
STATUTORY INSTRUMENTS

2003 No. 1468

INSOLVENCY

COMPANIES

The Insolvency Act 1986 (Amendment) (Administrative Receivership and Capital Market Arrangements) Order 2003

Made - - - - 4th June 2003

Laid before Parliament 5th June 2003

Coming into force in accordance with Article 1

The Secretary of State, in exercise of the powers conferred upon her by section 72H of the Insolvency Act 1986(1), hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Insolvency Act 1986 (Amendment) (Administrative Receivership and Capital Market Arrangements) Order 2003 and shall come into force immediately after the insertion into the Insolvency Act 1986 of sections 72A to 72G and Schedule 2A has effect(2).

Amendments to Schedule 2A to the Insolvency Act 1986

2. In paragraph 1(1) of Schedule 2A to the Insolvency Act 1986 (capital market arrangement) after paragraph (a) insert—

“(aa) it involves a grant of security to—

(i) a party to the arrangement who issues a capital market investment, or

(ii) a person who holds the security as trustee for a party to the arrangement in connection with the issue of a capital market investment, or

(ab) it involves a grant of security to a person who holds the security as trustee for a party to the arrangement who agrees to provide finance to another party, or”

3. After the words “beneficial interest in it” in paragraph 1(2)(c) of Schedule 2A to the Insolvency Act 1986 insert—

(1) 1986 c. 45. Section 72H was inserted into the Insolvency Act 1986 by section 250 of the Enterprise Act 2002 (c. 40).

(2) Sections 72A to 72G and Schedule 2A are inserted into the Insolvency Act 1986 by section 250 of, and Schedule 18 to, the Enterprise Act 2002 (c. 40).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

“; and

(d) the reference to the provision of finance includes the provision of an indemnity”.

4th June 2003

Melanie Johnson,
Parliamentary Under-Secretary of State for
Competition, Consumers and Markets,
Department of Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Order)

This Order expands the definition of “capital market arrangement” in Schedule 2A to the Insolvency Act 1986. This definition was created for the purposes of section 72B of the Insolvency Act 1986. This section creates an exception to the prohibition against the appointment of administrative receivers contained in section 72A of the Insolvency Act 1986. The effect of the amendments is to clarify the scope of the exception in section 72B.

A regulatory impact assessment identifying the costs of the insolvency provisions of the Enterprise Act 2002 to business and the exchequer was published at the time the Act received Royal Assent in November 2002. It is available from www.dti.gov.uk/enterpriseact/rias.htm. The assessment encompasses the areas covered by this Order.