STATUTORY INSTRUMENTS

1986 No. 463 (C.14)

BANKRUPTCY, ENGLAND AND WALES

BANKRUPTCY, SCOTLAND

COMPANIES

The Insolvency Act 1985 (Commencement No. 3) Order 1986

Made - - - 10*th March* 1986

The Secretary of State, in the exercise of his powers under section 236(2) of the Insolvency Act 1985(**a**), hereby makes the following Order:—

1. This Order may be cited as the Insolvency Act 1985 (Commencement No. 3) Order 1986.

2. The provisions of the Insolvency Act 1985 specified in Schedule 1 hereto shall come into operation on 1st April 1986.

3. The provisions of the Insolvency Act 1985 specified in Schedule 2 hereto shall come into operation on 28th April 1986.

Michael Howard,
Parliamentary Under-Secretary of State,
Department of Trade and Industry.

10th March 1986.

(**a**) 1985 c.65.

SCHEDULE 1 *Article 2*

PROVISIONS COMING INTO OPERATION ON 1ST APRIL 1986

Provision of the Act	Subject matter of provision
Section 214 in so far as it relates to the awarding by a court in Scotland of the sequestration of an individual's estate	Parliamentary disqualification etc.
Schedule 8 paragraph 27 in so far as it relates to the awarding by a court in Scotland of the sequestration of an individual's estate	Consequential amendments.
Schedule 10 in so far as it provides for the repeal of, or words in, the following enactments all in so far as they relate to the awarding by a court in Scotland of the sequestration of an individual's estate:— (a) the Bankruptcy Disqualification Act 1871(**a**), (b) sections 32, 33 and 34 of the Bankruptcy Act 1883(**b**), (c) section 9 of the Bankruptcy Act 1890(**c**), (d) Section 1(2) of the Recess Elections Act 1975(**d**)	Repeals.
Schedule 10 in so far as it provides for the repeal of sub-paragraphs (i) and (ii) of section 18(3)(c) of the Civil Jurisdiction and Judgments Act 1982(**e**)	

(**a**) 34 and 35 Vict c.50. (**b**) 46 and 47 Vict c.52. (**c**) 53 and 54 Vict c.71.
(**d**) 1975 c.66. (**e**) 1982 c.27.

Article 3

SCHEDULE 2

PROVISIONS COMING INTO OPERATION ON 28TH APRIL 1986

Provision of the Act	Subject matter of provision
Section 12	Duty of court to disqualify unfit directors of insolvent companies.
Section 13	Disqualification after investigation of company.
Section 14	Matters for determining unfitness of directors.
Section 15	Responsibility for company's wrongful trading.
Section 16	Disqualification of persons held to be liable to contribute to company's assets.
Section 18	Personal liability of persons acting while disqualified.
Section 108 in so far as not already in operation	Construction of Part II.
Section 216	Repeal of section 152(4) of the Social Security Act 1975(**a**).
Schedule 2	Matters for determining unfitness of directors.
Schedule 6:— (a) paragraphs 1 to 7, (b) paragraph 15(1) and (2)	Consequential amendments to the Companies Act 1985(**b**).
Schedule 9 paragraphs 2 to 4	Transitional Provisions and Savings.
Schedule 10 in so far as it provides for the repeal of, or words in, the following enactments:— (a) section 300 of the Companies Act 1985, (b) in Schedule 12 to the Companies Act 1985, Part II and paragraphs 15 and 16, (c) section 152(4) of the Social Security Act 1975.	Repeals.

(**a**) 1975 c.14. (**b**) 1985 c.6.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order brings into force on 1st April 1986 those provisions of the Insolvency Act 1985 specified in Schedule 1 to the Order and on 28th April 1986 those further provisions of that Act specified in Schedule 2 to this Order.

The provisions brought into force on 1st April 1986 are:—

section 214 which provides for the effect of bankruptcy on an individual's right to sit in the House of Commons or the House of Lords in so far as it regulates the effect of sequestration proceedings in Scotland and provisions in Schedules 8 and 10 to the Act consequential upon the commencement of section 214 under this instrument.

the repeal of provisions in section 18 of the Civil Jurisdiction and Judgments Act 1982 consequent upon the commencement of section 213 under the Insolvency Act 1985 (Commencement No. 2) Order 1986(**a**).

The provisions brought into force on 28th April 1986 are:—

section 12 which provides for the disqualification of directors of insolvent companies on the grounds of unfitness.

section 13 which provides for the disqualifications of directors on the grounds of unfitness after a report on or an investigation of their companies' affairs under the powers contained in sections 437, 447 or 448 of the Companies Act 1985.

section 14 and Schedule 2 which provide for matters for determining the unfitness of directors.

section 15 which provides for persons responsible for a company's wrongful trading to be liable to contribute to its assets on a winding up.

section 16 which enables a court to disqualify persons held liable to contribute to a company's assets on winding up.

section 18 which imposes personal liability for a company's debts on a person who participates in the management of a company while disqualified.

section 108 which provides for the construction and interpretation of the provisions of Part II of the Act.

section 216 which provides for the repeal of section 152(4) of the Social Security Act 1975.

paragraph 15(1) and (2) of Schedule 6 which amends section 196 of the Companies Act 1985.

Schedules 6, 9 and 10 to the Act to the extent that they make consequential and transitional provision in respect of the provisions commenced under this instrument.

(**a**) S.I. 1986/185.

NOTE AS TO EARLIER COMMENCEMENT ORDERS

(This Note is not part of the Order.)

The following provisions of the Act have been brought into force by commencement order made before the date of this Order.

Provision	Date of commencement	S.I. No.
s.10	1.2.86	1986/6
s.11	1.2.86	1986/6
s.106 partially	1.2.86	1986/6
s.108(1) and (3) partially	1.2.86	1986/6
s.213(2), (7), (8) and (9)	1.2.86	1986/6
s.226 partially	1.2.86	1986/6
s.232	1.2.86	1986/6
s.236(1) – (4)	1.2.86	1986/6
Sched 5 partially	1.2.86	1986/6
s.45	1.3.86	1986/6
s.108(1) and (3) partially	1.3.86	1986/6
s.109(3)	1.3.86	1986/6
s.235(2)	1.3.86	1986/6
Sched 9 partially	1.3.86	1986/6
s.106 partially	1.3.86	1986/185
s.108(1) and (3) partially	1.3.86	1986/185
s.109(1)	1.3.86	1986/185
s.109(2) partially	1.3.86	1986/185
s.226 partially	1.3.86	1986/185
s.235(1) and (3)	1.3.86	1986/185
Sched 5 partially	1.3.86	1986/185
Sched 6 partially	1.3.86	1986/185
Sched 8 partially	1.3.86	1986/185
Sched 10 partially	1.3.86	1986/185

The following provisions of the Act will be brought into force after the making of this Order by a commencement order made before the date of this Order.

Provision	Date of commencement	S.I. No.
s.213(1), (3), (4), (5) and (6) partially	1.4.86	1986/185
s.234	1.4.86	1986/185
Sched 8 partially	1.4.86	1986/185
Sched 10 partially	1.4.86	1986/185

SI 1986/463
ISBN 0-11-066463-9

