
DRAFT STATUTORY INSTRUMENTS

2014 No.

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

PART 2

Amendments of Insolvency Act 1986

Decisions of creditors' meetings and preferential debts

6.—(1) Section 258 of the Insolvency Act 1986 (decisions of creditors' meeting)(**1**) is amended as follows.

(2) In subsection (5)—

(a) omit the “or” at the end of paragraph (a);

(b) after paragraph (a) insert—

“(aa) any ordinary preferential debt of the debtor is to be paid otherwise than in priority to any secondary preferential debts that the debtor 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 debtor 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), for “has” substitute “, “ordinary preferential debt” and “secondary preferential debt” each has”.

(1) Section 258 was amended by the Insolvency Act 2000 (c.39), Schedule 3, paras 1 and 9.