

SCHEDULE 3 PREFERRED DEBTS

PART 2

INTERPRETATION OF PART 1

Meaning of “the relevant date”

- 9 In Part 1, “the relevant date” means—
- (a) in relation to a debtor other than a deceased debtor, the date of sequestration, and
 - (b) in relation to a deceased debtor, the date of death.

Amounts payable by way of remuneration

- 10 (1) For the purposes of paragraph 2, a sum is payable by the debtor to a person by way of remuneration in respect of any period if—
- (a) it is paid as wages or salary (whether payable for time or for piece work or earned wholly or partly by way of commission) in respect of services rendered to the debtor in that period, or
 - (b) it is an amount falling within sub-paragraph (2) and is payable by the debtor in respect of that period.
- (2) An amount falls within this sub-paragraph if it is—
- (a) a guarantee payment under section 28(1) to (3) of the Employment Rights Act 1996 (entitlement to payment for workless day),
 - (b) a payment for time off under section 53(1) (looking for new employment or making arrangements for training for future employment) or 56(1) (antenatal care) of that Act,
 - (c) remuneration on suspension on medical grounds under section 64 of that Act,
 - (d) a payment for time off under section 169(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (trade union duties), or
 - (e) remuneration under a protective award made by an employment tribunal under section 189 of that Act (redundancy dismissal with compensation).
- (3) For the purposes of paragraph 2(2), holiday remuneration is deemed, in the case of a person (“P”) whose employment has been terminated by or in consequence of the award of sequestration of P’s employer’s estate, to have accrued to P in respect of a period of employment if, by virtue of P’s contract of employment or of any enactment, that remuneration would have accrued in respect of that period if P’s employment had continued until P became entitled to be allowed the holiday.
- (4) In sub-paragraph (3), “enactment” includes an order made or direction given under an enactment.
- (5) Without prejudice to the preceding provisions of this paragraph—
- (a) any remuneration payable by the debtor to a person in respect of a period—
 - (i) of holiday, or
 - (ii) of absence from work through sickness or other good cause,

Status: This is the original version (as it was originally enacted).

is deemed to be wages, or as the case may be salary, in respect of services rendered to the debtor in that period, and

- (b) references in this paragraph to remuneration in respect of a period of holiday include references to any sums which, if they had been paid, would have been treated for the purposes of the enactments relating to social services as earnings in respect of that period.

Meaning of “prescribed”

- 11 In paragraphs 2 and 3, “prescribed” means prescribed by regulations made by the Secretary of State.

Meaning of “scheme manager”

- 12 In paragraph 5, “the scheme manager” has the meaning given in section 212(1) of the Financial Services and Markets Act 2000.

Meaning of “eligible deposit”

- 13 (1) In paragraphs 6 to 8, “eligible deposit” means a deposit in respect of which the person, or any of the persons, to whom it is owed would be eligible for compensation under the Financial Services Compensation Scheme.
- (2) For the purposes of those paragraphs and of this paragraph, a “deposit” means rights of the kind described in paragraph 22 of schedule 2 of the Financial Services and Markets Act 2000 (deposits).
- (3) In paragraphs 7 and 8, “eligible person” means—
 - (a) an individual, or
 - (b) a micro-enterprise, a small enterprise or a medium-sized enterprise, each of those terms having the meaning given in Article 2.1(107) of the Directive 2014/59/EU of 15th May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.
- (4) In paragraph 8—
 - (a) “credit institution” has the meaning given in Article 4.1(1) of the capital requirements regulation,
 - (b) “EEA branch” means a branch, as defined in Article 4.1(17) of the capital requirements regulation, which is established in an EEA state, and
 - (c) “non-EEA branch” means a branch, as so defined, which is established in a country which is not an EEA state.
- (5) In sub-paragraph (4)(a) and (b), “the capital requirements regulation” means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) NO. 648/2012.

Transitional provisions

- 14 Regulations under paragraph 2 or 3 may contain such transitional provisions as may appear to the Secretary of State necessary or expedient.