



# Insolvency Act 2000

## 2000 CHAPTER 39

**U.K.**

An Act to amend the law about insolvency; to amend the Company Directors Disqualification Act 1986; and for connected purposes. [30th November 2000]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

VALID FROM 11/05/2001

### *Voluntary arrangements*

#### **1 Moratorium where directors propose voluntary arrangement. **E+W+S****

Schedule 1 (which—

- (a) enables the directors of a company to obtain an initial moratorium for the company where they propose a voluntary arrangement under Part I of the <sup>M1</sup>Insolvency Act 1986,
- (b) makes provision about the approval and implementation of such a voluntary arrangement where a moratorium is obtained, and
- (c) makes consequential amendments),

is to have effect.

#### **Commencement Information**

- II** **S. 1** wholly in force at 1.1.2003; **s. 1** not in force at Royal Assent see **s. 16(1)**; **s. 1** in force for specified purposes at 11.5.2001 by **S.I. 2001/1751**, **art. 2**; **S. 1** in force at 1.1.2003 insofar as not already in force by **S.I. 2002/2711**, **art. 2** (subject to transitional provisions in **arts. 3-5**)

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

### Marginal Citations

M1 1986 c. 45.

VALID FROM 01/01/2003

## 2 Company voluntary arrangements. **E+W+S**

Schedule 2 (which—

- (a) amends the provisions about company voluntary arrangements under Part I of the <sup>M2</sup>Insolvency Act 1986, and
- (b) in consequence of Schedule 1 and those amendments, makes amendments of the <sup>M3</sup>Building Societies Act 1986),

is to have effect.

### Marginal Citations

M2 1986 c. 45.

M3 1986 c. 53.

VALID FROM 01/01/2003

## 3 Individual voluntary arrangements. **E+W+S**

Schedule 3 (which enables the procedure for the approval of individual voluntary arrangements under Part VIII of the <sup>M4</sup>Insolvency Act 1986 to be started without an initial moratorium for the insolvent debtor and makes other amendments of the provisions about individual voluntary arrangements) is to have effect.

### Marginal Citations

M4 1986 c. 45.

VALID FROM 01/01/2003

## 4 Qualification or authorisation of nominees and supervisors. **E+W+S**

- (1) Part XIII of the <sup>M5</sup>Insolvency Act 1986 (insolvency practitioners and their qualification) is amended as follows.
- (2) In section 388 (meaning of “act as insolvency practitioner”)—
  - (a) for subsection (1)(b) there is substituted—

---

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

---

- “(b) where a voluntary arrangement in relation to the company is proposed or approved under Part I, as nominee or supervisor”,
- (b) for subsection (2)(c) there is substituted—
- “(c) where a voluntary arrangement in relation to the individual is proposed or approved under Part VIII, as nominee or supervisor”,
- and
- (c) after subsection (2A) there is inserted—
- “(2B) In relation to a voluntary arrangement proposed under Part I or VIII, a person acts as nominee if he performs any of the functions conferred on nominees under the Part in question.”
- (3) In section 389 (acting without qualification an offence), after subsection (1) there is inserted—
- “(1A) This section is subject to section 389A.”
- (4) After that section there is inserted—

**“389A Authorisation of nominees and supervisors.**

- (1) Section 389 does not apply to a person acting, in relation to a voluntary arrangement proposed or approved under Part I or Part VIII, as nominee or supervisor if he is authorised so to act.
- (2) For the purposes of subsection (1) and those Parts, an individual to whom subsection (3) does not apply is authorised to act as nominee or supervisor in relation to such an arrangement if—
- (a) he is a member of a body recognised for the purpose by the Secretary of State, and
- (b) there is in force security (in Scotland, caution) for the proper performance of his functions and that security or caution meets the prescribed requirements with respect to his so acting in relation to the arrangement.
- (3) This subsection applies to a person if—
- (a) he has been adjudged bankrupt or sequestration of his estate has been awarded and (in either case) he has not been discharged,
- (b) he is subject to a disqualification order made or a disqualification undertaking accepted under the <sup>M6</sup>Company Directors Disqualification Act 1986 or to a disqualification order made under Part II of the <sup>M7</sup>Companies (Northern Ireland) Order 1989, or
- (c) he is a patient within the meaning of Part VII of the <sup>M8</sup>Mental Health Act 1983 or section 125(1) of the <sup>M9</sup>Mental Health (Scotland) Act 1984.
- (4) The Secretary of State may by order declare a body which appears to him to fall within subsection (5) to be a recognised body for the purposes of subsection (2)(a).

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (5) A body may be recognised if it maintains and enforces rules for securing that its members—
- (a) are fit and proper persons to act as nominees or supervisors, and
  - (b) meet acceptable requirements as to education and practical training and experience.
- (6) For the purposes of this section, a person is a member of a body only if he is subject to its rules when acting as nominee or supervisor (whether or not he is in fact a member of the body).
- (7) An order made under subsection (4) in relation to a body may be revoked by a further order if it appears to the Secretary of State that the body no longer falls within subsection (5).
- (8) An order of the Secretary of State under this section has effect from such date as is specified in the order; and any such order revoking a previous order may make provision for members of the body in question to continue to be treated as members of a recognised body for a specified period after the revocation takes effect.”

#### Marginal Citations

- M5** 1986 c. 45.  
**M6** 1986 c. 46.  
**M7** S.I. 1989/2404 (N.I. 18).  
**M8** 1983 c. 20.  
**M9** 1984 c. 36.

VALID FROM 02/04/2001

### *Disqualification of company directors etc.*

#### 5 **Disqualification orders.** **E+W+S**

- (1) In section 1 of the <sup>M10</sup>Company Directors Disqualification Act 1986 (disqualification orders: general), in subsection (1), for the words following “an order that” there is substituted “for a period specified in the order—
- (a) he shall not be a director of a company, act as receiver of a company’s property or in any way, whether directly or indirectly, be concerned or take part in the promotion, formation or management of a company unless (in each case) he has the leave of the court, and
  - (b) he shall not act as an insolvency practitioner.”
- (2) At the end of subsection (2) of that section there is inserted “ and, unless the court otherwise orders, the period of disqualification so imposed shall begin at the end of the period of 21 days beginning with the date of the order ”.
- (3) In section 22 of that Act (interpretation), at the end there is inserted—
- “(10) Any reference to acting as receiver—

---

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

---

- (a) includes acting as manager or as both receiver and manager, but
  - (b) does not include acting as administrative receiver;
- and “receivership” is to be read accordingly.”

---

**Commencement Information**

**I2** S. 5 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, art. 2(1)(a) (subject to art. 3)

---

**Marginal Citations**

**M10** 1986 c. 46.

**6 Disqualification undertakings. E+W+S**

- (1) The Company Directors Disqualification Act 1986 is amended in accordance with this section.
- (2) After section 1 there is inserted—

**“1A Disqualification undertakings: general.**

- (1) In the circumstances specified in sections 7 and 8 the Secretary of State may accept a disqualification undertaking, that is to say an undertaking by any person that, for a period specified in the undertaking, the person—
    - (a) will not be a director of a company, act as receiver of a company’s property or in any way, whether directly or indirectly, be concerned or take part in the promotion, formation or management of a company unless (in each case) he has the leave of a court, and
    - (b) will not act as an insolvency practitioner.
  - (2) The maximum period which may be specified in a disqualification undertaking is 15 years; and the minimum period which may be specified in a disqualification undertaking under section 7 is two years.
  - (3) Where a disqualification undertaking by a person who is already subject to such an undertaking or to a disqualification order is accepted, the periods specified in those undertakings or (as the case may be) the undertaking and the order shall run concurrently.
  - (4) In determining whether to accept a disqualification undertaking by any person, the Secretary of State may take account of matters other than criminal convictions, notwithstanding that the person may be criminally liable in respect of those matters.”
- (3) In section 7 (applications to court under section 6; reporting provisions), after subsection (2) there is inserted—

“(2A) If it appears to the Secretary of State that the conditions mentioned in section 6(1) are satisfied as respects any person who has offered to give him a disqualification undertaking, he may accept the undertaking if it appears to him that it is expedient in the public interest that he should do so (instead of applying, or proceeding with an application, for a disqualification order).”

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(4) In section 8 (disqualification after investigation of company), after subsection (2) there is inserted—

“(2A) Where it appears to the Secretary of State from such report, information or documents that, in the case of a person who has offered to give him a disqualification undertaking—

- (a) the conduct of the person in relation to a company of which the person is or has been a director or shadow director makes him unfit to be concerned in the management of a company, and
- (b) it is expedient in the public interest that he should accept the undertaking (instead of applying, or proceeding with an application, for a disqualification order),

he may accept the undertaking.”

(5) After that section there is inserted—

**“8A Variation etc. of disqualification undertaking.**

(1) The court may, on the application of a person who is subject to a disqualification undertaking—

- (a) reduce the period for which the undertaking is to be in force, or
- (b) provide for it to cease to be in force.

(2) On the hearing of an application under subsection (1), the Secretary of State shall appear and call the attention of the court to any matters which seem to him to be relevant, and may himself give evidence or call witnesses.

(3) In this section “the court” has the same meaning as in section 7(2) or (as the case may be) 8.”

(6) In section 9 (matters for determining unfitness of directors), after subsection (1) there is inserted—

“(1A) In determining whether he may accept a disqualification undertaking from any person the Secretary of State shall, as respects the person’s conduct as a director of any company concerned, have regard in particular—

- (a) to the matters mentioned in Part I of Schedule 1 to this Act, and
- (b) where the company has become insolvent, to the matters mentioned in Part II of that Schedule;

and references in that Schedule to the director and the company are to be read accordingly.”

**Commencement Information**

**I3** S. 6 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, art. 2(1)(a) (subject to art. 3)

**7 Effect of Northern Irish disqualifications. E+W+S**

(1) After section 12 of the <sup>M11</sup>Company Directors Disqualification Act 1986 there is inserted—

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

## “12A Northern Irish disqualification orders.

A person subject to a disqualification order under Part II of the<sup>M12</sup>Companies (Northern Ireland) Order 1989—

- (a) shall not be a director of a company, act as receiver of a company’s property or in any way, whether directly or indirectly, be concerned or take part in the promotion, formation or management of a company unless (in each case) he has the leave of the High Court of Northern Ireland, and
  - (b) shall not act as an insolvency practitioner.”
- (2) If provision is made in relation to Northern Ireland for undertakings corresponding to the disqualification undertakings provided for by section 6, the Secretary of State may by order made by statutory instrument make any modifications of the<sup>M13</sup>Company Directors Disqualification Act 1986, or any enactment amended by Part II of Schedule 4, which he considers necessary or expedient to give effect to those undertakings in relation to Great Britain.
- (3) A statutory instrument containing an order under this section is to be subject to annulment in pursuance of a resolution of either House of Parliament.

### Commencement Information

**I4** S. 7 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, **art. 2(1)(a)** (subject to **art. 3**)

### Marginal Citations

**M11** 1986 c. 46.  
**M12** S.I. 1989/2404 (N.I. 18).  
**M13** 1986 c. 46.

## 8 Amendments. **E+W+S**

Schedule 4 (which makes minor and consequential amendments about the disqualification of company directors, etc.) is to have effect.

### Commencement Information

**I5** S. 8 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, **art. 2(1)(a)** (subject to **art. 3**)

## Miscellaneous

VALID FROM 02/04/2001

## 9 Administration orders. **E+W+S**

(1) Part II of the<sup>M14</sup>Insolvency Act 1986 (administration orders) is amended as follows.

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(2) In section 10 (effect of application), after paragraph (a) of subsection (1) there is inserted—

“(aa) no landlord or other person to whom rent is payable may exercise any right of forfeiture by peaceable re-entry in relation to premises let to the company in respect of a failure by the company to comply with any term or condition of its tenancy of such premises, except with the leave of the court and subject to such terms as the court may impose”.

(3) In section 11 (effect of order), after paragraph (b) of subsection (3) there is inserted—

“(ba) no landlord or other person to whom rent is payable may exercise any right of forfeiture by peaceable re-entry in relation to premises let to the company in respect of a failure by the company to comply with any term or condition of its tenancy of such premises, except with the consent of the administrator or the leave of the court and subject (where the court gives leave) to such terms as the court may impose”.

#### Commencement Information

**I6** S. 9 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, art. 2(1)(b) (subject to art. 3)

#### Marginal Citations

**M14** 1986 c. 45.

VALID FROM 02/04/2001

## 10 Investigation and prosecution of malpractice. **E+W+S**

(1) Section 218 of the <sup>M15</sup>Insolvency Act 1986 (prosecution of delinquent officers and members of company) is amended as follows.

(2) In subsection (1), for “to the prosecuting authority” there is substituted—

“(a) in the case of a winding up in England and Wales, to the Secretary of State, and

(b) in the case of a winding up in Scotland, to the Lord Advocate”.

(3) Subsection (2) is omitted.

(4) In subsection (4)—

(a) for the words from the beginning of paragraph (a) to “that authority” in paragraph (b) there is substituted “forthwith report the matter—

(a) in the case of a winding up in England and Wales, to the Secretary of State, and

(b) in the case of a winding up in Scotland, to the Lord Advocate,

and shall furnish to the Secretary of State or (as the case may be) the Lord Advocate ”,



---

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

---

(b) for “the authority” there is substituted “ the Secretary of State or (as the case may be) the Lord Advocate ”.

(5) For subsection (5) there is substituted—

“(5) Where a report is made to the Secretary of State under subsection (4) he may, for the purpose of investigating the matter reported to him and such other matters relating to the affairs of the company as appear to him to require investigation, exercise any of the powers which are exercisable by inspectors appointed under section 431 or 432 of the Companies Act to investigate a company’s affairs.”

(6) In subsection (6)(b), “to the prosecuting authority” is omitted.

(7) In section 219 of that Act (obligations arising under section 218)—

- (a) in subsection (1), for “under section 218(5)” there is substituted “ in consequence of a report made to him under section 218(4) ” and for “that subsection” there is substituted “ section 218(5) ”,
- (b) in subsection (3), for “the prosecuting authority” and “that authority” there is substituted “ the Director of Public Prosecutions, the Lord Advocate ”,
- (c) in subsection (4), for “prosecuting authority” there is substituted “ Director of Public Prosecutions, the Lord Advocate ”.

#### Commencement Information

**I7** S. 10 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, art. 2(1)(b) (subject to art. 3)

#### Marginal Citations

**M15** 1986 c. 45.

VALID FROM 02/04/2001

### 11 Restriction on use of answers obtained under compulsion. **E+W+S**

In section 219 of the <sup>M16</sup>Insolvency Act 1986, after subsection (2) (answers given by a person pursuant to powers conferred by section 218 may be used in evidence against him) there is inserted—

“(2A) However, in criminal proceedings in which that person is charged with an offence to which this subsection applies—

- (a) no evidence relating to the answer may be adduced, and
- (b) no question relating to it may be asked,

by or on behalf of the prosecution, unless evidence relating to it is adduced, or a question relating to it is asked, in the proceedings by or on behalf of that person.

(2B) Subsection (2A) applies to any offence other than—

- (a) an offence under section 2 or 5 of the <sup>M17</sup>Perjury Act 1911 (false statements made on oath otherwise than in judicial proceedings or made otherwise than on oath), or

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) an offence under section 44(1) or (2) of the <sup>M18</sup>Criminal Law (Consolidation) (Scotland) Act 1995 (false statements made on oath or otherwise than on oath).”

#### Commencement Information

**I8** S. 11 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, art. 2(1)(b) (subject to art. 3)

#### Marginal Citations

**M16** 1986 c. 45.

**M17** 1911 c. 6.

**M18** 1995 c. 39.

VALID FROM 02/04/2001

## 12 Insolvent estates of deceased persons. **E+W+S**

- (1) After section 421 of the <sup>M19</sup>Insolvency Act 1986 (power to apply provisions of Act to insolvent estates of deceased persons) there is inserted—

### “421A Insolvent estates: joint tenancies.

- (1) This section applies where—
- (a) an insolvency administration order has been made in respect of the insolvent estate of a deceased person,
  - (b) the petition for the order was presented after the commencement of this section and within the period of five years beginning with the day on which he died, and
  - (c) immediately before his death he was beneficially entitled to an interest in any property as joint tenant.
- (2) For the purpose of securing that debts and other liabilities to which the estate is subject are met, the court may, on an application by the trustee appointed pursuant to the insolvency administration order, make an order under this section requiring the survivor to pay to the trustee an amount not exceeding the value lost to the estate.
- (3) In determining whether to make an order under this section, and the terms of such an order, the court must have regard to all the circumstances of the case, including the interests of the deceased’s creditors and of the survivor; but, unless the circumstances are exceptional, the court must assume that the interests of the deceased’s creditors outweigh all other considerations.
- (4) The order may be made on such terms and conditions as the court thinks fit.
- (5) Any sums required to be paid to the trustee in accordance with an order under this section shall be comprised in the estate.
- (6) The modifications of this Act which may be made by an order under section 421 include any modifications which are necessary or expedient in consequence of this section.

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(7) In this section, “survivor” means the person who, immediately before the death, was beneficially entitled as joint tenant with the deceased or, if the person who was so entitled dies after the making of the insolvency administration order, his personal representatives.

(8) If there is more than one survivor—

- (a) an order under this section may be made against all or any of them, but
- (b) no survivor shall be required to pay more than so much of the value lost to the estate as is properly attributable to him.

(9) In this section—

“insolvency administration order” has the same meaning as in any order under section 421 having effect for the time being,

“value lost to the estate” means the amount which, if paid to the trustee, would in the court’s opinion restore the position to what it would have been if the deceased had been adjudged bankrupt immediately before his death.”

(2) In subsection (1) of section 421, after “apply” there is inserted “ in relation ”.

#### Commencement Information

**I9** S. 12 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, art. 2(1)(b) (subject to art. 3)

#### Marginal Citations

**M19** 1986 c. 45.

VALID FROM 02/04/2001

### **13 Bankruptcy: interest on sums held in Insolvency Services Account. E+W+S**

(1) In Schedule 9 to the <sup>M20</sup>Insolvency Act 1986 (individual insolvency rules), in paragraph 21, for “handled” there is substituted “ invested or otherwise handled and with respect to the payment of interest on sums which, in pursuance of rules made by virtue of this paragraph, have been paid into the Insolvency Services Account ”.

(2) In section 406 of that Act (interest on money received by liquidators and invested)—

- (a) for “a company” there is substituted “ or paragraph 21 of Schedule 9 to this Act (investment of money received by trustee in bankruptcy) a company or a bankrupt’s estate ”,
- (b) for the sidenote there is substituted “ Interest on money received by liquidators or trustees in bankruptcy and invested ”.

#### Commencement Information

**I10** S. 13 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, art. 2(1)(b) (subject to art. 3)

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

#### Marginal Citations

**M20** 1986 c. 45.

### 14 Model law on cross-border insolvency. **E+W+S**

- (1) The Secretary of State may by regulations make any provision which he considers necessary or expedient for the purpose of giving effect, with or without modifications, to the model law on cross-border insolvency.
- (2) In particular, the regulations may—
  - (a) apply any provision of insolvency law in relation to foreign proceedings (whether begun before or after the regulations come into force),
  - (b) modify the application of insolvency law (whether in relation to foreign proceedings or otherwise),
  - (c) amend any provision of section 426 of the <sup>M21</sup>Insolvency Act 1986 (co-operation between courts),
 and may apply or, as the case may be, modify the application of insolvency law in relation to the Crown.
- (3) The regulations may make different provision for different purposes and may make—
  - (a) any supplementary, incidental or consequential provision, or
  - (b) any transitory, transitional or saving provision,
 which the Secretary of State considers necessary or expedient.
- (4) In this section—
  - “foreign proceedings” has the same meaning as in the model law on cross-border insolvency,
  - “insolvency law” has the same meaning as in section 426(10)(a) and (b) of the <sup>M22</sup>Insolvency Act 1986,
  - “the model law on cross-border insolvency” means the model law contained in Annex I of the report of the 30th session of UNCITRAL.
- (5) Regulations under this section are to be made by statutory instrument and may only be made if a draft has been laid before and approved by resolution of each House of Parliament.
- (6) Making regulations under this section requires the agreement—
  - (a) if they extend to England and Wales, of the Lord Chancellor,
  - (b) if they extend to Scotland, of the Scottish Ministers.

#### Marginal Citations

**M21** 1986 c. 45.

**M22** 1986 c. 45.

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

## General

VALID FROM 02/04/2001

### 15 Amendments of Financial Services and Markets Act 2000 and repeals. **U.K.**

- (1) The enactments mentioned in Schedule 5 are repealed to the extent specified.
- (2) For the purposes of the <sup>M23</sup>Financial Services and Markets Act 2000, the functions conferred on the Financial Services Authority by virtue of Schedules 1 and 2 are to be treated as conferred by that Act.
- (3) Section 356 of that Act (Authority's powers to participate in proceedings: company voluntary arrangements) is amended as follows—
  - (a) for subsection (1), there is substituted—

“(1) Where a voluntary arrangement has effect under Part I of the 1986 Act in respect of a company or insolvent partnership which is an authorised person, the Authority may apply to the court under section 6 or 7 of that Act.”,
  - (b) for subsection (2), there is substituted—

“(2) Where a voluntary arrangement has been approved under Part II of the 1989 Order in respect of a company or insolvent partnership which is an authorised person, the Authority may apply to the court under Article 19 or 20 of that Order.”,
  - (c) in subsection (3), for “either” there is substituted “ any ”.

#### Commencement Information

**III** [S. 15](#) wholly in force at 1.1.2003; [s. 15](#) not in force at Royal Assent see [s. 16\(1\)](#); [s. 15\(1\)](#) in force for specified purposes at 2.4.2001 by [S.I. 2001/766](#), [art. 2\(1\)\(c\)](#) (subject to [art. 3](#)); [S. 15](#) in force at 1.1.2003 insofar as not already in force by [S.I. 2002/2711](#), [art. 2](#) (subject to transitional provisions in [arts. 3-5](#))

#### Marginal Citations

**M23** [2000 c. 8](#).

### 16 Commencement. **E+W+S**

- (1) The preceding provisions of this Act (including the Schedules) are to come into force on such day as the Secretary of State may by order made by statutory instrument appoint.
- (2) Subsection (1) does not apply to section 14 (which accordingly comes into force on the day on which this Act is passed).
- (3) An order under this section may make different provision for different purposes and may make—
  - (a) any supplementary, incidental or consequential provision, and
  - (b) any transitory, transitional or saving provision,

---

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

---

which the Secretary of State considers necessary or expedient.

#### Subordinate Legislation Made

- P1** S. 16(1)(3) power partly exercised: 2.4.2001 appointed for specified provisions by S.I. 2001/766, **art. 2** (subject to **art. 3**)  
S. 16(1)(3) power partly exercised: 11.5.2001 appointed for specified provisions by S.I. 2001/766, **art. 2**  
S. 16(1)(3) power wholly exercised: 1.1.2003 appointed by S.I. 2002/2711, **art. 2** (subject to transitional provisions in **arts. 3-5**)

**17** **Extent.** **E+W+S**

This Act, except section 15(3), Part II of Schedule 2 and paragraphs 16(3) and 22 of Schedule 4, does not extend to Northern Ireland.

**18** **Short title.** **E+W+S**

This Act may be cited as the Insolvency Act 2000.

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

## SCHEDULES

VALID FROM 11/05/2001

### SCHEDULE 1 **E+W+S**

Section 1.

#### MORATORIUM WHERE DIRECTORS PROPOSE VOLUNTARY ARRANGEMENT

#### AMENDMENTS OF THE INSOLVENCY ACT 1986

VALID FROM 01/01/2003

1 The <sup>M24</sup>Insolvency Act 1986 is amended as provided in this Schedule.

#### Marginal Citations

M24 1986 c. 45.

VALID FROM 01/01/2003

2 After section 1 there is inserted—

#### “1A Moratorium.

- (1) Where the directors of an eligible company intend to make a proposal for a voluntary arrangement, they may take steps to obtain a moratorium for the company.
- (2) The provisions of Schedule A1 to this Act have effect with respect to—
  - (a) companies eligible for a moratorium under this section,
  - (b) the procedure for obtaining such a moratorium,
  - (c) the effects of such a moratorium, and
  - (d) the procedure applicable (in place of sections 2 to 6 and 7) in relation to the approval and implementation of a voluntary arrangement where such a moratorium is or has been in force.”

VALID FROM 01/01/2003

3 In section 2(1) (procedure where nominee is not the liquidator or administrator), at the end there is added “ and the directors do not propose to take steps to obtain a moratorium under section 1A for the company ”.

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.  
**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

4	<p style="text-align: center;">Before Schedule 1 there is inserted—</p> <div style="text-align: center; margin: 10px 0;"> <p>“SCHEDULE  <span style="font-size: 1.2em; font-weight: bold;">A1 E</span>  <span style="font-size: 1.2em; font-weight: bold; background-color: #800040; color: white; padding: 2px;">+W+S</span>”</p> </div> <p style="text-align: center; margin: 10px 0;">MORATORIUM WHERE DIRECTORS PROPOSE VOLUNTARY ARRANGEMENT</p> <p style="text-align: center;">.....                  .....                  .....                  .....                  .....</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p><b>Commencement Information</b></p> <p><b>I12</b> Sch. 1 para. 4 partly in force; Sch. 1 para. 4 not in force at Royal Assent see s. 16(1); Sch. 1 para. 4 in force for specified purposes at 11.5.2001 by S.I. 2001/1751, art. 2</p> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p><b>Marginal Citations</b></p> <p><b>M25</b> 1989 c. 40.  <b>M26</b> S.I. 1995/2049  <b>M27</b> S.I. 1999/2979.  <b>M28</b> S.I. 1996/1469  <b>M29</b> 1982 c. 50.  <b>M30</b> 1987 c. 22.  <b>M31</b> 1985 c. 6.  <b>M32</b> 1986 c. 60.  <b>M33</b> 1987 c. 22.  <b>M34</b> 2000 c. 8.  <b>M35</b> 1986 c. 46.</p> </div>
5	<div style="text-align: right; background-color: #808080; color: white; padding: 2px; margin-bottom: 5px;">VALID FROM 01/01/2003</div> <p style="padding-left: 40px;">In section 27(3)(a) (protection of interests of creditors and members when administration order in force), “section 4 in” is omitted.</p>
6	<div style="text-align: right; background-color: #808080; color: white; padding: 2px; margin-bottom: 5px;">VALID FROM 01/01/2003</div> <p style="padding-left: 40px;">In section 122(1) (grounds on which company may be wound up by the court), after paragraph (f) there is inserted—</p> <p style="padding-left: 80px;">“(fa) at the time at which a moratorium for the company under section 1A comes to an end, no voluntary arrangement approved under Part I has effect in relation to the company”.</p>



**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

VALID FROM 01/01/2003

- 7 In section 124 (application for winding up of company), after subsection (3) there is inserted—
- “(3A) A winding-up petition on the ground set out in section 122(1)(fa) may only be presented by one or more creditors”.

VALID FROM 01/01/2003

- 8 (1) Section 233 (conditions which may be imposed on supply of gas, water, electricity, etc.) is amended as follows.
- (2) In subsection (1)—
- (a) after paragraph (b) there is inserted—
- “(ba) a moratorium under section 1A is in force, or”,
- (b) in paragraph (c), for the words from “under Part I” to “section 3” there is substituted “ approved under Part I ”, and
- (c) after “receiver” (in the second place) there is inserted “ the nominee, ”.
- (3) In subsection (4)—
- (a) after paragraph (b) there is inserted—
- “(ba) the date on which the moratorium came into force”,
- and
- (b) in paragraph (c), for the words following “arrangement” there is substituted “ took effect ”.

VALID FROM 01/01/2003

- 9 In section 387 (date which determines existence and amount of preferential debt), after subsection (2) there is inserted—
- “(2A) For the purposes of paragraph 31 of Schedule A1 (meetings to consider company voluntary arrangement where a moratorium under section 1A is in force), the relevant date in relation to a company is the date of filing.”

VALID FROM 01/01/2003

- 10 After section 417 there is inserted—
- “417A Money sums (company moratorium).**
- (1) The Secretary of State may by order increase or reduce any of the money sums for the time being specified in the following provisions of Schedule A1 to this Act—
- paragraph 17(1) (maximum amount of credit which company may obtain without disclosure of moratorium);

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

	<p>paragraph 41(4) (minimum value of company property concealed or fraudulently removed, affecting criminal liability of company's officer).</p> <p>(2) An order under this section may contain such transitional provisions as may appear to the Secretary of State necessary or expedient.</p> <p>(3) An order under this section shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.”</p>																				
	VALID FROM 01/01/2003																				
11	In section 432(4) (offences by bodies corporate), at the end there is inserted “ and those under paragraphs 16(2), 17(3)(a), 18(3)(a), 19(3)(a), 22(1) and 23(1)(a) of Schedule A1 ”.																				
	VALID FROM 01/01/2003																				
12	<p>In Schedule 10 (punishment of offences), before the entry relating to paragraph 4(3) of Schedule 7 there are inserted the following entries—</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">“Sch. A1, para. 9(2).</td> <td style="width: 30%;">Directors failing to notify nominee of beginning of moratorium.</td> <td style="width: 20%;">1. On indictment. 2. Summary.</td> <td style="width: 30%;">2 years or a fine, or both. 6 months or the statutory maximum, or both.</td> </tr> <tr> <td>Sch. A1, para. 10(3).</td> <td>Nominee failing to advertise or notify beginning of moratorium.</td> <td>Summary.</td> <td>One-fifth of the statutory maximum.</td> </tr> <tr> <td>Sch. A1, para. 11(2).</td> <td>Nominee failing to advertise or notify end of moratorium.</td> <td>Summary.</td> <td>One-fifth of the statutory maximum.</td> </tr> <tr> <td>Sch. A1, para. 16(2).</td> <td>Company and officers failing to state in correspondence etc. that moratorium in force.</td> <td>Summary.</td> <td>One-fifth of the statutory maximum.</td> </tr> <tr> <td>Sch. A1, para. 17(3)(a).</td> <td>Company obtaining credit without disclosing</td> <td>1. On indictment. 2. Summary.</td> <td>A fine. The statutory maximum.</td> </tr> </table>	“Sch. A1, para. 9(2).	Directors failing to notify nominee of beginning of moratorium.	1. On indictment. 2. Summary.	2 years or a fine, or both. 6 months or the statutory maximum, or both.	Sch. A1, para. 10(3).	Nominee failing to advertise or notify beginning of moratorium.	Summary.	One-fifth of the statutory maximum.	Sch. A1, para. 11(2).	Nominee failing to advertise or notify end of moratorium.	Summary.	One-fifth of the statutory maximum.	Sch. A1, para. 16(2).	Company and officers failing to state in correspondence etc. that moratorium in force.	Summary.	One-fifth of the statutory maximum.	Sch. A1, para. 17(3)(a).	Company obtaining credit without disclosing	1. On indictment. 2. Summary.	A fine. The statutory maximum.
“Sch. A1, para. 9(2).	Directors failing to notify nominee of beginning of moratorium.	1. On indictment. 2. Summary.	2 years or a fine, or both. 6 months or the statutory maximum, or both.																		
Sch. A1, para. 10(3).	Nominee failing to advertise or notify beginning of moratorium.	Summary.	One-fifth of the statutory maximum.																		
Sch. A1, para. 11(2).	Nominee failing to advertise or notify end of moratorium.	Summary.	One-fifth of the statutory maximum.																		
Sch. A1, para. 16(2).	Company and officers failing to state in correspondence etc. that moratorium in force.	Summary.	One-fifth of the statutory maximum.																		
Sch. A1, para. 17(3)(a).	Company obtaining credit without disclosing	1. On indictment. 2. Summary.	A fine. The statutory maximum.																		

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

	existence of moratorium.		
Sch. A1, para. 17(3)(b).	Obtaining credit for company without disclosing existence of moratorium.	1. On indictment. 2. Summary.	2 years or a fine, or both. 6 months or the statutory maximum, or both.
Sch. A1, para. 18(3)(a).	Company disposing of property otherwise than in ordinary way of business.	1. On indictment. 2. Summary.	A fine. The statutory maximum.
Sch. A1, para. 18(3)(b).	Authorising or permitting disposal of company property.	1. On indictment. 2. Summary.	2 years or a fine, or both. 6 months or the statutory maximum, or both.
Sch. A1, para. 19(3)(a).	Company making payments in respect of liabilities existing before beginning of moratorium.	1. On indictment. 2. Summary.	A fine. The statutory maximum.
Sch. A1, para. 19(3)(b).	Authorising or permitting such a payment.	1. On indictment. 2. Summary.	2 years or a fine, or both. 6 months or the statutory maximum, or both.
Sch. A1, para. 20(9).	Directors failing to send to registrar office copy of court order permitting disposal of charged property.	Summary.	One-fifth of the statutory maximum.
Sch. A1, para. 22(1).	Company disposing of charged property.	1. On indictment. 2. Summary.	A fine. The statutory maximum.
Sch. A1, para. 22(2).	Authorising or permitting such a disposal.	1. On indictment. 2. Summary.	2 years or a fine, or both. 6 months or the statutory maximum, or both.

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Sch. A1, para. 23(1)(a).	Company entering into market contract, etc.	1. On indictment. 2. Summary.	A fine. The statutory maximum.
Sch. A1, para. 23(1)(b).	Authorising or permitting company to do so.	1. On indictment. 2. Summary.	2 years or a fine, or both. 6 months or the statutory maximum, or both.
Sch. A1, para. 25(6).	Nominee failing to give notice of withdrawal of consent to act.	Summary.	One-fifth of the statutory maximum.
Sch. A1, para. 34(3).	Nominee failing to give notice of extension of moratorium.	Summary.	One-fifth of the statutory maximum.
Sch. A1, para. 41(2).	Fraud or privity to fraud in anticipation of moratorium.	1. On indictment. 2. Summary.	7 years or a fine, or both. 6 months or the statutory maximum, or both.
Sch. A1, para. 41(3).	Fraud or privity to fraud during moratorium.	1. On indictment. 2. Summary.	7 years or a fine, or both. 6 months or the statutory maximum, or both.
Sch. A1, para. 41(7).	Knowingly taking in pawn or pledge, or otherwise receiving, company property.	1. On indictment. 2. Summary.	7 years or a fine, or both. 6 months or the statutory maximum, or both.
Sch. A1, para. 42(1).	False representation or fraud for purpose of obtaining or extending moratorium.	1. On indictment. 2. Summary.	7 years or a fine, or both. 6 months or the statutory maximum, or both.”

*Status:* Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

*Changes to legislation:* Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

## SCHEDULE 2 **U.K.**

Section 2.

### COMPANY VOLUNTARY ARRANGEMENTS

VALID FROM 01/01/2003

#### **PART I **E+W+S****

##### AMENDMENTS OF THE INSOLVENCY ACT 1986

1 The <sup>M36</sup>Insolvency Act 1986 is amended as follows.

#### **Marginal Citations**

**M36** 1986 c. 45.

2 In section 1(2) (proposal for a voluntary arrangement), for “in relation to the company” there is substituted “ or authorised to act as nominee, in relation to the voluntary arrangement ”.

3 In section 2 (procedure where nominee is not the liquidator or administrator)—

(a) in subsection (2)(a), at the beginning there is inserted—

“whether, in his opinion, the proposed voluntary arrangement has a reasonable prospect of being approved and implemented,

(aa)”.

(b) for subsection (4) there is substituted—

“(4) The court may—

(a) on an application made by the person intending to make the proposal, in a case where the nominee has failed to submit the report required by this section or has died, or

(b) on an application made by that person or the nominee, in a case where it is impracticable or inappropriate for the nominee to continue to act as such,

direct that the nominee be replaced as such by another person qualified to act as an insolvency practitioner, or authorised to act as nominee, in relation to the voluntary arrangement.”

4 In section 4(2) (decisions of meetings), for “in relation to the company” there is substituted “ or authorised to act as nominee, in relation to the voluntary arrangement ”.

5 After section 4 there is inserted—

#### **“4A Approval of arrangement.**

(1) This section applies to a decision, under section 4, with respect to the approval of a proposed voluntary arrangement.

(2) The decision has effect if, in accordance with the rules—

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) it has been taken by both meetings summoned under section 3, or
- (b) (subject to any order made under subsection (4)) it has been taken by the creditors' meeting summoned under that section.
- (3) If the decision taken by the creditors' meeting differs from that taken by the company meeting, a member of the company may apply to the court.
- (4) An application under subsection (3) shall not be made after the end of the period of 28 days beginning with—
- (a) the day on which the decision was taken by the creditors' meeting, or
- (b) where the decision of the company meeting was taken on a later day, that day.
- (5) Where a member of a regulated company, within the meaning given by paragraph 44 of Schedule A1, applies to the court under subsection (3), the Financial Services Authority is entitled to be heard on the application.
- (6) On an application under subsection (3), the court may—
- (a) order the decision of the company meeting to have effect instead of the decision of the creditors' meeting, or
- (b) make such other order as it thinks fit.”
- 6 In section 5 (effect of approval of voluntary arrangement)—
- (a) for subsection (1) there is substituted—
- “(1) This section applies where a decision approving a voluntary arrangement has effect under section 4A.”,
- (b) in subsections (2) and (3), “approved” is omitted,
- (c) in subsection (2), for paragraph (b) there is substituted—
- “(b) binds every person who in accordance with the rules—
- (i) was entitled to vote at that meeting (whether or not he was present or represented at it), or
- (ii) would have been so entitled if he had had notice of it,
- as if he were a party to the voluntary arrangement.
- (2A) If—
- (a) when the arrangement ceases to have effect any amount payable under the arrangement to a person bound by virtue of subsection (2)(b)(ii) has not been paid, and
- (b) the arrangement did not come to an end prematurely, the company shall at that time become liable to pay to that person the amount payable under the arrangement.”
- 7 (1) Section 6 (challenge of decisions) is amended as follows.
- (2) In subsection (1)(a), for “approved at the meetings summoned under section 3” there is substituted “ which has effect under section 4A ”.
- (3) In subsection (2), after paragraph (a) there is inserted—
- “(aa) a person who would have been entitled, in accordance with the rules, to vote at the creditors' meeting if he had had notice of it”.

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(4) In subsection (3)—

(a) after “be made” there is inserted “ (a) ”,

(b) at the end there is inserted “or

(b) in the case of a person who was not given notice of the creditors’ meeting, after the end of the period of 28 days beginning with the day on which he became aware that the meeting had taken place,

but (subject to that) an application made by a person within subsection (2)(aa) on the ground that the voluntary arrangement prejudices his interests may be made after the arrangement has ceased to have effect, unless it came to an end prematurely.”

(5) In subsection (4)(a)—

(a) for “the approvals given by the meetings” there is substituted “ any decision approving the voluntary arrangement which has effect under section 4A ”,

(b) for “approval given by the meeting in question” there is substituted “ decision taken by the meeting in question which has effect under that section ”.

(6) In subsection (5), for “approval given at the previous meetings” there is substituted “ decision approving the voluntary arrangement which has effect under section 4A ”.

(7) In subsection (6), for the words from “since” to the end there is substituted “ under the voluntary arrangement since it took effect ”.

(8) In subsection (7), for “an approval given” there is substituted “ a decision taken ”.

8 After that section there is inserted—

**“6A False representations, etc.**

(1) If, for the purpose of obtaining the approval of the members or creditors of a company to a proposal for a voluntary arrangement, a person who is an officer of the company—

(a) makes any false representation, or

(b) fraudulently does, or omits to do, anything,

he commits an offence.

(2) Subsection (1) applies even if the proposal is not approved.

(3) For purposes of this section “officer” includes a shadow director.

(4) A person guilty of an offence under this section is liable to imprisonment or a fine, or both.”

9 In section 7 (implementation of proposal)—

(a) in subsection (1), for the words following “voluntary arrangement” there is substituted “ has effect under section 4A ”,

(b) in subsection (2), for paragraph (a) there is substituted—

“(a) on the nominee by virtue of the approval given at one or both of the meetings summoned under section 3”,

*Status: Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.*

*Changes to legislation: Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (c) in subsection (5), for “in relation to the company” there is substituted “or authorised to act as supervisor, in relation to the voluntary arrangement”.

10 After that section there is inserted—

**“7A Prosecution of delinquent officers of company.**

- (1) This section applies where a moratorium under section 1A has been obtained for a company or the approval of a voluntary arrangement in relation to a company has taken effect under section 4A or paragraph 36 of Schedule A1.
- (2) If it appears to the nominee or supervisor that any past or present officer of the company has been guilty of any offence in connection with the moratorium or, as the case may be, voluntary arrangement for which he is criminally liable, the nominee or supervisor shall forthwith—
- (a) report the matter to the appropriate authority, and
  - (b) provide the appropriate authority with such information and give the authority such access to and facilities for inspecting and taking copies of documents (being information or documents in the possession or under the control of the nominee or supervisor and relating to the matter in question) as the authority requires.
- In this subsection, “the appropriate authority” means—
- (i) in the case of a company registered in England and Wales, the Secretary of State, and
  - (ii) in the case of a company registered in Scotland, the Lord Advocate.
- (3) Where a report is made to the Secretary of State under subsection (2), he may, for the purpose of investigating the matter reported to him and such other matters relating to the affairs of the company as appear to him to require investigation, exercise any of the powers which are exercisable by inspectors appointed under section 431 or 432 of the Companies Act to investigate a company’s affairs.
- (4) For the purpose of such an investigation any obligation imposed on a person by any provision of the Companies Act to produce documents or give information to, or otherwise to assist, inspectors so appointed is to be regarded as an obligation similarly to assist the Secretary of State in his investigation.
- (5) An answer given by a person to a question put to him in exercise of the powers conferred by subsection (3) may be used in evidence against him.
- (6) However, in criminal proceedings in which that person is charged with an offence to which this subsection applies—
- (a) no evidence relating to the answer may be adduced, and
  - (b) no question relating to it may be asked,
- by or on behalf of the prosecution, unless evidence relating to it is adduced, or a question relating to it is asked, in the proceedings by or on behalf of that person.
- (7) Subsection (6) applies to any offence other than—



**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) an offence under section 2 or 5 of the <sup>M37</sup>Perjury Act 1911 (false statements made on oath otherwise than in judicial proceedings or made otherwise than on oath), or
- (b) an offence under section 44(1) or (2) of the <sup>M38</sup>Criminal Law (Consolidation) (Scotland) Act 1995 (false statements made on oath or otherwise than on oath).
- (8) Where a prosecuting authority institutes criminal proceedings following any report under subsection (2), the nominee or supervisor, and every officer and agent of the company past and present (other than the defendant or defender), shall give the authority all assistance in connection with the prosecution which he is reasonably able to give.
- For this purpose—
- “agent” includes any banker or solicitor of the company and any person employed by the company as auditor, whether that person is or is not an officer of the company,
- “prosecuting authority” means the Director of Public Prosecutions, the Lord Advocate or the Secretary of State.
- (9) The court may, on the application of the prosecuting authority, direct any person referred to in subsection (8) to comply with that subsection if he has failed to do so.

#### 7B Arrangements coming to an end prematurely.

For the purposes of this Part, a voluntary arrangement the approval of which has taken effect under section 4A or paragraph 36 of Schedule A1 comes to an end prematurely if, when it ceases to have effect, it has not been fully implemented in respect of all persons bound by the arrangement by virtue of section 5(2)(b)(i) or, as the case may be, paragraph 37(2)(b)(i) of Schedule A1.”

#### Marginal Citations

M37 1911 c. 6.

M38 1995 c. 39.

11 In section 387(2)(b) (date which determines existence and amount of preferential debt), for the words following “date” there is substituted “on which the voluntary arrangement takes effect”.

12 In Schedule 10 (punishment of offences), before the entry relating to section 12(2) there is inserted the following entry—

“6A(1).	False representation or fraud for purpose of obtaining members’ or creditors’ approval of proposed	1. On indictment. 2. Summary.	7 years or a fine, or both. 6 months or the statutory maximum, or both.”
---------	--	----------------------------------	---

*Status: Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.*

*Changes to legislation: Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

voluntary  
arrangement.

## PART II U.K.

### AMENDMENTS OF THE BUILDING SOCIETIES ACT 1986

- 13 (1) The Commission may appoint one or more competent persons to investigate and report on any matter reported to the Commission under section 7A(2) of the <sup>M39</sup>Insolvency Act 1986; and section 55 of the <sup>M40</sup>Building Societies Act 1986 (investigations) applies to such a person and the investigations as it applies to a person appointed under section 55(1) and an investigation under that section.
- (2) Section 57(5) to (5B) of that Act (use in evidence of answers given to questions) applies to answers given under section 55(3) as extended by sub-paragraph (1) as it applies to answers given under section 57.

#### Marginal Citations

**M39** 1986 c. 45.

**M40** 1986 c. 53.

VALID FROM 01/01/2003

- 14 (1) Schedule 15A to the <sup>M41</sup>Building Societies Act 1986 (application of companies insolvency legislation to building societies) is amended as follows.
- (2) In paragraph 1(2)(a), after “Parts I” there is inserted “ (except section 1A) ”.
- (3) At the end of paragraph 8 there is inserted—
- “and subsection (1) of section 2 shall have effect with the omission of the words from “and the directors” to the end.
- 8A In subsection (2) of section 4A of the Act (approval of arrangement) as applied to a building society, paragraph (b) and the word “or” immediately preceding that paragraph are omitted.”
- (4) After paragraph 9 there is inserted—
- “9A In section 7A of the Act (prosecution of delinquent officers) as applied to a building society—
- (a) in subsection (2), for paragraphs (i) and (ii) there is substituted “the Commission”,
- (b) subsections (3) to (7) are omitted,
- (c) in subsection (8), for “Secretary of State” there is substituted “Commission”.”

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

## Marginal Citations

M41 1986 c. 53.

VALID FROM 01/01/2003

## SCHEDULE 3 **E+W+S**

Section 3.

### INDIVIDUAL VOLUNTARY ARRANGEMENTS

- 1 The Insolvency Act 1986 is amended as follows.
- 2 In section 252 (interim order of court)—
- (a) in subsection (2)(a), after “with,” there is inserted—
- “(aa) no landlord or other person to whom rent is payable may exercise any right of forfeiture by peaceable re-entry in relation to premises let to the debtor in respect of a failure by the debtor to comply with any term or condition of his tenancy of such premises, except with the leave of the court”,
- (b) in subsection (2)(b), after “continued” there is inserted “ and no distress may be levied ”.
- 3 In section 253 (application for interim order)—
- (a) in subsection (1), after “proposal” there is inserted “ under this Part, that is, a proposal ”,
- (b) at the end of subsection (2) there is inserted “ and the nominee must be a person who is qualified to act as an insolvency practitioner, or authorised to act as nominee, in relation to the voluntary arrangement ”,
- (c) in subsection (4), for the words from “his proposal” to “arrangement)” there is substituted “ the proposal ”.
- 4 In section 254 (effect of application), in subsection (1)—
- (a) after “pending” there is inserted—
- “(a) no landlord or other person to whom rent is payable may exercise any right of forfeiture by peaceable re-entry in relation to premises let to the debtor in respect of a failure by the debtor to comply with any term or condition of his tenancy of such premises, except with the leave of the court, and
- (b)”,
- (b) after “may” there is inserted—
- “forbid the levying of any distress on the debtor’s property or its subsequent sale, or both, and”.
- 5 In section 255 (cases in which interim order can be made), in subsection (1)—
- (a) in paragraph (a), for “such a proposal as is mentioned in that section” there is substituted “ a proposal under this Part ”,

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** *Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

6	<p>(b) in paragraph (d), the words from “to his creditors” to “to the debtor, and” are omitted.</p> <p>In section 256 (nominee’s report on debtor’s proposal)—</p> <p>(a) in subsection (1)(a), at the beginning there is inserted—</p> <p style="padding-left: 40px;">“whether, in his opinion, the voluntary arrangement which the debtor is proposing has a reasonable prospect of being approved and implemented,</p> <p style="padding-left: 40px;">(aa)”.</p> <p>(b) for subsection (3) there is substituted—</p> <p style="padding-left: 40px;">“(3) The court may—</p> <p style="padding-left: 80px;">(a) on an application made by the debtor in a case where the nominee has failed to submit the report required by this section or has died, or</p> <p style="padding-left: 80px;">(b) on an application made by the debtor or the nominee in a case where it is impracticable or inappropriate for the nominee to continue to act as such,</p> <p style="padding-left: 40px;">direct that the nominee shall be replaced as such by another person qualified to act as an insolvency practitioner, or authorised to act as nominee, in relation to the voluntary arrangement.</p> <p style="padding-left: 40px;">(3A) The court may, on an application made by the debtor in a case where the nominee has failed to submit the report required by this section, direct that the interim order shall continue, or (if it has ceased to have effect) be renewed, for such further period as the court may specify in the direction.”</p>
7	<p>After section 256 there is inserted—</p> <p style="text-align: center;"><i>“ Procedure where no interim order made</i></p> <p><b>256A Debtor’s proposal and nominee’s report.</b></p> <p>(1) This section applies where a debtor (being an individual)—</p> <p style="padding-left: 40px;">(a) intends to make a proposal under this Part (but an interim order has not been made in relation to the proposal and no application for such an order is pending), and</p> <p style="padding-left: 40px;">(b) if he is an undischarged bankrupt, has given notice of the proposal to the official receiver and, if there is one, the trustee of his estate, unless a bankruptcy petition presented by the debtor is pending and the court has, under section 273, appointed an insolvency practitioner to inquire into the debtor’s affairs and report.</p> <p>(2) For the purpose of enabling the nominee to prepare a report to the court, the debtor shall submit to the nominee—</p> <p style="padding-left: 40px;">(a) a document setting out the terms of the voluntary arrangement which the debtor is proposing, and</p> <p style="padding-left: 40px;">(b) a statement of his affairs containing—</p>

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (i) such particulars of his creditors and of his debts and other liabilities and of his assets as may be prescribed, and
- (ii) such other information as may be prescribed.

(3) If the nominee is of the opinion that the debtor is an undischarged bankrupt, or is able to petition for his own bankruptcy, the nominee shall, within 14 days (or such longer period as the court may allow) after receiving the document and statement mentioned in subsection (2), submit a report to the court stating—

- (a) whether, in his opinion, the voluntary arrangement which the debtor is proposing has a reasonable prospect of being approved and implemented,
- (b) whether, in his opinion, a meeting of the debtor's creditors should be summoned to consider the debtor's proposal, and
- (c) if in his opinion such a meeting should be summoned, the date on which, and time and place at which, he proposes the meeting should be held.

(4) The court may—

- (a) on an application made by the debtor in a case where the nominee has failed to submit the report required by this section or has died, or
- (b) on an application made by the debtor or the nominee in a case where it is impracticable or inappropriate for the nominee to continue to act as such,

direct that the nominee shall be replaced as such by another person qualified to act as an insolvency practitioner, or authorised to act as nominee, in relation to the voluntary arrangement.

(5) The court may, on an application made by the nominee, extend the period within which the nominee is to submit his report.

#### *Creditors' meeting*

8 In section 257 (summoning of creditors' meeting), in subsection (1)—

- (a) after "256" there is inserted " or 256A ", and
- (b) for "256(3)(a)" there is substituted " 256(3) or 256A(4) ".

9 In section 258 (decisions of creditors' meeting), in subsection (3), for "in relation to the debtor" there is substituted " or authorised to act as nominee, in relation to the voluntary arrangement " and for "such as is mentioned in section 253" there is substituted " under this Part ".

10 In section 260 (effect of approval), for subsection (2)(b) there is substituted—

- "(b) binds every person who in accordance with the rules—
  - (i) was entitled to vote at the meeting (whether or not he was present or represented at it), or
  - (ii) would have been so entitled if he had had notice of it, as if he were a party to the arrangement.

(2A) If—

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** *Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (a) when the arrangement ceases to have effect any amount payable under the arrangement to a person bound by virtue of subsection (2)(b)(ii) has not been paid, and
- (b) the arrangement did not come to an end prematurely,
- the debtor shall at that time become liable to pay to that person the amount payable under the arrangement.”
- 11 (1) In section 262 (challenge of meeting’s decision), in subsection (2)—
- (a) for paragraph (b) there is substituted—
- “(b) a person who—
- (i) was entitled, in accordance with the rules, to vote at the creditors’ meeting, or
- (ii) would have been so entitled if he had had notice of it”,
- (b) in paragraph (c), for “256(3)(a)” there is substituted “ 256(3), 256A(4) ”.
- (2) In subsection (3) of that section—
- (a) after “be made” there is inserted “ (a) ”,
- (b) at the end there is inserted “or
- (b) in the case of a person who was not given notice of the creditors’ meeting, after the end of the period of 28 days beginning with the day on which he became aware that the meeting had taken place,
- but (subject to that) an application made by a person within subsection (2)(b)(ii) on the ground that the arrangement prejudices his interests may be made after the arrangement has ceased to have effect, unless it has come to an end prematurely. ”
- 12 After that section there is inserted—
- “262A False representations etc.**
- (1) If for the purpose of obtaining the approval of his creditors to a proposal for a voluntary arrangement, the debtor—
- (a) makes any false representation, or
- (b) fraudulently does, or omits to do, anything,
- he commits an offence.
- (2) Subsection (1) applies even if the proposal is not approved.
- (3) A person guilty of an offence under this section is liable to imprisonment or a fine, or both.
- 262B Prosecution of delinquent debtors.**
- (1) This section applies where a voluntary arrangement approved by a creditors’ meeting summoned under section 257 has taken effect.
- (2) If it appears to the nominee or supervisor that the debtor has been guilty of any offence in connection with the arrangement for which he is criminally liable, he shall forthwith—

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) report the matter to the Secretary of State, and
  - (b) provide the Secretary of State with such information and give the Secretary of State such access to and facilities for inspecting and taking copies of documents (being information or documents in his possession or under his control and relating to the matter in question) as the Secretary of State requires.
- (3) Where a prosecuting authority institutes criminal proceedings following any report under subsection (2), the nominee or, as the case may be, supervisor shall give the authority all assistance in connection with the prosecution which he is reasonably able to give.
- For this purpose, “prosecuting authority” means the Director of Public Prosecutions or the Secretary of State.
- (4) The court may, on the application of the prosecuting authority, direct a nominee or supervisor to comply with subsection (3) if he has failed to do so.

**262C Arrangements coming to an end prematurely.**

For the purposes of this Part, a voluntary arrangement approved by a creditors’ meeting summoned under section 257 comes to an end prematurely if, when it ceases to have effect, it has not been fully implemented in respect of all persons bound by the arrangement by virtue of section 260(2)(b)(i).”

- 13 In section 263 (implementation and supervision of approved voluntary arrangement)—
- (a) in subsection (2), for “256(3)(a)” there is substituted “ 256(3), 256A(4)”, and
  - (b) in subsection (5), for “in relation to the debtor” there is substituted “ or authorised to act as supervisor, in relation to the voluntary arrangement”.
- 14 In section 347 (distress, etc.)—
- (a) in subsection (1), after “(subject to” there is inserted “ sections 252(2)(b) and 254(1) above and ”,
  - (b) in subsection (8), at the beginning there is inserted “ Subject to sections 252(2)(b) and 254(1) above. ”
- 15 In section 387 (date which determines existence and amount of preferential debt), in subsection (5), for the words following “undischarged bankrupt” there is substituted—
- “(a) where an interim order has been made under section 252 with respect to his proposal, the date of that order, and
  - (b) in any other case, the date on which the voluntary arrangement takes effect.”
- 16 In Schedule 10 (punishment of offences), after the entry relating to section 235(5) there is inserted the following entry—

“ 262A(1).	False representation or fraud for purpose	1. On indictment. 2. Summary.	7 years or a fine, or both.
------------	---	----------------------------------	-----------------------------

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

<p>of obtaining creditors' approval of proposed voluntary arrangement.</p>	<p>6 months or the statutory maximum, or both.”</p>
--	---

VALID FROM 02/04/2001

SCHEDULE 4 U.K. Section 8.

MINOR AND CONSEQUENTIAL AMENDMENTS ABOUT DISQUALIFICATION OF COMPANY DIRECTORS ETC.

**Commencement Information**

**I13** Sch. 4 wholly in force at 2.4.2001, see s. 16(1) and S.I. 2001/766, **art. 2(1)(a)** (subject to art. 3)

VALID FROM 02/04/2001

SCHEDULE 5 E+W+S Section 15.

REPEALS

**Commencement Information**

**I14** Sch. 5 wholly in force at 1.1.2003; Sch. 5 not in force at Royal Assent see s. 16(1); Sch. 5 in force for specified purposes at 2.4.2001 by S.I. 2001/766, **art. 2(1)(c)** (subject to art. 3); Sch. 5 in force insofar as not already in force at 1.1.2003 by S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)

Chapter	Short title	Extent of repeal
1986 c. 45.	The Insolvency Act 1986.	In subsections (2) and (3) of section 5, “approved”. In section 27(3)(a), “section 4 in”. In section 218, subsection (2) and, in subsection (6)(b), “to the prosecuting authority”. In section 255(1)(d), the words from “to his



---

**Status:** Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:** Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

---

		creditors” to “to the debtor, and”.
1986 c. 46.	The Company Directors Disqualification Act 1986.	In section 9(1), “or shadow director”. In section 22(4), the words following “called”.
1989 c. 40.	The Companies Act 1989.	Section 78.

---

**Status:**

Point in time view as at 30/11/2000. This version of this Act contains provisions that are not valid for this point in time.

**Changes to legislation:**

Insolvency Act 2000 is up to date with all changes known to be in force on or before 26 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.