

# CANCEL CULTURE CORPORATE-STYLE DISQUALIFICATION

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According to the Merriam-Webster Dictionary, cancel culture is defined as a practice or tendency of engaging in mass cancelling as a way of expressing disapproval and exerting social pressure. Today's topic covers a form of cancellation that a director may face. The reality is that certain failures may be visited with a legal form of cancellation. Like the idiom suggests, once legally cancelled a director can no longer sit on boards or management of companies.

Welcome to part 3 of this series. Today's article follows [part 2](#), in which we discussed your personal liability as a director.

You need to be aware that, in the event of insolvency, you can face personal disqualification from acting as a director in future for a period of up to five (05) years. This applies to the company being in liquidation. Other infractions of the Companies Act can also attract this penalty e.g. being found to have acted against the interests of the business.

Disqualification means that a person cannot act as a director, or take part in the management of a business for up to a maximum of five (05) years without the permission of the court.

Though disqualification is rare, it is a possibility, and you need to be aware of this, especially in the present economic climate. In terms of the Companies Act, a director can be disqualified for several reasons, which include:

- failure to keep company accounts or to have submitted company accounts;
- failure to complete tax returns or to pay tax owed;
- allowing the company to continue trading when it has entered insolvency;
- using company assets or finances for personal gain or benefit;
- committing fraud.

Our advice is that because of the potentially severe consequences of disqualification, you should endeavour to act in a timely manner with the liquidator or judicial manager and to fully cooperate if you come under investigation. You should endeavour to keep stringent records of all your actions, contributions and decisions, and to seek appropriate advice from qualified lawyers, insolvency practitioners, turnaround strategists, accountants and/or tax consultants at all times.

We have the know-how, the discreet approach, the network and the support necessary to advise you on turnaround. This is important as it is crucial that turnaround strategies are supported by the business' financiers and other stakeholders. Join us next week as we take you through your options as a director when the company's fortunes are turning South.

I am [Msiya Kindiano](#), Partner and Head of the Dispute resolution department at [Bookbinder Business Law](#). I have acted for a large number of clients in local, cross-border and international arbitrations, as well as conventional dispute resolution proceedings involving company law.

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If you have any questions for me on this subject matter you can drop me an email on [msiya@bookbinderlaw.co.bw](mailto:msiya@bookbinderlaw.co.bw) or if you wish to schedule an appointment with any of my colleagues on any of our offerings you can reach us on (+267) 391 2397. You can also follow our [Facebook](#) or our [LinkedIn](#) page. You can subscribe to our newsletter [here](#) or browse our website at [www.bookbinderlaw.co.bw](http://www.bookbinderlaw.co.bw).