

business recovery & insolvency

directors responsibilities...

The role of a director is one where you should have an understanding of legal obligations and responsibilities. A breach can give rise to personal liabilities under civil and criminal law. The law applies to all directors – executive and non-executive, full or part time.

A director is simply someone who conducts the affairs of a company.

An officer of a company is a director, manager or secretary of that company.

A Shadow director is a person who is not formally appointed, yet still gives instructions on which the directors of a company act. They are still liable to face disqualification proceedings and have action taken against them for lack of responsibility, even though they are not an official office holder of the company.

Disqualification is a procedure whereby a person has a court order against them or the individual gives an undertaking to the court which makes it an offence to be involved in the management or directorship of a company for a period of time which is specified in the order. It is essential that anyone facing disqualification proceedings takes professional advice from an Insolvency Practitioner and a Lawyer.

There is a specific act of parliament call the Company Directors Disqualification Act 1986 (CDDA 86).

When a company enters into a formal proceeding, there is an obligation on the Insolvency Practitioner to investigate the conduct of the directors/shadow directors, etc., in the years prior to the proceedings. The report has to be submitted to the Department of Trade and Industry, which may result in disqualification proceedings being brought against one or more of the directors.

We can provide expert advice with an experienced team and are pleased to offer a free initial advice consultation to assess the company's circumstances and advise on options available.

For further information please contact us on 0845 555 8844 or email us on recovery@dains.com.



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