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## STATUTORY INSTRUMENTS

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# 2003 No. 3226

## The Financial Collateral Arrangements (No.2) Regulations 2003

### PART 3

#### Modification of insolvency law

#### **Modification of the [<sup>F1</sup>Insolvency (Scotland) (Receivership and Winding up) Rules 2018 and the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018]**

15. Where the collateral-provider or the collateral-taker under a financial collateral arrangement goes into liquidation [<sup>F2</sup>or administration] or, in the case of a partnership, sequestration and the arrangement provides for, or the mechanism provided under the arrangement permits, either—

- (a) the debt owed by the party in liquidation or sequestration under the arrangement, to be assessed or paid in a currency other than sterling; or
- (b) the debt to be converted into sterling at a rate other than the official exchange rate prevailing on the date when that party went into liquidation or sequestration;

then [<sup>F3</sup>rule 7.25 of the Insolvency (Scotland) (Receivership and Winding up) Rules 2018 and rule 3.114 of the Insolvency (Scotland) Company Voluntary Arrangements and Administration Rules 2018], as appropriate, shall not apply unless the arrangement provides for an unreasonable exchange rate or the collateral-taker uses the mechanism provided under the arrangement to impose an unreasonable exchange rate in which case the appropriate rule shall apply.

#### **Textual Amendments**

- F1** Words in reg. 15 heading substituted (23.4.2019) by The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **3(4)(b)**
- F2** Words in reg. 15 inserted (6.4.2011) by The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(12)(a)** (with reg. 3)
- F3** Words in reg. 15 substituted (23.4.2019) by The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **3(4)(a)**

**Changes to legislation:**

The Financial Collateral Arrangements (No.2) Regulations 2003, Section 15 is up to date with all changes known to be in force on or before 17 April 2024. 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.

[View outstanding changes](#)

**Changes and effects yet to be applied to :**

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)