



Insolvency Act 1986

1986 CHAPTER 45

PART IV

WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

CHAPTER IV

CREDITORS' VOLUNTARY WINDING UP

97 Application of this Chapter.

- (1) Subject as follows, this Chapter applies in relation to a creditors' voluntary winding up.
- (2) Sections [^{F1}99 and 100] do not apply where, under section 96 in Chapter III, a members' voluntary winding up has become a creditors' voluntary winding up.

Textual Amendments

- F1** Words in s. 97(2) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 21](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)

Modifications etc. (not altering text)

- C1** S. 97 applied (with modifications) (S.) (6.4.2001) by [S.S.I. 2001/128, reg. 4\(1\), Sch. 2](#)
- C2** [S. 97](#) applied (with modifications) (4.1.2024) by S.I. 2021/716, Sch. 1 para. 3 (as amended by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\), regs. 1\(2\), 20](#))

Changes to legislation: Insolvency Act 1986, Chapter IV is up to date with all changes known to be in force on or before 19 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F²98 Meeting of creditors.

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Textual Amendments

F2 S. 98 omitted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), [Sch. 9 para. 22](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)

99 Directors to lay statement of affairs before creditors.

[^{F3}(1) The directors of the company must, before the end of the period of 7 days beginning with the day after the day on which the company passes a resolution for voluntary winding up—

- (a) make out a statement in the prescribed form as to the affairs of the company, and
- (b) send the statement to the company's creditors.]

(2) The statement as to the affairs of the company ^{F4} . . . shall show—

- (a) particulars of the company's assets, debts and liabilities;
- (b) the names and addresses of the company's creditors;
- (c) the securities held by them respectively;
- (d) the dates when the securities were respectively given; and
- (e) such further or other information as may be prescribed.

[^{F5}(2A) The statement as to the affairs of the company shall [^{F6}be verified by some or all of the directors]—

- (a) in the case of a winding up of a company registered in England and Wales, [^{F7}be verified by some or all of the directors] by a statement of truth; and
- (b) in the case of a winding up of a company registered in Scotland, [^{F8}by affidavit][^{F8}contain a statutory declaration by some or all of the directors].]

[^{F9}(3) If the directors without reasonable excuse fail to comply with subsection (1), (2) or (2A), they are guilty of an offence and liable to a fine.]

Textual Amendments

F3 S. 99(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), [Sch. 9 para. 23\(2\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)

F4 Words in s. 99(2) omitted (6.4.2010) by virtue of [The Legislative Reform \(Insolvency\) \(Miscellaneous Provisions\) Order 2010 \(S.I. 2010/18\)](#), [art. 5\(3\)\(a\)](#)

F5 S. 99(2A) inserted (6.4.2010) by [The Legislative Reform \(Insolvency\) \(Miscellaneous Provisions\) Order 2010 \(S.I. 2010/18\)](#), [art. 5\(3\)\(b\)](#)

F6 Words in s. 99(2A) repealed (S.) (1.4.2016 for specified purposes, 6.4.2019 in so far as not already in force) by [The Public Services Reform \(Insolvency\) \(Scotland\) Order 2016 \(S.S.I. 2016/141\)](#), [arts. 1\(3\)\(4\), 9\(a\)](#) (with arts. 14, 15) (see S.I. 2019/816, reg. 4(a))

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- F7** Words in s. 99(2A)(a) inserted (S.) (1.4.2016 for specified purposes, 6.4.2019 in so far as not already in force) by [The Public Services Reform \(Insolvency\) \(Scotland\) Order 2016 \(S.S.I. 2016/141\)](#), **arts. 1(3)(4), 9(b)** (with arts. 14, 15) (see S.I. 2019/816, reg. 4(a))
- F8** Words in s. 99(2A)(b) substituted (S.) (1.4.2016 for specified purposes, 6.4.2019 in so far as not already in force) by [The Public Services Reform \(Insolvency\) \(Scotland\) Order 2016 \(S.S.I. 2016/141\)](#), **arts. 1(3)(4), 9(c)** (with arts. 14, 15) (see S.I. 2019/816, reg. 4(a))
- F9** S. 99(3) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 23(3)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)

Modifications etc. (not altering text)

- C3** S. 99 modified (E.W.) (31.1.2019) by [The Further Education Bodies \(Insolvency\) Regulations 2019 \(S.I. 2019/138\)](#), regs. 1(1), **12** (with regs. 1(2), 3(a)(ii))

100 Appointment of liquidator.

- [^{F10}(1) The company may nominate a person to be liquidator at the company meeting at which the resolution for voluntary winding up is passed.
- (1A) The company's creditors may in accordance with the rules nominate a person to be liquidator.
- (1B) The directors of the company must in accordance with the rules seek such a nomination from the company's creditors.]
- (2) The liquidator shall be the person nominated by the creditors or, where no person has been so nominated, the person (if any) nominated by the company.
- (3) In the case of different persons being nominated, any director, member or creditor of the company may, within 7 days after the date on which the nomination was made by the creditors, apply to the court for an order either—
- directing that the person nominated as liquidator by the company shall be liquidator instead of or jointly with the person nominated by the creditors, or
 - appointing some other person to be liquidator instead of the person nominated by the creditors.

Textual Amendments

- F10** S. 100(1)-(1B) substituted for s. 100(1) (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 24**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)

Modifications etc. (not altering text)

- C4** S. 100 applied (with modifications) (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(1), **Sch. 2**
- C5** S. 100 modified (E.W.) (31.1.2019) by [The Further Education Bodies \(Insolvency\) Regulations 2019 \(S.I. 2019/138\)](#), regs. 1(1), **5** (with regs. 1(2), 3(a)(i))
- C6** Ss. 100-102 applied (with modifications) (4.1.2024) by S.I. 2021/716, Sch. 1 para. 3 (as amended by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), regs. 1(2), **20**)

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C7 S. 100(1)(3) modified (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(2), **Sch. 3**

101 Appointment of liquidation committee.

- [^{F11}(1) The creditors may in accordance with the rules appoint a committee (“the liquidation committee”) of not more than 5 persons to exercise the functions conferred on it by or under this Act.]
- (2) If such a committee is appointed, the company may, either at the meeting at which the resolution for voluntary winding up is passed or at any time subsequently in general meeting, appoint such number of persons as they think fit to act as members of the committee, not exceeding 5.
- (3) However, the creditors may, if they think fit, [^{F12}decide] that all or any of the persons so appointed by the company ought not to be members of the liquidation committee; and if the creditors so [^{F12}decide]—
- (a) [^{F13}those persons] are not then, unless the court otherwise directs, qualified to act as members of the committee; and
 - (b) on any application to the court under this provision the court may, if it thinks fit, appoint other persons to act as such members in place of [^{F13}those persons].
- (4) [^{F14}In Scotland, the liquidation committee has, in addition to the powers and duties conferred and imposed on it by this Act, such of the powers and duties of commissioners on a bankrupt estate as may be conferred and imposed on liquidation committees by the rules.]

Textual Amendments

- F11** S. 101(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 25(2)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)
- F12** Word in s. 101(3) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 25(3)(a)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)
- F13** Words in s. 101(3) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 25(3)(b)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)
- F14** S. 101(4) repealed (S.) (1.10.2017 for specified purposes) by [The Public Services Reform \(Corporate Insolvency and Bankruptcy\) \(Scotland\) Order 2017 \(S.S.I. 2017/209\)](#), arts. 1(3), **3**

Modifications etc. (not altering text)

- C6** Ss. 100-102 applied (with modifications) (4.1.2024) by S.I. 2021/716, Sch. 1 para. 3 (as amended by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), regs. 1(2), **20**)
- C8** S. 101 amended (1.12.2001) by 2000 c. 8, **ss. 365(5)(b)**, 371(2)(b); S.I. 2001/3538, **art. 2(1)**
 S. 101 applied (with modifications) (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(1), **Sch. 2**
- C9** S. 101(2) modified (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(2), **Sch. 3**

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^{F15}**102 Creditors' meeting where winding up converted under s. 96.**

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Textual Amendments

F15 S. 102 omitted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), [Sch. 9 para. 26](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)

103 Cesser of directors' powers.

On the appointment of a liquidator, all the powers of the directors cease, except so far as the liquidation committee (or, if there is no such committee, the creditors) sanction their continuance.

104 Vacancy in office of liquidator.

If a vacancy occurs, by death, resignation or otherwise, in the office of a liquidator (other than a liquidator appointed by, or by the direction of, the court), the creditors may fill the vacancy.

Modifications etc. (not altering text)

C10 S. 104 applied (with modifications) (S.) (6.4.2001) by [S.S.I. 2001/128](#), reg. 4(1), [Sch. 2](#)
C11 S. 104 applied (with modifications) (4.1.2024) by S.I. 2021/716, Sch. 1 para. 3 (as amended by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), regs. 1(2), [20](#))

[^{F16}**104A** **Progress report to company and creditors** ^{F17} ... ^{F18} ...

- (1) [^{F19}The] liquidator must—
- (a) for each prescribed period produce a progress report relating to the prescribed matters; and
 - (b) within such period commencing with the end of the period referred to in paragraph (a) as may be prescribed send a copy of the progress report to—
 - (i) the members and creditors [^{F20}, other than opted-out creditors] of the company; and
 - (ii) such other persons as may be prescribed.
- (2) A liquidator who fails to comply with this section is liable to a fine.]

Textual Amendments

F16 S. 104A added (6.4.2010) by [The Legislative Reform \(Insolvency\) \(Miscellaneous Provisions\) Order 2010 \(S.I. 2010/18\)](#), [art. 6\(3\)](#) (with art. 12(1))
F17 Word in s. 104A heading omitted (26.5.2015) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), [ss. 136\(3\)\(b\)](#), [164\(3\)\(i\)\(v\)](#)

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- F18** Words in s. 104A heading repealed (S.) (1.4.2016 for specified purposes, 6.4.2019 in so far as not already in force) by [The Public Services Reform \(Insolvency\) \(Scotland\) Order 2016 \(S.S.I. 2016/141\)](#), arts. 1(3)(4), **6(1)(b)** (with arts. 14, 15) (see S.I. 2019/816, reg. 4(a))
- F19** Word in s. 104A(1) substituted (S.) (1.4.2016 for specified purposes, 6.4.2019 in so far as not already in force) by [The Public Services Reform \(Insolvency\) \(Scotland\) Order 2016 \(S.S.I. 2016/141\)](#), arts. 1(3)(4), **6(1)(a)** (with arts. 14, 15) (see S.I. 2019/816, reg. 4(a))
- F20** Words in s. 104A(1)(b)(i) inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 27**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(c) (with reg. 5)

Modifications etc. (not altering text)

- C12** S. 104A modified (E.W.) (31.1.2019) by [The Further Education Bodies \(Insolvency\) Regulations 2019 \(S.I. 2019/138\)](#), regs. 1(1), **13** (with regs. 1(2), 3(a)(ii))

^{F22}105 Meetings of company and creditors at each year's end [^{F21}(Scotland)].

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Textual Amendments

- F21** Word in s. 105 heading inserted (6.4.2010) by [The Legislative Reform \(Insolvency\) \(Miscellaneous Provisions\) Order 2010 \(S.I. 2010/18\)](#), **art. 6(4)(a)** (with art. 12(2))
- F22** S. 105 repealed (S.) (1.4.2016 for specified purposes, 6.4.2019 in so far as not already in force) by [The Public Services Reform \(Insolvency\) \(Scotland\) Order 2016 \(S.S.I. 2016/141\)](#), arts. 1(3)(4), **6(2)** (with arts. 14, 15) (with savings by by S.S.I. 2016/141, art. 16 (as inserted (S.) (1.8.2017) by [The Public Services Reform \(Corporate Insolvency and Bankruptcy\) \(Scotland\) Order 2017 \(S.S.I. 2017/209\)](#), arts. 1(2), **8(3)**) (see S.I. 2019/816, reg. 4(a))

^{F23}106 Final account prior to dissolution.

- (1) As soon as the company's affairs are fully wound up the liquidator must make up an account of the winding up, showing how it has been conducted and the company's property has been disposed of.
- (2) The liquidator must, before the end of the period of 14 days beginning with the day on which the account is made up—
 - (a) send a copy of the account to the company's members,
 - (b) send a copy of the account to the company's creditors (other than opted-out creditors), and
 - (c) give the company's creditors (other than opted-out creditors) a notice explaining the effect of section 173(2)(e) and how they may object to the liquidator's release.
- (3) The liquidator must during the relevant period send to the registrar of companies—
 - (a) a copy of the account, and
 - (b) a statement of whether any of the company's creditors objected to the liquidator's release.

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- (4) The relevant period is the period of 7 days beginning with the day after the last day of the period prescribed by the rules as the period within which the creditors may object to the liquidator's release.

^{F24}(4A)

^{F24}(4B)

- (5) If the liquidator does not comply with subsection (2) the liquidator is liable to a fine.

- (6) If the liquidator does not comply with subsection (3) the liquidator is liable to a fine and, for continued contravention, a daily default fine.]

Textual Amendments

F23 S. 106 substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 29](#); S.I. 2015/1329, [reg. 3\(d\)](#); S.I. 2016/1020, [reg. 4\(e\)](#) (with [reg. 5](#)) (as amended by S.I. 2017/363, [reg. 3](#)); S.I. 2019/816, [reg. 4\(c\)](#) (with [reg. 5](#))

F24 S. 106(4A)(4B) omitted (31.12.2020) by virtue of [The Insolvency \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/146\), reg. 1\(3\), Sch. para. 18](#) (with [regs. 4, 5](#)) (as amended by S.I. 2019/1459, [reg. 1\(2\), Sch. para. 2](#)); 2020 c. 1, [Sch. 5 para. 1\(1\)](#)

Modifications etc. (not altering text)

C13 Ss. 94, 106 applied (with modifications) by [Building Societies Act 1986 \(c. 53, SIF 16\), ss. 54\(3\)\(a\)\(5\) \(a\), 90, 126\(3\), Sch. 15 para. 56\(1\)](#)

C14 S. 106 applied (with modifications) (S.) (6.4.2001) by S.S.I. 2001/128, [reg. 4\(1\), Sch. 2](#)

C15 S. 106 modified (S.) (6.4.2001) by S.S.I. 2001/128, [reg. 4\(2\), Sch. 3](#) (as amended (S.) (8.12.2017) by [The Insolvency \(Miscellaneous Amendments\) Regulations 2017 \(S.I. 2017/1119\), reg. 1\(1\), Sch. 1 para. 57\(2\)](#))

C16 S. 106 modified (E.W.) (31.1.2019) by [The Further Education Bodies \(Insolvency\) Regulations 2019 \(S.I. 2019/138\), regs. 1\(1\), 14](#) (with [regs. 1\(2\), 3\(a\)\(ii\)](#))

C17 S. 106 applied (with modifications) (4.1.2024) by S.I. 2021/716, [Sch. 1 para. 3](#) (as amended by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\), regs. 1\(2\), 20](#))

C18 S. 106(3)(5) amended (1.7.1999) by [Scotland Act 1998 \(c. 46\), s. 125, Sch. 8 para. 23\(2\)\(3\)](#) (with s. 126(3)-(11)); S.I. 1998/3178, [arts. 2, 3](#) (as amended (28.6.2016) by S.I. 2016/679, [arts. 1\(1\), 6](#))

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act amendment to earlier affecting provision S.I. 1986/1999, art. 3, Sch. 1 Pt. 2 by [S.I. 2017/1119 Sch. 3 para. 1](#)
- Act savings and transitional provisions for amendments by S.I. 2022/1166 by [S.I. 2022/1172 Regulations](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 41HB(2) words substituted by [2018 c. 14 s. 1\(3\)\(b\)](#)