



Insolvency Act 1985

1985 CHAPTER 65

PART II

COMPANY INSOLVENCY ETC

CHAPTER VII

GENERAL

Provisions applying to liquidations and administrations

102 Orders under s. 101

- (1) Without prejudice to the generality of subsection (1)(b) of section 101 above, an order under that section with respect to a transaction or preference entered into or given by a company may (subject to subsection (2) below)—
- (a) require any property transferred as part of the transaction, or in connection with the giving of the preference, to be vested in the company;
 - (b) require any property to be so vested if it represents in any person's hands the application either of the proceeds of sale of property so transferred or of money so transferred;
 - (c) release or discharge (in whole or in part) any security given by the company;
 - (d) require any person to pay, in respect of benefits received by him from the company, such sums to the office holder as the court may direct;
 - (e) provide for any surety or guarantor whose obligations to any person were released or discharged (in whole or in part) under the transaction, or by the giving of the preference, to be under such new or revived obligations to that person as the court thinks appropriate;
 - (f) provide for security to be provided for the discharge of any obligation imposed by or arising under the order, for such an obligation to be charged on any property and for such security or charge to have the same priority as a security

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- or charge released or discharged (in whole or in part) under the transaction or by the giving of the preference ; and
- (g) provide for the extent to which any person whose property is vested by the order in the company, or on whom obligations are imposed by the order, is to be able to prove in the winding up of the company for debts or other liabilities which arose from, or were released or discharged (in whole or in part) under or by, the transaction or the giving of the preference.
- (2) An order under section 101 above may affect the property of, or impose any obligation on, any person whether or not he is the person with whom the company in question entered into the transaction or, as the case may be, the person to whom the preference was given ; but such an order—
- (a) shall not prejudice any interest in property which was acquired from a person other than the company and was acquired in good faith, for value and without notice of the relevant circumstances, or prejudice any interest deriving from such an interest; and
- (b) shall not require a person who received a benefit from the transaction or preference in good faith, for value and without notice of the relevant circumstances to pay a sum to the office holder, except where that person was a party to the transaction or the payment is to be in respect of a preference given to that person at a time when he was a creditor of the company.
- (3) For the purposes of this section the relevant circumstances, in relation to a transaction or preference, are—
- (a) the circumstances by virtue of which an order under section 101 above could be made in respect of the transaction or preference if the company were to go into liquidation, or an administration order were made in relation to the company, within a particular period after the transaction is entered into or the preference given; and
- (b) if that period has expired, the fact that the company has gone into liquidation or that such an order has been made.
- (4) The provisions of section 101 above and this section shall apply without prejudice to the availability of any other remedy, even in relation to a transaction or preference which the company had no power to enter into or give.