

## Disclosure of interest by creditors etc. at creditors' meeting

649. (1) Where, at a meeting of creditors, a resolution is proposed for the appointment of a liquidator, any creditor who has a connection with the proposed liquidator shall, before the resolution is put, make such connection known to the chairperson of the meeting who shall disclose that fact to the meeting, together with particulars thereof.

(2) Subsection (1) shall also apply to any person at the meeting, being a representative of a creditor and entitled to vote on the resolution on his or her behalf.

(3) Where the chairperson of a meeting of creditors has any such connection as is mentioned in subsection (1), he or she shall disclose that fact to the meeting, together with particulars thereof.

(4) For the purposes of this section, a person has a connection with a proposed liquidator if he or she is—

(a) a parent, spouse, civil partner, brother, sister or child of, or

(b) employed by, or a partner of,

the proposed liquidator.

(5) A person who fails to comply with this section shall be guilty of a category 3 offence.

(6) In subsection (4) the reference to a child of the proposed liquidator shall be deemed to include a reference to a child of the proposed liquidator's civil partner who is ordinarily resident with the proposed liquidator and the civil partner.

(7) In exercising its jurisdiction under section 588 or 638 (which relate to the appointment or removal of a liquidator), the court may have regard to any failure to comply with this section.