



Insolvency Act 1986

1986 CHAPTER 45

PART XIII

INSOLVENCY PRACTITIONERS AND THEIR QUALIFICATION

[^{F1}Court sanction of insolvency practitioners in public interest cases

[^{F1}391Q Direct sanctions order: conditions

- (1) Condition 1 is that the person, in acting as an insolvency practitioner or in connection with any appointment as such, has failed to comply with—
 - (a) a requirement imposed by the rules of the relevant recognised professional body;
 - (b) any standards, or code of ethics, for the insolvency-practitioner profession adopted from time to time by the relevant recognised professional body.
- (2) Condition 2 is that the person—
 - (a) is not a fit and proper person to act as an insolvency practitioner;
 - (b) is a fit and proper person to act as an insolvency practitioner only in relation to companies, but the person's authorisation is not so limited; or
 - (c) is a fit and proper person to act as an insolvency practitioner only in relation to individuals, but the person's authorisation is not so limited.
- (3) Condition 3 is that it is appropriate for the person's authorisation to act as an insolvency practitioner to be suspended for a period or until one or more requirements are complied with.
- (4) Condition 4 is that it is appropriate to impose other restrictions on the person acting as an insolvency practitioner.
- (5) Condition 5 is that loss has been suffered as a result of the failure mentioned in condition 1 by one or more creditors of a company, individual or insolvent partnership in relation to which the person is acting or has acted as an insolvency practitioner.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(6) In this section “relevant recognised professional body” has the same meaning as in section 391O.]

Textual Amendments

- F1** Ss. 391O-391R and cross-heading inserted (1.10.2015 immediately after 2015 c. 20, s. 17 comes into force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), **ss. 141**, 164(1); [S.I. 2015/1689, reg. 3\(a\)](#) (with [Sch. para. 18](#))

Modifications etc. (not altering text)

- C1** [Pt. 13](#) applied (with modifications) (7.4.2017) by [Building Societies Act 1986 \(1986 c. 53\)](#), **Sch. 15A** (as amended by [S.I. 2017/400, regs. 1\(2\), 2\(4\)](#))
- C2** [Pt. 13](#) applied (with modifications) (7.4.2017) by [Friendly Societies Act 1992 \(1992 c. 40\)](#), **Sch. 10** (as amended by [S.I. 2017/400, regs. 1\(2\), 3](#))
- C3** [Pt. 13](#) applied (with modifications) (7.4.2017) by [Building Societies Act 1986 \(1986 c. 53\)](#), **Sch. 15** (as amended by [S.I. 2017/400, regs. 1\(2\), 2\(3\)](#))
- C4** [Ss. 391A-391T](#) applied (with modifications) (7.4.2017) by [Banking Act 2009 \(2009 c. 1\)](#), **s. 145** Table 2 (as amended by [S.I. 2017/400, regs. 1\(2\), 5\(10\)](#))
- C5** [Ss. 391A-391T](#) applied (with modifications) (7.4.2017) by [Banking Act 2009 \(2009 c. 1\)](#), **s. 103** (as amended by [S.I. 2017/400, regs. 1\(2\), 5\(4\)](#))
- C6** [Ss. 390-391T](#) applied (with modifications) (E.W.S.) (8.7.2021) by [The Payment and Electronic Money Institution Insolvency Regulations 2021 \(S.I. 2021/716\)](#), **regs. 2, 37** (with [reg. 5](#)) (as amended (4.1.2024) by [S.I. 2023/1399, regs. 1\(2\), 4, 11](#))

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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 extended (N.I.) for specified purposes (except for ss. 13-15) by [2024 c. 3 Sch. 13 para. 4\(3\)](#)
- 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. 21(5) inserted by [2024 c. 3 Sch. 13 para. 2\(12\)\(b\)](#)
- s. 22(2B) inserted by [2024 c. 3 Sch. 13 para. 2\(13\)](#)
- s. 22H(1)(a) words inserted by [2024 c. 3 Sch. 13 para. 2\(14\)\(a\)](#)
- s. 22H(1)(aa) inserted by [2024 c. 3 Sch. 13 para. 2\(14\)\(b\)](#)
- s. 22H(4)(j) words inserted by [2024 c. 3 Sch. 13 para. 2\(14\)\(c\)](#)
- s. 22H(4)(k) inserted by [2024 c. 3 Sch. 13 para. 2\(14\)\(d\)](#)
- s. 41HB(2) words substituted by [2018 c. 14 s. 1\(3\)\(b\)](#)