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STATUTORY INSTRUMENTS

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**2018 No. 1244**

**The Banks and Building Societies  
(Priorities on Insolvency) Order 2018**

**PART 2**

**Amendments of the Insolvency Act 1986**

**Non-preferential debts in winding up of companies**

6. After section 176 insert—

*“Non-preferential debts*

**Non-preferential debts of financial institutions**

**176AZA.**—(1) This section applies in the winding up of a company which is a relevant financial institution.

(2) The company’s ordinary non-preferential debts shall be paid in priority to its secondary non-preferential debts.

(3) The company’s secondary non-preferential debts—

(a) shall be paid in priority to its tertiary non-preferential debts, and

(b) rank equally among themselves after the ordinary non-preferential debts and shall be paid in full, unless the assets are insufficient to meet them, in which case they abate in equal proportions.

(4) See section 387A for definitions relevant to this section.”.