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STATUTORY INSTRUMENTS

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1977 No. 1253 (N.I. 20)

NORTHERN IRELAND

**The Preferential Payments in Insolvency  
(Northern Ireland) Order 1977**

*Laid before Parliament in draft*

*Made* 26th July 1977

*Coming into Operation* 9th August 1977

At the Court at Buckingham Palace, the 26th day of July 1977

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order has been approved by a resolution of each House of Parliament:

Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (a), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

*Title, commencement and citation*

1.—(1) This Order may be cited as the Preferential Payments in Insolvency (Northern Ireland) Order 1977 and shall come into operation on the fourteenth day after the day on which it is made.

(2) Article 3 shall be construed as one with the Companies Acts (Northern Ireland) 1960 and 1963 (b) and those Acts and that Article may be cited together as the Companies Acts (Northern Ireland) 1960 to 1977.

(3) Article 4 shall be construed as one with the Bankruptcy Acts (Northern Ireland) 1857 to 1964 (c) and those Acts and that Article may be cited together as the Bankruptcy Acts (Northern Ireland) 1857 to 1977.

*Interpretation*

2. The Interpretation Act (Northern Ireland) 1954 (d) shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

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(a) 1974 c. 28. (b) 1960 c. 22 (N.I.); 1963 c. 25 (N.I.).  
(c) 1857 c. 60; 1872 c. 58; 1929 c. 1 (N.I.); 1963 c. 23 (N.I.); 1964 c. 32 (N.I.).  
(d) 1954 c. 33 (N.I.).

*Increase of monetary limit on preferential payments in company liquidations*

3.—(1) For the sum specified in section 3 (1) of the Companies (Amendment) Act (Northern Ireland) 1963 as the maximum amount to which, under section 287 (1) of the Companies Act (Northern Ireland) 1960, priority is to be given in a winding up—

- (a) to a debt for the wages of a clerk or servant; or
- (b) to a debt for the wages of a workman or labourer; or
- (c) to any sum ordered under the Reinstatement in Civil Employment Act 1944 (a) or Part II of the National Service Act 1948 (b) to be paid by way of compensation,

there shall be substituted the sum of £800.

(2) The Department of Commerce may by order subject to affirmative resolution increase or reduce the sum specified in section 3 (1) of that Act of 1963.

(3) No increase or reduction in the sum specified in section 3 (1) of that Act of 1963 shall affect any case where the relevant date as defined in section 287 of that Act of 1960 (or, where section 92 of that Act of 1960 has effect, the corresponding date referred to in subsection (2) of that section 92) occurred before the coming into force of the increase or reduction.

*Increase of monetary limit on preferential payments in bankruptcies and arrangements*

4.—(1) For the sum specified under section 1 (2) of the Preferential Payments (Bankruptcies and Arrangements) Act (Northern Ireland) 1964 (c), as the sum to which priority is to be given in a bankruptcy—

- (a) to a debt for the wages of a clerk or servant; or
- (b) to a debt for the wages of a workman or labourer; or
- (c) to any sum ordered under the Reinstatement in Civil Employment Act 1944 or Part II of the National Service Act 1948 to be paid by way of compensation,

there shall be substituted the sum of £800.

(2) The Department of Commerce may by order subject to affirmative resolution increase or reduce the sum specified in section 1 (2) of that Act of 1964.

(3) No increase or reduction in the sum specified in section 1 (2) of that Act of 1964 shall affect any case where the date of the adjudication order (or, in relation to the estate of a person dying insolvent, the date of his death) occurred before the coming into force of the increase or reduction.

*N. E. Leigh,*  
Clerk of the Privy Council.

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(a) 1944 c. 15.      (b) 1948 c. 64.      (c) 1964 c. 32 (N.I.).

## EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order increases from £200 to £800 the monetary limit on preferential payments in company liquidations, bankruptcies and arrangements in respect of employees' wages, salaries, etc. and provides for future alterations in the limit of £800 to be made by statutory rule.