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SCHEDULES

SCHEDULE 6

Section 386.

THE CATEGORIES OF PREFERENTIAL DEBTS

Modifications etc. (not altering text)

- C1** Sch. 6 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by [Banking Act 2009 \(c. 1\)](#), [ss. 103](#), 263(1)(2) (with s. 247); S.I. 2009/296, [arts. 2](#), 3, [Sch. para. 2](#)
- C2** Sch. 6 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by [Banking Act 2009 \(c. 1\)](#), [ss. 145](#), 263(1)(2) (with s. 247); S.I. 2009/296, [arts. 2](#), 3, [Sch. para. 3](#)

Category 1: Debts due to Inland Revenue

- 1 Sums due at the relevant date from the debtor on account of deductions of income tax from emoluments paid during the period of 12 months next before that date.

The deductions here referred to are those which the debtor was liable to make under section [^{F1}203 of the Income and Corporation Taxes Act 1988] (pay as you earn), less the amount of the repayments of income tax which the debtor was liable to make during that period.

Textual Amendments

- F1** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, [Sch. 29 para. 32](#), [Sch. 30 para. 6\(1\)](#)

- 2 Sums due to the relevant date from the debtor in respect of such deductions as are required to be made by the debtor for that period under section [^{F2}559 of the Income and Corporation Taxes Act 1988] (sub-contractors in the construction industry).

Textual Amendments

- F2** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, [Sch. 29 para. 32](#), [Sch. 30 para. 6\(1\)](#)

Category 2: Debts due to Customs and Excise

- 3 Any value added tax which is referable to the period of 6 months next before the relevant date (which period is referred to below as “the 6-month period”).

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For the purposes of this paragraph—

- (a) where the whole of the prescribed accounting period to which any value added tax is attributable falls within the 6-month period, the whole amount of that tax is referable to that period; and
- (b) in any other case the amount of any value added tax which is referable to the 6-month period is the proportion of the tax which is equal to such proportion (if any) of the accounting reference period in question as falls within the 6-month period;

and in sub-paragraph (a) “prescribed” means prescribed by regulations under the ^{M1}Value Added Tax Act [^{F3}1994].

Textual Amendments

F3 Words in Sch. 6 para. 3 substituted (1.9.1994) by 1994 c. 23, ss. 100(1), 101(1), **Sch. 14 para. 8** (with **Sch. 13 para. 9**)

Marginal Citations

M1 1983 c. 55.

[^{F4}3A Any insurance premium tax which is referable to the period of 6 months next before the relevant date (which period is referred to below as “the 6-month period”).

For the purposes of this paragraph—

- (a) where the whole of the accounting period to which any insurance premium tax is attributable falls within the 6-month period, the whole amount of that tax is referable to that period; and
- (b) in any other case the amount of any insurance premium tax which is referable to the 6-month period is the proportion of the tax which is equal to such proportion (if any) of the accounting period in question as falls within the 6-month period;

and references here to accounting periods shall be construed in accordance with Part III of the Finance Act 1994.]

Textual Amendments

F4 Sch. 6 para. 3A inserted (3.5.1994) by 1994 c. 9, s. 64, **Sch. 7 Pt. III para. 7(2)**

[^{F5}3B Any landfill tax which is referable to the period of 6 months next before the relevant date (which period is referred to below as “the 6-month period”).

For the purposes of this paragraph—

- (a) where the whole of the accounting period to which any landfill tax is attributable falls within the 6-month period, the whole amount of that tax is referable to that period; and
- (b) in any other case the amount of any landfill tax which is referable to the 6-month period is the proportion of the tax which is equal to such proportion

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(if any) of the accounting period in question as falls within the 6-month period;
and references here to accounting periods shall be construed in accordance with Part III of the Finance Act 1996.]

Textual Amendments

F5 Sch. 6 para. 3B inserted (29.4.1996) by 1996 c. 8, s. 60, Sch. 5 Pt. III para. 12(1)

VALID FROM 28/07/2000

[^{F6}3C Any climate change levy which is referable to the period of 6 months next before the relevant date (which period is referred to below as “the 6-month period”).

For the purposes of this paragraph—

(a) where the whole of the accounting period to which any climate change levy is attributable falls within the 6-month period, the whole amount of that levy is referable to that period; and

(b) in any other case the amount of any climate change levy which is referable to the 6-month period is the proportion of the levy which is equal to such proportion (if any) of the accounting period in question as falls within the 6-month period;

and references here to accounting periods shall be construed in accordance with Schedule 6 to the Finance Act 2000.]

Textual Amendments

F6 Sch. 6 para. 3C inserted (28.7.2000) by 2000 c. 17, s. 30, Sch. 7 para. 3(1)(b)(2)

VALID FROM 11/05/2001

[^{F7}3D Any aggregates levy which is referable to the period of 6 months next before the relevant date (which period is referred to below as “the 6-month period”).

For the purposes of this paragraph—

(a) where the whole of the accounting period to which any aggregates levy is attributable falls within the 6-month period, the whole amount of that levy is referable to that period; and

(b) in any other case the amount of any aggregates levy which is referable to the 6-month period is the proportion of the levy which is equal to such proportion (if any) of the accounting period in question as falls within the 6-month period;

and references here to accounting periods shall be construed in accordance with Part 2 of the Finance Act 2001.]

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Textual Amendments

F7 Sch. 6 para. 3D inserted (11.5.2001) by 2001 c. 9, s. 27, **Sch. 5 para. 17(b)(2)**

4 The amount of any car tax which is due at the relevant date from the debtor and which became due within a period of 12 months next before that date.

5 Any amount which is due—

(a) by way of general betting duty [^{F8}, bingo duty or gaming duty], or

(b) under section 12(1) of the ^{M2}Betting and Gaming Duties Act 1981 (general betting duty and pool betting duty recoverable from agent collecting stakes), ^{F9} . . .

^{F9}(c)

from the debtor at the relevant date and which became due within the period of 12 months next before that date.

Textual Amendments

F8 Words in Sch. 6 para. 5(a) substituted (19.3.1997) by 1997 c. 16, ss. 13(2), 15, **Sch. 2 Pt. II para. 6**

F9 Sch. 6 para. 5(c) and word preceding it repealed (19.3.1997 but without application in relation to any amount due in respect of duty chargeable for a period beginning before 1.10.1997) by 1997 c. 16, s. 113, **Sch. 18 Pt. II** Notes 1, 2

Marginal Citations

M2 1981 c. 63.

VALID FROM 15/09/2003

[^{F10}[
^{F11}5A The amount of any excise duty on beer which is due at the relevant date from the debtor and which became due within a period of 6 months next before that date.]]

Textual Amendments

F10 Sch. 6 para. 5A ceased to have effect (15.9.2003) and repealed (prosp.) by 2002 c. 40, ss. 251(1)(b), 278, 279, **Sch. 26** (with s. 249(6)); S.I. 2003/2093, **art. 2(1)**, **Sch. 1** (subject to arts. 3-8 (as amended by S.I. 2003/2332, art. 2))

F11 Sch. 6 para. 5A inserted (1.6.1993) by **Finance Act 1991** (c. 31), s. 7, **Sch. 2 para. 22**; S.I. 1993/1152, art. 3, **Sch. 1 Pt. II**

[^{F12}5B Any amount which is due by way of lottery duty from the debtor at the relevant date and which became due within the period of 12 months next before that date.]

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Textual Amendments

F12 Sch. 6 para. 5B inserted (1.12.1993) by 1993 c. 34, ss. 36(2), 40(2)(3); S.I. 1993/2842, art. 3(1)

[^{F13}5C Any amount which is due by way of air passenger duty from the debtor at the relevant date and which became due within the period of six months next before that date.]

Textual Amendments

F13 Sch. 6 para. 5C inserted (3.5.1994 with application to any carriage of a passenger on an aircraft which begins after 31.10.1994) by 1994 c. 9, ss. 40(2), 44, Sch. 6 para. 13(1)

Category 3: Social security contributions

6 All sums which on the relevant date are due from the debtor on account of Class 1 or Class 2 contributions under the [^{F14}Social Security Contributions and Benefits Act 1992] or the ^{M3} Social Security (Northern Ireland) Act 1975 and which became due from the debtor in the 12 months next before the relevant date.

Textual Amendments

F14 Words in Sch. 6 para. 6 substituted (1.7.1992) by Social Security (Consequential Provisions) Act 1992 (c. 6), ss. 4, 7(2), Sch. 2 para.73

Marginal Citations

M3 1975 c. 15

7 All sums which on the relevant date have been assessed on and are due from the debtor on account of Class 4 contributions under either of those Acts of 1975, being sums which—

- (a) are due to the Commissioners of Inland Revenue (rather than to the Secretary of State or a Northern Ireland department), and
- (b) are assessed on the debtor up to 5th April next before the relevant date, but not exceeding, in the whole, any one year's assessment.

Category 4: Contributions to occupational pension schemes, etc.

8 Any sum which is owed by the debtor and is a sum to which [^{F15}Schedule 4 to the Pension Schemes Act 1993]applies (contributions to occupational pension schemes and state scheme premiums).

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Textual Amendments

F15 Words in Sch. 6 para. 8 substituted (7.2.1994) by 1993 c. 48, s. 190, **Sch. 8 para.18** (with s. 6(8)); S.I. 1994/86, **art. 2**

Category 5: Remuneration, etc., of employees

- 9 So much of any amount which—
- (a) is owed by the debtor to a person who is or has been an employee of the debtor, and
 - (b) is payable by way of remuneration in respect of the whole or any part of the period of 4 months next before the relevant date,
- as does not exceed so much as may be prescribed by order made by the Secretary of State.
- 10 An amount owed by way of accrued holiday remuneration, in respect of any period of employment before the relevant date, to a person whose employment by the debtor has been terminated, whether before, on or after that date.
- 11 So much of any sum owed in respect of money advanced for the purpose as has been applied for the payment of a debt which, if it had not been paid, would have been a debt falling within paragraph 9 or 10.
- 12 So much of any amount which—
- (a) is ordered (whether before or after the relevant date) to be paid by the debtor under the ^{M4}Reserve Forces (Safeguard of Employment) Act 1985, and
 - (b) is so ordered in respect of a default made by the debtor before that date in the discharge of his obligations under that Act,
- as does not exceed such amount as may be prescribed by order made by the Secretary of State.

Marginal Citations

M4 1985 c. 17.

Interpretation for Category 5

- 13 (1) For the purposes of paragraphs 9 to 12, 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 the following sub-paragraph and is payable by the debtor in respect of that period.
- [^{F16}(2) An amount falls within this sub-paragraph if it is—
- (a) a guarantee payment under Part III of the Employment Rights Act 1996 (employee without work to do);
 - (b) any payment for time off under section 53 (time off to look for work or arrange training) or section 56 (time off for ante-natal care) of that Act or

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- under section 169 of the Trade Union and Labour Relations (Consolidation) Act 1992 (time off for carrying out trade union duties etc.);
- (c) remuneration on suspension on medical grounds, or on maternity grounds, under Part VII of the Employment Rights Act 1996; or
 - (d) remuneration under a protective award under section 189 of the Trade Union and Labour Relations (Consolidation) Act 1992 (redundancy dismissal with compensation).]

Textual Amendments

F16 Sch. 6 para. 13(2) substituted (22.8.1996) by 1996 c. 18, ss. 240, 243, **Sch. 1 para. 29** (with ss. 191-195, 202)

- 14 (1) This paragraph relates to a case in which a person's employment has been terminated by or in consequence of his employer going into liquidation or being adjudged bankrupt or (his employer being a company not in liquidation) by or in consequence of—
- (a) a receiver being appointed as mentioned in section 40 of this Act (debenture-holders secured by floating charge), or
 - (b) the appointment of a receiver under section 53(6) or 54(5) of this Act (Scottish company with property subject to floating charge), or
 - (c) the taking of possession by debenture-holders (so secured), as mentioned in section 196 of the Companies Act.
- (2) For the purposes of paragraphs 9 to 12, holiday remuneration is deemed to have accrued to that person in respect of any period of employment if, by virtue of his contract of employment or of any enactment that remuneration would have accrued in respect of that period if his employment had continued until he became entitled to be allowed the holiday.
- (3) The reference in sub-paragraph (2) to any enactment includes an order or direction made under an enactment.
- 15 Without prejudice to paragraphs 13 and 14—
- (a) any remuneration payable by the debtor to a person in respect of a period of holiday or of absence from work through sickness or other good cause 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 here and in those paragraphs to remuneration in respect of a period of holiday include any sums which, if they had been paid, would have been treated for the purposes of the enactments relating to social security as earnings in respect of that period.

^{F17}Category 6: Levies on coal and steel production

Textual Amendments

F17 Sch. 6 para. 15A inserted by S.I. 1987/2093, **reg. 2(1)(3)**

- 15A Any sums due at the relevant date from the debtor in respect of—

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- (a) the levies on the production of coal and steel referred to in Articles 49 and 50 of the E.C.S.C. Treaty, or
- (b) any surcharge for delay provided for in Article 50(3) of that Treaty and Article 6 of Decision 3/52 of the High Authority of the Coal and Steel Community.]

Orders

- 16 An order under paragraph 9 or 12—
- (a) may contain such transitional provisions as may appear to the Secretary of State necessary or expedient;
 - (b) shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

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