

## **Disqualification Undertaking – Section 850 Companies Act**

This is a new administrative procedure that provides a person (where the Director is of the opinion that certain circumstances in relation to a person apply) with an option to submit to a disqualification without the need for a court hearing. This procedure can be availed of where the Director has reasonable grounds for believing that one or more of the circumstances specified in section 842(a) to (i) of the Companies Act applies to the person. The Director of Corporate Enforcement may, at his discretion, offer the person an opportunity to submit to a disqualification.

Where the person submits to a “disqualification undertaking” and returns the disqualification acceptance document duly signed to the Director, they are deemed to be a disqualified person. The Director is obliged to send details of the disqualification to the Registrar of Companies, for inclusion in the public register of disqualified persons (Section 864 Companies Act).