



Insolvency Act 2000

2000 CHAPTER 39

Disqualification of company directors etc.

6 Disqualification undertakings.

- (1) The Company Directors Disqualification Act 1986 is amended in accordance with this section.
- (2) After section 1 there is inserted—

“1A Disqualification undertakings: general.

- (1) In the circumstances specified in sections 7 and 8 the Secretary of State may accept a disqualification undertaking, that is to say an undertaking by any person that, for a period specified in the undertaking, the person—
 - (a) will not be a director of a company, act as receiver of a company’s property or in any way, whether directly or indirectly, be concerned or take part in the promotion, formation or management of a company unless (in each case) he has the leave of a court, and
 - (b) will not act as an insolvency practitioner.
- (2) The maximum period which may be specified in a disqualification undertaking is 15 years; and the minimum period which may be specified in a disqualification undertaking under section 7 is two years.
- (3) Where a disqualification undertaking by a person who is already subject to such an undertaking or to a disqualification order is accepted, the periods specified in those undertakings or (as the case may be) the undertaking and the order shall run concurrently.
- (4) In determining whether to accept a disqualification undertaking by any person, the Secretary of State may take account of matters other than criminal convictions, notwithstanding that the person may be criminally liable in respect of those matters.”

Changes to legislation: There are currently no known outstanding effects for the Insolvency Act 2000, Section 6. (See end of Document for details)

- (3) In section 7 (applications to court under section 6; reporting provisions), after subsection (2) there is inserted—

“(2A) If it appears to the Secretary of State that the conditions mentioned in section 6(1) are satisfied as respects any person who has offered to give him a disqualification undertaking, he may accept the undertaking if it appears to him that it is expedient in the public interest that he should do so (instead of applying, or proceeding with an application, for a disqualification order).”

- (4) In section 8 (disqualification after investigation of company), after subsection (2) there is inserted—

“(2A) Where it appears to the Secretary of State from such report, information or documents that, in the case of a person who has offered to give him a disqualification undertaking—

- (a) the conduct of the person in relation to a company of which the person is or has been a director or shadow director makes him unfit to be concerned in the management of a company, and
- (b) it is expedient in the public interest that he should accept the undertaking (instead of applying, or proceeding with an application, for a disqualification order),

he may accept the undertaking.”

- (5) After that section there is inserted—

“8A Variation etc. of disqualification undertaking.

- (1) The court may, on the application of a person who is subject to a disqualification undertaking—

- (a) reduce the period for which the undertaking is to be in force, or
- (b) provide for it to cease to be in force.

- (2) On the hearing of an application under subsection (1), the Secretary of State shall appear and call the attention of the court to any matters which seem to him to be relevant, and may himself give evidence or call witnesses.

- (3) In this section “the court” has the same meaning as in section 7(2) or (as the case may be) 8.”

- (6) In section 9 (matters for determining unfitness of directors), after subsection (1) there is inserted—

“(1A) In determining whether he may accept a disqualification undertaking from any person the Secretary of State shall, as respects the person’s conduct as a director of any company concerned, have regard in particular—

- (a) to the matters mentioned in Part I of Schedule 1 to this Act, and
- (b) where the company has become insolvent, to the matters mentioned in Part II of that Schedule;

and references in that Schedule to the director and the company are to be read accordingly.”

Changes to legislation: *There are currently no known outstanding effects for the Insolvency Act 2000, Section 6. (See end of Document for details)*

Commencement Information

II S. 6 wholly in force at 2.4.2001, see s. 16(1) and [S.I. 2001/766](#), **art. 2(1)(a)** (subject to [art. 3](#))

Changes to legislation:

There are currently no known outstanding effects for the Insolvency Act 2000, Section 6.