



Companies Act 1985

1985 CHAPTER 6

PART XVIII

FLOATING CHARGES AND RECEIVERS (SCOTLAND)

CHAPTER I

FLOATING CHARGES

463 Effect of floating charge on winding up.

- (1) [^{F1}Where a company goes into liquidation within the meaning of section 247(2) of the Insolvency Act 1986,] a floating charge created by the company attaches to the property then comprised in the company's property and undertaking or, as the case may be, in part of that property and undertaking, but does so subject to the rights of any person who—
 - (a) has effectually executed diligence on the property or any part of it; or
 - (b) holds a fixed security over the property or any part of it ranking in priority to the floating charge; or
 - (c) holds over the property or any part of it another floating charge so ranking.
- (2) The provisions of [^{F2}Part IV of the Insolvency Act (except section 185)] have effect in relation to a floating charge, subject to subsection (1), as if the charge were a fixed security over the property to which it has attached in respect of the principal of the debt or obligation to which it relates and any interest due or to become due thereon.
- [^{F3}(3) Nothing in this section derogates from the provisions of sections 53(7) and 54(6) of the Insolvency Act (attachment of floating charge on appointment of receiver), or prejudices the operation of sections 175 and 176 of that Act (payment of preferential debts in winding up)].
- (4) [^{F4}... interest accrues, in respect of a floating charge which after 16th November 1972 attaches to the property of the company, until payment of the sum due under the charge is made.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Section 463. (See end of Document for details)

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Textual Amendments

- F1** Words substituted (3.7.1995) by [Companies Act 1989 \(c. 40, SIF 27\)](#), **ss. 140(1)**, 213(2); S.I. 1995/1352, **art. 3(a)** (with transitional provisions and savings in art. 4)
- F2** Words substituted by [Insolvency Act 1986 \(c. 45, SIF 66\)](#), s. 439(1), **Sch. 13 Pt. I**
- F3** S. 463(3) substituted by [Insolvency Act 1986 \(c. 45, SIF 66\)](#), s. 439(1), **Sch. 13 Pt. I**
- F4** Words repealed by [Insolvency Act 1986 \(c. 45, SIF 66\)](#), s. 438, **Sch. 12**
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Modifications etc. (not altering text)

- C1** S. 463 applied (with modifications) (6.4.2001) by [S.S.I. 2001/128](#), reg. 3, **Sch. 1**

Changes to legislation:

There are currently no known outstanding effects for the Companies Act 1985, Section 463.