



# Insolvency Act 1986

## 1986 CHAPTER 45

### PART IV

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

### CHAPTER IX

#### DISSOLUTION OF COMPANIES AFTER WINDING UP

#### **204 Early dissolution (Scotland).**

- (1) This section applies where a winding-up order has been made by the court in Scotland.
- (2) If after a [<sup>F1</sup>liquidator has been appointed] under section 138 (appointment of liquidator in Scotland) it appears to the liquidator that the realisable assets of the company are insufficient to cover the expenses of the winding up, [<sup>F2</sup>he may apply][<sup>F2</sup>the liquidator may at any time apply] to the court for an order that the company be dissolved.
- (3) Where the liquidator makes that application, if the court is satisfied that the realisable assets of the company are insufficient to cover the expenses of the winding up and it appears to the court appropriate to do so, the court shall make an order that the company be dissolved in accordance with this section.
- (4) A copy of the order shall within 14 days from its date be forwarded by the liquidator to the registrar of companies, who shall forthwith register it; and, at the end of the period of 3 months beginning with the day of the registration of the order, the company shall be dissolved.

<sup>F3</sup>(4A) .....

<sup>F3</sup>(4B) .....

<sup>F3</sup>(4C) .....

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**Changes to legislation:** *Insolvency Act 1986, Section 204 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*

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<sup>F3</sup>(4D) .....

<sup>F3</sup>(4E) .....

- (5) The court may, on an application by any person who appears to the court to have an interest, order that the date at which the dissolution of the company is to take effect shall be deferred for such period as the court thinks fit.
- (6) It is the duty of the person on whose application an order is made under subsection (5), within 7 days after the making of the order, to deliver to the registrar of companies such a copy of the order as is prescribed.
- (7) If the liquidator without reasonable excuse fails to comply with the requirements of subsection (4), he is liable to a fine and, for continued contravention, to a daily default fine.
- (8) If a person without reasonable excuse fails to deliver a copy as required by subsection (6), he is liable to a fine and, for continued contravention, to a daily default fine.

#### **Textual Amendments**

- F1** Words in s. 204(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. 50](#); 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)
- F2** Words in s. 204(2) 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\(3\)\(4\), 11](#) (with arts. 14, 15) (see S.I. 2019/816, reg. 4(a))
- F3** S. 204(4A)-(4E) omitted (S.) (31.12.2020) by virtue of [The Insolvency \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/146\), reg. 1\(3\), Sch. para. 137](#) (with regs. 4, 5); 2020 c. 1, Sch. 5 para. 1(1)

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