

Liquidator shall inform court of jeopardy to other company or its creditors

821. (1) This section applies if the liquidator of an insolvent company is of the opinion that—

(a) a restricted person is appointed or is acting in any way, whether directly or indirectly, as a director of, or is concerned or taking part in the formation or promotion of, another company, and

(b) the interests of that other company or its creditors may be jeopardised by the matters referred to in paragraph (a).

(2) In any case to which this section applies—

(a) the liquidator shall inform the court of his or her opinion as soon as practicable, and

(b) the court, on being so informed by the liquidator, shall make whatever order it sees fit.

(3) A liquidator who, without reasonable excuse, fails to comply with subsection (2)(a) shall be guilty of a category 3 offence.

(4) In this section “company” means any company referred to in section 819 (6).