return of Directors by an Administrator under Rule 3 of the Insolvent Companies (Reports on Conduct of Directors) (No. 2) (Scotland) Rules 1986.

Companies in Liquidation

Report on Conduct of Directors under Section 7(3) of the Company Directors' Disqualification Act 1986

D1

(Scot)

Before completing this form
read the DTI Guidance Notes

Company registered number _____

Name of Company _____

Registered office address _____

Nature of Business _____

Trading Names _____

Principal place of business _____

Date of Liquidation _____

Name of Liquidator _____

Office holder number _____

Liquidator's address _____

Period covered by report From: _____ To: _____

Official Use

1. I am the liquidator of the company and it appears to me that the persons listed in the schedule were either directors or shadow directors of the company and **were the only** such directors of the company during the period covered by this report.
2. It further appears to me that the conduct of each of the persons, in respect of whom I have marked Y in column 5 in the schedule, as a director of the company, either considered in relation to this company alone or taken together with his conduct as a director of any other company, makes him unfit to be concerned in the management of a company. Details of his conduct are provided in Part D1(B)(Scot) of the report.

Schedule

1 Full name and other known names	2 Last known address	3 Mark X if shadow Director	4 Period as Director From To	5 if you have attached supplementary details please mark with a Y

Liquidator's Signature _____

Date _____

Remember to attach forms D1(A)(Scot) and D1(B)(Scot)

Part A

Further Details of the Company

Name of Company

D1(A)

(Scot)

3	Date of incorporation		
4	Period of trading	From	To
5	Estimated distribution(s) (pence in £) to creditors		
	• preferential:		
	• unsecured:		
6	Summary of statement of affairs		£
	Gross assets:	_____	
	Gross liabilities to creditors:	_____	
	Estimated total deficiency as regards creditors:	_____	
	Called-up capital:	_____	
7	Approximate number and value of unsecured creditors distinguishing between	No.	£
	Trade and expense:	_____	_____
	Depositor or consumer pre-paid:	_____	_____
	Connected companies:	_____	_____
	Other:	_____	_____

8 Details of connected companies with which the company has had any dealings

The above is correct to the best of my knowledge, information and belief

Liquidator's signature _____

Date _____

A separate "part B" is to be completed for each Director to be reported upon.

D1(B)

(Scot)

Part B

Name of Company

Fuller Details of the Individual Director Subject to this Report

9 Full name of the Director:

10 Date of birth:

11 Occupation, trade or profession:

12 Position(s) held within Company:

13 Give details (on such additional pages as necessary) of the conduct of the director, which makes it appear to you that the conditions of Section 6(1) are satisfied.

You should have particular regard to Schedule 1 to the Act.

14 List the remuneration and other benefits of the director during each of the 3 years to the date of winding-up

Period ended	Remuneration received £	Remuneration voted £	Cash Expenses £	Benefits in kind £
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

15(a) Other companies of which the director is or was during the 3 years to the date of liquidation also a director or shadow director.

Name of Company	Reg. No.	Are you also the Liquidator, Administrative Receiver or Administrator of that Company (Y/N)	Mark X here if you are to submit a conduct report in respect of the Company or enter date of report if already submitted

15(b) Give details of any other companies not listed at Q8 or 15(a) above with which the director may have had an association which you feel may be relevant to the consideration of his conduct.

16 Give brief details of any civil or criminal proceedings in relation to the company taken or likely to be taken against the director.

17 Any other matter(s) which you consider the Secretary of State should take into consideration.

The details given in Part D1(B) (Scot) (comprising _____ pages) are correct to the best of my knowledge, information and belief.

Liquidator's Signature _____

Date _____

Report on Conduct of Directors by an
 Administrative Receiver
 under Section 7(3) of the Company Directors'
 Disqualification Act 1986

D2

Before completing this form
 read the DTI Guidance Notes

(Scot)

<p>Company registered number _____</p> <p style="padding-left: 40px;">Name of Company _____</p> <p>Registered office address _____ _____</p> <p style="padding-left: 40px;">Nature of Business _____</p> <p style="padding-left: 40px;">Trading Names _____</p> <p>Principal place of business _____</p> <p>Date of appointment of Administrative Receiver _____</p> <p style="padding-left: 40px;">Name of Administrative Receiver _____</p> <p style="padding-left: 40px;">Office holder number _____</p> <p>Administrative Receiver's address _____ _____</p> <p>Period covered by report From: _____ To: _____</p>	<p>Official Use</p>
---	---------------------

1. I am the administrative receiver of the company and it appears to me that the persons listed in the schedule were either directors or shadow directors of the company and **were the only** such directors of the company during the period covered by this report.
2. It further appears to me that the conduct of each of the persons, in respect of whom I have marked Y in column 5 in the schedule, as a director of the company, either considered in relation to this company alone or taken together with his conduct as a director of any other company, makes him unfit to be concerned in the management of a company. Details of his conduct are provided in Part D2(B)(Scot) of the report.

Schedule

1 Full name and other known names	2 Last known address	3 Mark X if shadow Director	4 Period as Director From To	5 if you have attached supplementary details please mark with a Y

Administrative Receiver's Signature _____

Date _____

Remember to attach forms D2(A)(Scot) and D2(B)(Scot)

Part A

Further Details of the Company

Name of Company _____

D2(A)
(Scot)

3	Date of incorporation		
4	Period of trading	From	To
5	Estimated assets available for		
	• Preferential creditors:		
	• Unsecured creditors:		
6	Summary of statement of affairs	£	
	Gross assets:	_____	
	Gross liabilities to creditors:	_____	
	Estimated total deficiency as regards creditors:	=====	
	Called-up capital:	_____	
7	Approximate number and value of unsecured creditors distinguishing between	No.	£
	Trade and expense:	_____	_____
	Depositor or consumer pre-paid:	_____	_____
	Connected companies:	_____	_____
	Other:	_____	_____

8 Details of connected companies with which the company has had any dealings

The above is correct to the best of my knowledge, information and belief

Administrative Receiver's Signature _____

Date _____

A separate "part B" is to be completed for each Director to be reported upon.

D2(B)
(Scot)

Part B

Name of Company

Fuller Details of the Individual Director Subject to this Report

9 Full name of the Director:

10 Date of birth:

11 Occupation, trade or profession:

12 Position(s) held within Company:

13 Give details (on such additional pages as necessary) of the conduct of the director, which makes it appear to you that the conditions of Section 6(1) are satisfied.

You should have particular regard to Schedule 1 to the Act.

14 List the remuneration and other benefits of the director during each of the 3 years to the date of your appointment

Period ended	Remuneration received £	Remuneration voted £	Cash Expenses £	Benefits in kind £
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

15(a) Other companies of which the director is or was, during the 3 years to the relevant date in relation to the company, as determined under Rule 3(4)(c), also a director or shadow director.

Name of Company	Reg. No.	Are you also the Liquidator, Administrative Receiver or Administrator of that Company (Y/N)	Mark X here if you are to submit a conduct report in respect of the Company or enter date of report if already submitted

15(b) Give details of any other companies not listed at Q8 or 15(a) above with which the director may have had an association which you feel may be relevant to the consideration of his conduct.

16 Give brief details of any civil or criminal proceedings in relation to the company taken or likely to be taken against the director.

17 Any other matter(s) which you consider the Secretary of State should take into consideration.

The details given in Part D2(B) (Scot) (comprising _____ pages) are correct to the best of my knowledge, information and belief.

Administrative Receiver's Signature _____

Date _____

Companies in Liquidation

**Return of Directors under
Rule 3 of the Insolvent Companies
(Reports on Conduct of Directors)
(No. 2) (Scotland) Rules 1986**

D3

(Scot)

**Before completing this form
read the DTI Guidance Notes**

	Official Use
Company registered number _____	
Name of Company _____	
Registered office address _____ _____	
Nature of Business _____	
Trading Names _____	
Principal place of business _____	
Date of winding-up _____	
Name of Liquidator _____	
Office holder number _____	
Liquidator's address _____ _____ _____	

(contd overleaf)

D3 (Scot) *contd*

1. (i) I have not submitted a report in this case because

- a the company has sufficient assets to pay its debts and other liabilities and the expenses of any winding-up
- b as at the date if this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act
- c sufficient information is not yet to hand (see below)

Mark with an X the statement which applies

(ii) I have not submitted a report on all of the directors in this case because

- d as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act on the remaining directors
- e sufficient information is not yet to hand (see below)

If you have marked box c or box e please indicate the likely date when the report, if any, will be submitted: _____

month year

2. The persons listed in the schedule were to the best of my knowledge and belief all the persons who were directors or shadow directors of the company during the three years prior to the liquidation.

Schedule

Full name and other known names	Last known address	Mark X if Shadow Director	Period as Director	
			From	To

Liquidator's Signature _____

Date _____

**Return of Directors by an
Administrative Receiver
under Rule 3 of the Insolvent Companies
(Reports on Conduct of Directors)
(No. 2) (Scotland) Rules 1986**

D4
(Scot)

**Before completing this form
read the DTI Guidance Notes**

	Official Use
Company registered number _____	
Name of Company _____	
Registered office address _____ _____	
Nature of Business _____	
Trading Names _____	
Principal place of business _____	
Date of appointment of Administrative Receiver _____	
Name of Administrative Receiver _____	
Office holder number _____	
Administrative Receiver's address _____ _____	

(contd overleaf)

D4 (Scot) *contd*

1. (i) I have not submitted a report in this case because

Mark with an X
the statement
which applies

- a as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act
- b sufficient information is not yet to hand (see below)

(ii) I have not submitted a report on all of the directors in this case because

- c as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act on the remaining directors
- d sufficient information is not yet to hand (see below)

If you have marked box b or box d please indicate the likely date when the report, if any, will be submitted: _____

month year

2. The persons listed in the schedule were to the best of my knowledge and belief all the persons who were directors or shadow directors of the company during the three years prior to the relevant date in relation to the company as determined under Rule 3(4)(c).

Schedule

Full name and other known names	Last known address	Mark X if Shadow Director	Period as Director	
			From	To

Administrative Receiver's Signature _____

Date _____

Report on Conduct of Directors by
 an Administrator
 under Section 7(3) of the Company Directors'
 Disqualification Act 1986

D5

Before completing this form
 read the DTI Guidance Notes

(Scot)

<p>Company registered number _____</p> <p style="padding-left: 40px;">Name of Company _____</p> <p>Registered office address _____ _____</p> <p style="padding-left: 40px;">Nature of Business _____</p> <p style="padding-left: 40px;">Trading Names _____</p> <p>Principal place of business _____</p> <p>Date of the making of the administration order in relation to the company _____</p> <p>Name of Administrator _____</p> <p style="padding-left: 40px;">Office holder number _____</p> <p>Administrator's address _____ _____</p> <p>Period covered by report From: _____ To: _____</p>	<p>Official Use</p>
---	---------------------

1. I am the administrator of the company and it appears to me that the persons listed in the schedule were either directors or shadow directors of the company and were the only such directors of the company during the period covered by this report.
2. If further appears to me that the conduct of each of the persons, in respect of whom I have marked Y in column 5 in the schedule, as a director of the company, either considered in relation to this company alone or taken together with his conduct as a director of any company, makes him unfit to be concerned in the management of a company. Details of his conduct are provided in Part D5(B)(Scot) of the report.

Schedule

1 Full name and other known names	2 Last known address	3 Mark X if shadow Director	4 Period as Director From To	5 if you have attached supplementary details please mark with a Y

Administrator's Signature _____

Date _____

Remember to attach forms D5(A) (Scot) and D5(B) (Scot)

Part A

Further Details of the Company

Name of Company

D5(A)

(Scot)

3	Date of incorporation			
4	Period of trading	From		To
5	Estimated assets available for			
	• Preferential creditors:			
	• Unsecured creditors:			
6	Summary of statement of affairs			£
	Gross assets:		_____	
	Gross liabilities to creditors:		_____	
	Estimated total deficiency as regards creditors:		=====	
	Called-up capital:		_____	
7	Approximate number and value of unsecured creditors distinguishing between		No.	£
	Trade and expense:		_____	_____
	Depositor or consumer pre-paid:		_____	_____
	Connected companies:		_____	_____
	Other:		_____	_____

8 Details of connected companies with which the company has had any dealings

The above is correct to the best of my knowledge, information and belief

Administrator's Signature _____

Date _____

A separate "part B" is to be completed for each Director to be reported upon.

D5(B)

(Scot)

Part B

Name of Company

Fuller Details of the Individual Director Subject to this Report

9 Full name of the Director:

10 Date of birth:

11 Occupation, trade or profession:

12 Position(s) held within Company:

13 Give details (on such additional pages as necessary) of the conduct of the director, which makes it appear to you that the conditions of Section 6(1) are satisfied.
You should have particular regard to Schedule 1 to the Act.

14 List the remuneration and other benefits of the director during each of the 3 years to the date of the making of the administration order in relation to the company.

Period ended	Remuneration received £	Remuneration voted £	Cash Expenses £	Benefits in kind £
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

15(a) Other companies of which director is or was, during the 3 years to the date of the making of the administration order in relation to the company, also a director or shadow director.

Name of Company	Reg. No.	Are you also the Liquidator, Administrative Receiver or Administrator of that Company (Y/N)	Mark X here if you are to submit a conduct report in respect of the Company or enter date of report if already submitted

15(b) Give details of any other companies not listed at Q8 or 15(a) above with which the director may have had an association which you feel may be relevant to the consideration of his conduct.

16 Give brief details of any civil or criminal proceedings in relation to the company taken or likely to be taken against the director.

17 Any other matter(s) which you consider the Secretary of State should take into consideration.

The details given in Part D5(B) (Scot) (comprising ____ pages) are correct to the best of my knowledge, information and belief.

Administrator's Signature _____

Date _____

Return of Directors by an
Administrator under
Rule 3 of the Insolvent Companies
(Reports on Conduct of Directors)
(No. 2) (Scotland) Rules 1986

D6
(Scot)

Before completing this form please
read the DTI Guidance Notes

	Official Use
Company registered number _____	
Name of Company _____	
Registered office address _____ _____	
Nature of Business _____	
Trading Names _____	
Principal place of business _____	
Date of the making of the administration order in relation to the company _____	
Name of Administrator _____	
Office holder number _____	
Administrator's address _____ _____	

D6 (Scot) *contd*

1. (i) I have not submitted a report in this case because

Mark with an X
the statement
which applies

a as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act

b sufficient information is not yet to hand (see below)

(ii) I have not submitted a report on all of the directors in this case because

c as at the date of this return I have not become aware of any matters which would require me to make a report under Section 7(3) of the Act on the remaining directors

d sufficient information is not yet to hand (see below)

If you have marked box b or box d please indicate the likely date when the report, if any, will be submitted: _____

month year

2. The persons listed in the schedule were to the best of my knowledge and belief **all** the persons who were directors or shadow directors of the company during the three years prior to the making of the administration order in relation to the company.

Schedule

Full name and other known names	Last known address	Mark X if Shadow Director	Period as Director	
			From	To

Administrator's Signature _____

Date _____

EXPLANATORY NOTE

(This Note does not form part of the Rules.)

The Rules make provision in relation to Scotland for the manner in which a liquidator, administrative receiver or administrator of a company, appointed on or after 29th December 1986 the date on which these Rules come into operation, shall make to the Secretary of State the report required by section 7(3) of the Company Directors' Disqualification Act 1986 (c.46) as to the conduct of persons, who have been directors or shadow directors of insolvent companies, which makes such persons appear to the liquidator or administrative receiver or administrator to be unfit to be concerned in the management of a company.

Rule 2 provides that reports under section 7(3) shall be made in the forms set out in the Schedule and Rule 3 provides for returns to be made where reports on all the directors have not already been made within 6 months after the commencement of the relevant insolvency proceedings.

Rule 4 enables the Secretary of State to apply to the court to enforce compliance by the liquidator, administrative receiver or administrator with a requirement by the Secretary of State under section 7(4) to furnish information and books, papers and other records relevant to the conduct of a person as a director.

Rule 5 provides for revocation of the Insolvent Companies (Reports on Conduct of Directors) (Scotland) Rules 1986 (S.I. 1986/626) and for savings for the effect of Rules 2 and 3 of those Rules in relation to reports or returns to which those Rules apply.

Printed by HMSO, Edinburgh Press
800 (238449) R36 C15 11/86

£3.40 net

ISBN 0 11 067916 4