

Obligation (unless relieved) of liquidator of insolvent company to apply for restriction of directors

683. (1) In this section—

(a) “insolvent company” has the same meaning as it has in Chapter 3 (restrictions on directors of insolvent companies) of Part 14; and

(b) a reference to a director of the insolvent company is a reference to a person who was a director or shadow director of the company at the date of, or within 12 months before, the commencement of its winding up.

(2) In a winding up of an insolvent company, where this subsection applies, the liquidator shall apply under section 819 (1) for a declaration under that provision in respect of each of the directors of the company.

(3) As respects subsection (2)—

(a) that subsection applies unless the Director has relieved the liquidator of the obligation to make the application under section 819 (1) in relation to the winding up concerned or a particular director or directors (which power to so relieve is conferred on the Director by this paragraph), and

(b) where the Director relieves the liquidator of that obligation in respect of one or more but not all of the directors, that subsection shall be read as applying to the director or directors as respects whom the liquidator has not been relieved of that obligation.

(4) An application in respect of a director under section 819 (1), in compliance with subsection (2), shall be made not later than the expiry of—

(a) 2 months after the date on which the Director has notified the liquidator that the Director has not relieved the liquidator of the obligation to make the application in respect of the director, or

(b) such greater period of time as the Director may allow for the purposes of the application.

(5) A liquidator who fails to comply with subsection (2) shall be guilty of a category 3 offence.