



# Insolvency Act 1986

## 1986 CHAPTER 45

### PART IV

#### WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

#### CHAPTER VI

#### WINDING UP BY THE COURT

#### *Grounds and effect of winding-up petition*

#### **122 Circumstances in which company may be wound up by the court.**

- (1) A company may be wound up by the court if—
- (a) the company has by special resolution resolved that the company be wound up by the court,
  - (b) being a public company which was registered as such on its original incorporation, the company has not been issued with [<sup>F1</sup>a trading certificate under section 761 of the Companies Act 2006 (requirement as to minimum share capital)] and more than a year has expired since it was so registered,
  - (c) it is an old public company, within the meaning of the [<sup>F2</sup>Schedule 3 to the Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009],
  - (d) the company does not commence its business within a year from its incorporation or suspends its business for a whole year;
  - <sup>F3</sup>(e) .....
  - (f) the company is unable to pay its debts,
  - <sup>F4</sup>(fa) .....
  - (g) the court is of the opinion that it is just and equitable that the company should be wound up.

*Changes to legislation: Insolvency Act 1986, Section 122 is up to date with all changes known to be in force on or before 12 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*

- (2) In Scotland, a company which the Court of Session has jurisdiction to wind up may be wound up by the Court if there is subsisting a floating charge over property comprised in the company's property and undertaking, and the court is satisfied that the security of the creditor entitled to the benefit of the floating charge is in jeopardy.

For this purpose a creditor's security is deemed to be in jeopardy if the Court is satisfied that events have occurred or are about to occur which render it unreasonable in the creditor's interests that the company should retain power to dispose of the property which is subject to the floating charge.

#### Textual Amendments

- F1** Words in s. 122(1)(b) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 102** (with arts. 6, 11, 12)
- F2** Words in s. 122(1)(c) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009, \(S.I. 2009/1941\)](#) arts. 2(1), 8, {Sch. 1 para. 75(12)} (with art. 10, Sch. 1 para. 84)
- F3** S. 122(1)(e) omitted (12.5.2011) by virtue of [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **6(4)**
- F4** S. 122(1)(fa) omitted (26.6.2020) by virtue of [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 3 para. 10** (with ss. 2(2), 5(2))

#### Modifications etc. (not altering text)

- C1** Pt. 4 applied (with modifications) (S.) by [S.S.I. 2001/128](#), reg. 4, Schs. 2, **3** (as modified) (temp.) (retrospective to 27.4.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), Sch. 10 paras. 8(1)(2), **14** (with ss. 2(2), 5(2))
- C2** S. 122 applied (with modifications) by [S.I. 1994/2421](#), art. 8, **Sch. 4 Pt. II para. 6(a)**
- C3** S. 122 modified by 1986 c. 53, Sch. 15 para. 16(2) (as substituted (28.6.2016) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), art. 1(1)(4), 2)
- C4** S. 122 excluded by 1986 c. 53, Sch. 15 para. 16(1) (as substituted (28.6.2016) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), art. 1(1)(4), 2)
- C5** S. 122(1) modified (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 2(3), **25(3)**
- C6** S. 122(1)(b) excluded (27.7.1999) by 1999 c. 20, ss. 2(5), 5(1), **Sch. 2 Pt. II para. 9(b)** (with s. 15)  
 S. 122(1)(b) excluded (8.10.2004) by [The European Public Limited-Liability Company Regulations 2004 \(S.I. 2004/2326\)](#), regs. 85, 88, **Sch. 4 para. 9(b)** (with Sch. 4 para. 11)
- C7** S. 122(1)(f) modified by [S.I. 1989/1058](#), **reg. 18(2)**  
 S. 122(1)(f) extended (1.4.1992) by [S.I. 1992/613](#), **reg. 49(2)**  
 S. 122(1)(f): power to modify conferred (E.W.) (6.3.1992) by 1992 c. 14, s. 14(3), **Sch. 4 para. 10(1)** (with s. 118(1)(2))
- C8** S. 122(1)(f) modified (6.4.2010) by [The Community Infrastructure Levy Regulations 2010 \(S.I. 2010/948\)](#), **reg. 105(2)**
- C9** S. 122(1)(f) restricted (retrospective to 27.4.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), **Sch. 10 para. 5(1)-(3)(4)** (with ss. 2(2), 5(2))
- C10** S. 122(2) applied (with modifications) (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. **62(1)-(4)**, 154 (with s. 62(7), Sch. 5)

**Changes to legislation:**

Insolvency Act 1986, Section 122 is up to date with all changes known to be in force on or before 12 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.

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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\(3\)\(b\)](#)