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DRAFT STATUTORY INSTRUMENTS

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**2014 No.**

**The Banks and Building Societies (Depositor  
Preference and Priorities) Order 2014**

**PART 2**

**Amendments of Insolvency Act 1986**

**Decisions of meetings**

- 4.**—(1) Section 4 of the Insolvency Act 1986 (decisions of meetings)(**1**) is amended as follows.
- (2) In subsection (4)—
- (a) omit the “or” at the end of paragraph (a);
  - (b) after paragraph (a) insert—
    - “(aa) any ordinary preferential debt of the company is to be paid otherwise than in priority to any secondary preferential debts that it may have,”;
  - (c) in paragraph (b)—
    - (i) for “a preferential debt”, substitute “an ordinary preferential debt”, and
    - (ii) for “another”, substitute “another ordinary”;
  - (d) at the end of paragraph (b), insert—
    - “or
    - (c) a preferential creditor of the company is to be paid an amount in respect of a secondary preferential debt that bears to that debt a smaller proportion than is borne to another secondary preferential debt by the amount that is to be paid in respect of that other debt.”.
- (3) In subsection (7), after “preferential debts” insert “, ordinary preferential debts, secondary preferential debts”.

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(1) Section 4 was amended by the Insolvency Act 2000 (c.39), Schedule 2, paragraphs 1 and 4.