
STATUTORY INSTRUMENTS

1990 No. 1504

The Companies (No. 2) (Northern Ireland) Order 1990

PART V

FINANCIAL MARKETS AND INSOLVENCY

Recognised investment exchanges and clearing houses

Proceedings of exchange or clearing house take precedence over insolvency procedures

82.—(1) None of the following shall be regarded as to any extent invalid at law on the ground of inconsistency with the law relating to the distribution of the assets of a person on bankruptcy or winding up or in the administration of an insolvent estate—

- (a) a market contract,
- (b) the default rules of a recognised investment exchange or recognised clearing house,
- (c) the rules of a recognised investment exchange or recognised clearing house as to the settlement of market contracts not dealt with under its default rules.

(2) The powers of a relevant office-holder in his capacity as such, and the powers of the court under the Insolvency Order shall not be exercised in such a way as to prevent or interfere with—

- (a) the settlement in accordance with the rules of a recognised investment exchange or recognised clearing house of a market contract not dealt with under its default rules, or
- (b) any action taken under the default rules of such an exchange or clearing house.

This does not prevent a relevant office-holder from afterwards seeking to recover any amount under Article 86(3) or 87(3) or prevent the court from afterwards making any such order as is mentioned in Article 88(1) (but subject to paragraphs (2) and (3) of that Article).

(3) Nothing in the following provisions of this Part shall be construed as affecting the generality of the above provisions.

(4) A debt or other liability arising out of a market contract which is the subject of default proceedings may not be proved in a winding up or bankruptcy until the completion of the default proceedings.

A debt or other liability which by virtue of this paragraph may not be proved shall not be taken into account for the purposes of any set-off until the completion of the default proceedings.

(5) For the purposes of paragraph (4) the default proceedings shall be taken to be completed in relation to a person when a report is made under Article 85 stating the sum (if any) certified to be due to or from him.