



# Companies Act 1989

## 1989 CHAPTER 40

### PART VII

#### FINANCIAL MARKETS AND INSOLVENCY

##### Modifications etc. (not altering text)

- C1** Pt. VII (ss. 154-191): functions of the Secretary of State transferred (7.6.1992) to the Treasury by [S.I. 1992/1315](#), [art. 2\(1\)\(c\)](#) (with [art. 6](#))  
Pt. VII (ss. 154-191) applied (E.W.S.) (15.8.1995) by [S.I. 1995/2049](#), [reg.3](#); and applied (with modifications) (E.W.S.) (15.8.1995) by [S.I. 1995/2049](#), [regs.3,4,5,19, 26](#); and applied (with modifications) (15.7.1996) by [S.I. 1996/1469](#), [regs.3, 4, 5](#)
- C2** Pt. VII: power to apply conferred (1.12.2001) by [2000 c. 8, s. 301\(1\)\(a\)](#); [S.I. 2001/3538](#), [art. 2\(1\)](#)

##### *Introduction*

#### **154 Introduction.**

This Part has effect for the purposes of safeguarding the operation of certain financial markets by provisions with respect to—

- (a) the insolvency, winding up or default of a person party to transactions in the market (sections 155 to 172),
- (b) the effectiveness or enforcement of certain charges given to secure obligations in connection with such transactions (sections 173 to 176), and
- (c) rights and remedies in relation to certain property provided as cover for margin in relation to such transactions or subject to such a charge (sections 177 to 181).

##### Commencement Information

- II** [S. 154](#) wholly in force at 25.4.1991 see [s. 215](#) and [S.I. 1991/878](#), [art. 2](#), [Sch.](#)

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

### *Recognised investment exchanges and clearing houses*

#### **155 Market contracts.**

- (1) This Part applies to the following descriptions of contract connected with a recognised investment exchange or recognised clearing house.

The contracts are referred to in this Part as “market contracts”.

- [<sup>F1</sup>(2) Except as provided in subsection (2A), in relation to a recognised investment exchange this Part applies to—

- (a) contracts entered into by a member or designated non-member of the exchange which are either
- (i) contracts made on the exchange or on an exchange to whose undertaking the exchange has succeeded whether by amalgamation, merger or otherwise; or
  - (ii) contracts in the making of which the member or designated non-member was subject to the rules of the exchange or of an exchange to whose undertaking the exchange has succeeded whether by amalgamation, merger or otherwise; and
- (b) contracts subject to the rules of the exchange entered into by the exchange for the purposes of or in connection with the provision of clearing services.

A “designated non-member” means a person in respect of whom action may be taken under the default rules of the exchange but who is not a member of the exchange.

- (2A) This Part does not apply to contracts falling within paragraph (a) of subsection (2) above where the exchange in question is a recognised overseas investment exchange.]
- (3) In relation to a recognised clearing house, this Part applies to contracts subject to the rules of the clearing house entered into by the clearing house for the purposes of or in connection with the provision of clearing services for a recognised investment exchange.
- (4) The Secretary of State may by regulations make further provision as to the contracts to be treated as “market contracts”, for the purposes of this Part, in relation to a recognised investment exchange or recognised clearing house.
- (5) The regulations may add to, amend or repeal the provisions of subsections (2) and (3) above.

#### **Textual Amendments**

**F1** S. 155(2)(2A) substituted for s. 155(2) by S.I. 1991/880, reg.3

#### **Commencement Information**

**I2** S. 155 wholly in force at 25.4.1991. See s. 215 and S.I. 1991/488, art. 2(2); 1991/878, art. 2, Sch.

#### **156 Additional requirements for recognition: default rules, &c.**

- (1) The <sup>M1</sup>Financial Services Act 1986 shall have effect as if the requirements set out in Schedule 21 to this Act (the “additional requirements”) were among those specified in that Act for recognition of an investment exchange or clearing house.

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- (2) In particular, that Act shall have effect—
- (a) as if the requirements set out in Part I of that Schedule were among those specified in Schedule 4 to that Act (requirements for recognition of UK investment exchange),
  - (b) as if the requirements set out in Part II of that Schedule were among those specified in section 39(4) of that Act (requirements for recognition of UK clearing house), and
  - (c) as if the requirement set out in Part III of that Schedule was among those specified in section 40(2) of that Act (requirements for recognition of overseas investment exchange or clearing house).
- (3) The additional requirements do not affect the status of an investment exchange or clearing house recognised before the commencement of this section, but if the Secretary of State is of the opinion that any of those requirements is not met in the case of such a body, he shall within one month of commencement give notice to the body stating his opinion.
- (4) Where the Secretary of State gives such a notice, he shall not—
- (a) take action to revoke the recognition of such a body on the ground that any of the additional requirements is not met, unless he considers it essential to do so in the interests of investors, or
  - (b) apply on any such ground for a compliance order under section 12 of the Financial Services Act 1986,
- until after the end of the period of six months beginning with the date on which the notice was given.
- (5) The Secretary of State may extend, or further extend, that period if he considers there is good reason to do so.

**Commencement Information**

**I3** S. 156 wholly in force at 25.4.1991 see s. 215(2) and S.I. 1991/488, art. 2(2); 1991/878, art. 2, Sch.

**Marginal Citations**

**M1** 1986 c. 60.

157

- (1) A recognised UK investment exchange or recognised UK clearing house shall give the Secretary of State at least 14 days' notice of any proposal to amend, revoke or add to its default rules; and the Secretary of State may within 14 days from receipt of the notice direct the exchange or clearing house not to proceed with the proposal, in whole or in part.
- (2) A direction under this section may be varied or revoked.
- (3) Any amendment or revocation of, or addition to, the default rules of an exchange or clearing house in breach of a direction under this section is ineffective.

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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

#### Commencement Information

- I4** S. 157 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch. (subject to savings in art. 3(1))

### 158 Modifications of the law of insolvency.

- (1) The general law of insolvency has effect in relation to market contracts, and action taken under the rules of a recognised investment exchange or recognised clearing house with respect to such contracts, subject to the provisions of sections 159 to 165.
- (2) So far as those provisions relate to insolvency proceedings in respect of a person other than a defaulter, they apply in relation to—
  - (a) proceedings in respect of a member or designated non-member of a recognised investment exchange or a member of a recognised clearing house, and
  - (b) proceedings in respect of a party to a market contract begun after a recognised investment exchange or recognised clearing house has taken action under its default rules in relation to a person party to the contract as principal,
 but not in relation to any other insolvency proceedings, notwithstanding that rights or liabilities arising from market contracts fall to be dealt with in the proceedings.
- (3) The reference in subsection (2)(b) to the beginning of insolvency proceedings is to—
  - (a) the presentation of a bankruptcy petition or a petition for sequestration of a person's estate, or
  - (b) the presentation of a petition for an administration order or a winding-up petition or the passing of a resolution for voluntary winding up, or
  - (c) the appointment of an administrative receiver.
- (4) The Secretary of State may make further provision by regulations modifying the law of insolvency in relation to the matters mentioned in subsection (1).
- (5) The regulations may add to, amend or repeal the provisions mentioned in subsection (1), and any other provision of this Part as it applies for the purposes of those provisions, or provide that those provisions have effect subject to such additions, exceptions or adaptations as are specified in the regulations.

#### Modifications etc. (not altering text)

- C3** S. 158(4)(5): certain functions made exercisable jointly by the Secretary of State and the Treasury (7.6.1992) by S.I. 1992/1315, art. 4, Sch. 2 para. 7 (with art. 6)

#### Commencement Information

- I5** S. 158 wholly in force; s. 158(4)(5) in force for certain purposes at 25.3.1991 and wholly in force at 25.4.1991 see s. 215(2) and S.I. 1991/488, art. 2(2); 1991/878, art. 2, Sch.

### 159 Proceedings of exchange or clearing house take precedence over insolvency procedures.

- (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

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on bankruptcy, winding up or sequestration, 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 <sup>M2</sup>Insolvency Act 1986 or the <sup>M3</sup>Bankruptcy (Scotland) Act 1985 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 section 163(4) or 164(4) or prevent the court from afterwards making any such order or decree as is mentioned in section 165(1) or (2) (but subject to subsections (3) and (4) of that section).

- (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, or in Scotland claimed in a winding up or sequestration, until the completion of the default proceedings.

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

[<sup>F2</sup>(4A) However, prior to the completion of default proceedings—

- (a) where it appears to the chairman of the meeting of creditors that a sum will be certified under section 162(1) to be payable, subsection (4) shall not prevent any proof or claim including or consisting of an estimate of that sum which has been lodged or, in Scotland, submitted, from being admitted or, in Scotland, accepted, for the purpose only of determining the entitlement of a creditor to vote at a meeting of creditors; and
  - (b) a creditor whose claim or proof has been lodged and admitted or, in Scotland, submitted and accepted, for the purpose of determining the entitlement of a creditor to vote at a meeting of creditors and which has not been subsequently wholly withdrawn, disallowed or rejected, is eligible as a creditor to be a member of a liquidation committee or, in bankruptcy proceedings in England and Wales, a creditors' committee.]
- (5) For the purposes of [<sup>F3</sup>subsections (4) and (4A)] the default proceedings shall be taken to be completed in relation to a person when a report is made under section 162 stating the sum (if any) certified to be due to or from him.

#### Textual Amendments

**F2** S. 159 (4A) inserted by S.I. 1991/880, reg. 4(2)

**F3** Words in s. 159(5) substituted by S.I. 1991/880, reg. 4(3)

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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

### Commencement Information

**I6** S. 159 wholly in force at 25.4.1991 see s. 215(2) and [S.I. 1991/878, art. 2, Sch.](#)

### Marginal Citations

**M2** [1986 c. 45.](#)

**M3** [1985 c. 66.](#)

**160**

(1) It is the duty of—

- (a) any person who has or had control of any assets of a defaulter, and
- (b) any person who has or had control of any documents of or relating to a defaulter,

to give a recognised investment exchange or recognised clearing house such assistance as it may reasonably require for the purposes of its default proceedings.

This applies notwithstanding any duty of that person under the enactments relating to insolvency.

- (2) A person shall not under this section be required to provide any information or produce any document which he would be entitled to refuse to provide or produce on grounds of legal professional privilege in proceedings in the High Court or on grounds of confidentiality as between client and professional legal adviser in proceedings in the Court of Session.
- (3) Where original documents are supplied in pursuance of this section, the exchange or clearing house shall return them forthwith after the completion of the relevant default proceedings, and shall in the meantime allow reasonable access to them to the person by whom they were supplied and to any person who would be entitled to have access to them if they were still in the control of the person by whom they were supplied.
- (4) The expenses of a relevant office-holder in giving assistance under this section are recoverable as part of the expenses incurred by him in the discharge of his duties; and he shall not be required under this section to take any action which involves expenses which cannot be so recovered, unless the exchange or clearing house undertakes to meet them.

There shall be treated as expenses of his such reasonable sums as he may determine in respect of time spent in giving the assistance [<sup>F4</sup>and for the purpose of determining the priority in which his expenses are payable out of the assets, sums in respect of time spent shall be treated as his remuneration and other sums shall be treated as his disbursements or, in Scotland, outlays.]

- (5) The Secretary of State may by regulations make further provision as to the duties of persons to give assistance to a recognised investment exchange or recognised clearing house for the purposes of its default proceedings, and the duties of the exchange or clearing house with respect to information supplied to it.

The regulations may add to, amend or repeal the provisions of subsections (1) to (4) above.

- (6) In this section “document” includes information recorded in any form.

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#### Textual Amendments

**F4** Words in s. 160(4) added by S.I. 1991/880, Pt. III reg. 5

#### Modifications etc. (not altering text)

**C4** S. 160(5): (7.6.1992) certain functions made exercisable jointly by the Secretary of State and the Treasury by S.I. 1992/1315, art. 4, Sch. 2 para.7 (with art. 6).

#### Commencement Information

**I7** S. 160 wholly in force at 1.10.1991; s. 160(5) in force for certain purposes at 25.3.1991 see 215(2) and S.I. 1991/488, art. 2(2), s. 160 in force at 25.4.1991 with specified exceptions see S.I. 1991/878, art. 2, Sch. (subject to savings in art. 3(2)), s. 160 wholly in force at 1.10.1991 see S.I. 1991/2173, art. 2

### 161 Supplementary provisions as to default proceedings.

- (1) If the court is satisfied on an application by a relevant office-holder that a party to a market contract with a defaulter intends to dissipate or apply his assets so as to prevent the office-holder recovering such sums as may become due upon the completion of the default proceedings, the court may grant such interlocutory relief (in Scotland, such interim order) as it thinks fit.
- (2) A liquidator or trustee of a defaulter or, in Scotland, a permanent trustee on the sequestrated estate of the defaulter shall not—
  - (a) declare or pay any dividend to the creditors, or
  - (b) return any capital to contributories,unless he has retained what he reasonably considers to be an adequate reserve in respect of any claims arising as a result of the default proceedings of the exchange or clearing house concerned.
- (3) The court may on an application by a relevant office-holder make such order as it thinks fit altering or dispensing from compliance with such of the duties of his office as are affected by the fact that default proceedings are pending or could be taken, or have been or could have been taken.
- (4) Nothing in section 10(1)(c), 11(3), 126, 128, 130, 185 or 285 of the Insolvency Act <sup>M4</sup> 1986 (which restrict the taking of certain legal proceedings and other steps), and nothing in any rule of law in Scotland to the like effect as the said section 285, in the Bankruptcy (Scotland) Act <sup>M5</sup>1985 or in the Debtors (Scotland) Act <sup>M6</sup> as to the effect of sequestration, shall affect any action taken by an exchange or clearing house for the purpose of its default proceedings.

#### Modifications etc. (not altering text)

**C5** S. 161 amended by S.I. 1991/880, reg. 19(1)

#### Commencement Information

**I8** S. 161 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch.

#### Marginal Citations

**M4** 1986 c. 45.

**M5** 1985 c. 66.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

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**M6** 1987 c. 18.

## **162 Duty to report on completion of default proceedings.**

- (1) <sup>F5</sup>Subject to subsection (1A), a recognised investment exchange or recognised clearing house shall, on the completion of proceedings under its default rules, report to the Secretary of State on its proceedings stating in respect of each creditor or debtor the sum certified by them to be payable from or to the defaulter or, as the case may be, the fact that no sum is payable.
- <sup>F6</sup>(1A) A recognised overseas investment exchange or recognised overseas clearing house shall not be subject to the obligation under subsection (1) unless it has been notified by the Secretary of State that a report is required for the purpose of insolvency proceedings in any part of the United Kingdom.
- (2) The exchange or clearing house may make a single report or may make reports from time to time as proceedings are completed with respect to the transactions affecting particular persons.
- (3) The exchange or clearing house shall apply a copy of every report under this section to the defaulter and to any relevant office-holder acting in relation to him or to his estate.
- (4) When a report under this section is received by the Secretary of State, he shall publish notice of that fact in such manner as he thinks appropriate for bringing it to the attention of creditors and debtors of the defaulter.
- (5) An exchange or clearing house shall make available for inspection by a creditor or debtor of the defaulter so much of any report by it under this section as relates to the sum (if any) certified to be due or from him or to the method by which that sum was determined.
- (6) Any such person may require the exchange or clearing house, on payment of such reasonable fee as the exchange or clearing house may determine, to provide him with a copy of any part of a report which he is entitled to inspect.

### **Textual Amendments**

**F5** Words in s. 162(1) inserted by S.I. 1991/880, **reg. 6(2)**

**F6** S. 162(1A) inserted by S.I. 1991/880, **reg. 6(3)**

### **Modifications etc. (not altering text)**

**C6** S. 162 applied (with modifications) (E.W.S.) (11.12.1999) by S.I. 1999/2979, **reg. 15(1)**

### **Commencement Information**

**I9** S. 162 wholly in force at 1.10.1991; s. 162 in force for certain purposes at 25.4.1991 see s. 215 and S.I. 1991/878, **art. 2, Sch.** and wholly in force at 1.10.1991 see s. 215 and S.I. 1991/2173, **art. 2**

## **163 Net sum payable on completion of default proceedings.**

- (1) The following provisions apply with respect to the net sum certified by a recognised investment exchange or recognised clearing house, upon proceedings under its default rules being duly completed in accordance with this Part, to be payable by or to a defaulter.



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- (2) If, in England and Wales, a bankruptcy or winding-up order has been made, or a resolution for voluntary winding-up has been passed, the debt—
- is provable in the bankruptcy or winding up or, as the case may be, is payable to the relevant office-holder, and
  - shall be taken into account, where appropriate, under section 323 of the Insolvency Act <sup>M7</sup>1986 (mutual dealings and set-off) or the corresponding provision applicable in the case of winding up,
- in the same way as a debt before the commencement of the bankruptcy, the date on which the body corporate goes into liquidation (within the meaning of section 247 of the Insolvency Act 1986) or, in the case of a partnership, the date of the winding-up order.
- (3) If, in Scotland, an award of sequestration or a winding-up order has been made, or a resolution for voluntary winding up has been passed, the debt—
- may be claimed in the sequestration or winding up or, as the case may be, is payable to the relevant office-holder, and
  - shall be taken into account for the purposes of any rule of law relating to set-off applicable in sequestration or winding up,
- in the same way as a debt due before the date of sequestration (within the meaning of section 73(1) of the Bankruptcy (Scotland) Act <sup>M8</sup>1985) or the commencement of the winding up (within the meaning of section 129 of the Insolvency Act 1986).
- (4) However, where (or to the extent that) a sum is taken into account by virtue of subsection (2)(b) or (3)(b) which arises from a contract entered into at a time when the creditor had notice—
- that a bankruptcy petition or, in Scotland, a petition for sequestration was pending, or
  - that a meeting of creditors had been summoned under section 98 of the Insolvency Act <sup>M9</sup>1986 or that a winding-up petition was pending,
- the value of any profit to him arising from the sum being so taken into account (or being so taken into account to that extent) is recoverable from him by the relevant office-holder unless the court directs otherwise.
- (5) Subsection (4) does not apply in relation to a sum arising from a contract effected under the default rules of a recognised investment exchange or recognised clearing house.
- (6) Any sum recoverable by virtue of subsection (4) ranks for priority, in the event of the insolvency of the person from whom it is due, immediately before preferential or, in Scotland, preferred debts.

#### **Modifications etc. (not altering text)**

- C7** S. 163 amended by [S.I. 1991/880, reg. 19\(1\)](#)  
S. 163 applied (with modifications) (11.12.1999) by [S.I. 1999/2979, reg. 15\(1\)](#)
- C8** S. 163(4)-(6) excluded in part (11.12.1999) by [S.I. 1999/2979, reg. 21\(2\)\(a\)](#)

#### **Commencement Information**

- I10** S. 163 wholly in force at 25.4.1991 see s. 215 and [S.I. 1991/878, art. 2, Sch.](#)

#### **Marginal Citations**

- M7** [1986 c. 45.](#)

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*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

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**M8** 1985 c. 66.

**M9** 1986 c. 45.

## **164 Disclaimer of property, rescission of contracts, &c.**

(1) Sections 178, 186, 315 and 345 of the Insolvency Act 1986 (power to disclaim onerous property and court's power to order rescission of contracts, &c.) do not apply in relation to—

- (a) a market contract, or
- (b) a contract effected by the exchange or clearing house for the purpose of realising property provided as margin in relation to market contracts.

In the application of this subsection in Scotland, the reference to sections 178, 315 and 345 shall be construed as a reference to any rule of law having the like effect as those sections.

(2) In Scotland, a permanent trustee on the sequestrated estate of a defaulter or a liquidator is bound by any market contract to which that defaulter is a party and by any contract as is mentioned in subsection (1)(b) above notwithstanding section 42 of the <sup>M10</sup>Bankruptcy (Scotland) Act 1985 or any rule of law to the like effect applying in liquidations.

(3) Sections 127 and 284 of the Insolvency Act 1986 (avoidance of property dispositions effected after commencement of winding up or presentation of bankruptcy petition), and section 32(8) of the Bankruptcy (Scotland) Act 1985 (effect of dealing with debtor relating to estate vested in permanent trustee), do not apply to—

- (a) a market contract, or any disposition of property in pursuance of such a contract,
- (b) the provision of margin in relation to market contracts,
- (c) a contract effected by the exchange or clearing house for the purpose of realising property provided as margin in relation to a market contract, or any disposition of property in pursuance of such a contract, or
- (d) any disposition of property in accordance with the rules of the exchange or clearing house as to the application of property provided as margin.

(4) However, where—

- (a) a market contract is entered into by a person who has notice that a petition has been presented for the winding up or bankruptcy or sequestration of the estate of the other party to the contract, or
- (b) margin in relation to a market contract is accepted by a person who has notice that such a petition has been presented in relation to the person by whom or on whose behalf the margin is provided,

the value of any profit to him arising from the contract or, as the case may be, the amount or value of the margin is recoverable from him by the relevant office-holder unless the court directs otherwise.

(5) Subsection (4)(a) does not apply where the person entering into the contract is a recognised investment exchange or recognised clearing house acting in accordance with its rules, or where the contract is effected under the default rules of such an exchange or clearing house; but subsection (4)(b) applies in relation to the provision of margin in relation to such a contract.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

- (6) Any sum recoverable by virtue of subsection (4) ranks for priority, in the event of the insolvency of the person from whom it is due, immediately before preferential or, in Scotland, preferred debts.

**Modifications etc. (not altering text)**

**C9** S. 164 amended by S.I. 1991/880, reg. 19(1)

**C10** S. 164(4)-(6) excluded in part (11.12.1999) by S.I. 1999/2979, reg. 21(2)(b)

**Commencement Information**

**I11** S. 164 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch.

**Marginal Citations**

**M10** 1985 c. 66.

**165 Adjustment of prior transactions.**

- (1) No order shall be made in relation to a transaction to which this section applies under—
- section 238 or 339 of the Insolvency Act 1986 (transactions at an under-value),
  - section 239 or 340 of that Act (preferences), or
  - section 423 of that Act (transactions defrauding creditors).
- (2) As respects Scotland, no decree shall be granted in relation to any such transaction—
- under section 34 or 36 of the <sup>M11</sup>Bankruptcy (Scotland) Act 1985 or section 242 or 243 of the Insolvency Act 1986 (gratuitous alienations and unfair preferences), or
  - at common law on grounds of gratuitous alienations or fraudulent preferences.
- (3) This section applies to—
- a market contract to which a recognised investment exchange or recognised clearing house is a party or which is entered into under its default rules, and
  - a disposition of property in pursuance of such a market contract.
- (4) Where margin is provided in relation to a market contract and (by virtue of subsection (3)(a) or otherwise) no such order or decree as is mentioned in subsection (1) or (2) has been, or could be, made in relation to that contract, this section applies to—
- the provision of the margin,
  - any contract effected by the exchange or clearing house in question for the purpose of realising the property provided as margin, and
  - any disposition of property in accordance with the rules of the exchange or clearing house as to the application of property provided as margin.

**Commencement Information**

**I12** S. 165 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch.

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*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

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### Marginal Citations

M11 1985 c. 66.

## 166 Powers of Secretary of State to give directions.

- (1) The powers conferred by this section are exercisable in relation to a recognised UK investment exchange or recognised UK clearing house.
- (2) Where in any case an exchange or clearing house has not taken action under its default rules—
  - (a) if it appears to the Secretary of State that it could take action, he may direct it to do so, and
  - (b) if it appears to the Secretary of State that it is proposing to take or may take action, he may direct it not to do so.
- (3) Before giving such a direction the Secretary of State shall consult the exchange or clearing house in question; and he shall not give a direction unless he is satisfied, in the light of that consultation—
  - (a) in the case of a direction to take action, that failure to take action would involve undue risk to investors or other participants in the market, or
  - (b) in the case of a direction not to take action, that the taking of action would be premature or otherwise undesirable in the interests of investors or other participants in the market.
- (4) A direction shall specify the grounds on which it is given.
- (5) A direction not to take action may be expressed to have effect until the giving of a further direction (which may be a direction to take action or simply revoking the earlier direction).
- (6) No direction shall be given not to take action if, in relation to the person in question—
  - (a) a bankruptcy order or an award of sequestration of his estate has been made, or an interim receiver or interim trustee has been appointed, or
  - (b) a winding up order has been made, a resolution for voluntary winding up has been passed or an administrator, administrative receiver or provisional liquidator has been appointed;
 and any previous direction not to take action shall cease to have effect on the making or passing of any such order, award or appointment.
- (7) Where an exchange or clearing house has taken or been directed to take action under its default rules, the Secretary of State may direct it to do or not to do such things (being things which it has power to do under its default rules) as are specified in the direction.  
  
The Secretary of State shall not give such a direction unless he is satisfied that it will not impede or frustrate the proper and efficient conduct of the default proceedings.
- (8) A direction under this section is enforceable, on the application of the Secretary of State, by injunction or, in Scotland, by an order under section 45 of the <sup>M12</sup>Court of Session Act 1988; and where an exchange or clearing house has not complied with a direction, the court may make such order as it thinks fit for restoring the position to what it would have been if the direction had been complied with.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

#### Commencement Information

**I13** S. 166 wholly in force at 1.10.1991; s. 166 in force for certain purposes at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch. (subject to savings in art. 3(2)) and wholly in force at 1.10.1991 see S.I. 1991/2173, art. 2.

#### Marginal Citations

**M12** 1988 c. 36.

### 167 Application to determine whether default proceedings to be taken.

- (1) Where there has been made or passed in relation to a member or designated non-member of a recognised investment exchange or a member of a recognised clearing house—
  - (a) a bankruptcy order or an award of sequestration of his estate, or an order appointing an interim receiver of his property, or
  - (b) an administration or winding up order, a resolution for voluntary winding up or an order appointing a provisional liquidator,and the exchange or clearing house has not taken action under its default rules in consequence of the order, award or resolution or the matters giving rise to it, a relevant office-holder appointed by, or in consequence of or in connection with, the order, award or resolution may apply to the Secretary of State.
- (2) The application shall specify the exchange or clearing house concerned and the grounds on which it is made.
- (3) On receipt of the application the Secretary of State shall notify the exchange or clearing house, and unless within three business days after the day on which the notice is received the exchange or clearing house—
  - (a) takes action under its default rules, or
  - (b) notifies the Secretary of State that it proposes to do so forthwith,then, subject as follows, the provisions of sections 158 to 165 above do not apply in relation to market contracts to which the member or designated non-member in question is a party or to anything done by the exchange or clearing house for the purposes of, or in connection with, the settlement of any such contract.

For this purpose a “business day” means any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in any part of the United Kingdom under the <sup>M13</sup>Banking and Financial Dealings Act 1971.
- (4) The provisions of sections 158 to 165 are not disapplied if before the end of the period mentioned in subsection (3) the Secretary of State gives the exchange or clearing house a direction under section 166(2)(a) (direction to take action under default rules).

No such direction may be given after the end of that period.

- (5) If the exchange or clearing house notifies the Secretary of State that it proposes to take action under its default rules forthwith, it shall do so; and that duty is enforceable, on the application of the Secretary of State, by injunction or, in Scotland, by an order under section 45 of the <sup>M14</sup>Court of Session Act 1988.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

#### Commencement Information

**I14** S. 167 wholly in force at 1.10.1991; s. 167 in force for certain purposes at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch. and wholly in force at 1.10.1991 see S.I. 1991/2173, art. 2

#### Marginal Citations

**M13** 1971 c. 80.

**M14** 1988 c. 36.

### 168 Delegation of functions to designated agency.

- (1) Section 114 of the Financial Services Act 1986 (power to transfer functions to designated agency) applies to the functions of the Secretary of State under this Part in relation to a UK investment exchange or clearing house, with the exception of his functions with respect to the making of orders and regulations.
- (2) If immediately before the commencement of this section—
  - (a) a designated agency is exercising all functions in relation to such bodies which are capable of being transferred under that section, and
  - (b) no draft order is lying before Parliament resuming any of those functions,
 

the order bringing this section into force shall have effect as a delegation order made under that section transferring to that agency all the functions which may be transferred by virtue of this section.
- (3) The Secretary of State may—
  - (a) in the circumstances mentioned in subsection (3), (4) or (5) of section 115 of the <sup>M15</sup>Financial Services Act 1986, or
  - (b) if it appears to him that a designated agency is unable or unwilling to discharge all or any of the functions under this Part which have been transferred to it,
 

make an order under that section resuming all functions under this Part which have been transferred to the agency.

This does not affect his power to make an order under subsection (1) or (2) of that section with respect to such functions.

#### Modifications etc. (not altering text)

**C11** S. 168(3) modified (7.6.1992) by S.I. 1992/1315, art. 6(2) (with art. 6(1))

#### Commencement Information

**I15** S. 168 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch.

#### Marginal Citations

**M15** 1986 c. 60.

### 169 Supplementary provisions.

- (1) Section 61 of the Financial Services Act 1986 (injunctions and restitution orders) applies in relation to a contravention of any provision of the rules of a recognised investment exchange or recognised clearing house relating to the matters mentioned

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in Schedule 21 to this Act as it applies in relation to a contravention of any provision of such rules relating to the carrying on of investment business.

- (2) The following provisions of the Financial Services Act 1986—  
section 12 (compliance orders), as it applies by virtue of section 37(8) or 39(8),  
section 37(7)(b) (revocation of recognition of UK investment exchange), and  
section 39(7)(b) (revocation of recognition of UK clearing house),  
apply in relation to a failure by a recognised investment exchange or recognised clearing house to comply with an obligation under this Part as to a failure to comply with an obligation under that Act.
- (3) Where the recognition of an investment exchange or clearing house is revoked under the Financial Services Act 1986, the Secretary of State may, before or after the revocation order, give such directions as he thinks fit with respect to the continued application of the provisions of this Part, with such exceptions, additions and adaptations as may be specified in the direction, in relation to cases where a relevant event of any description specified in the directions occurred before the revocation order takes effect.
- (4) The references in sections 119 and 121 of the <sup>M16</sup>Financial Services Act 1986 (competition) to what is necessary for the protection of investors shall be construed as including references to what is necessary for the purposes of this Part.
- (5) Section 204 of the Financial Services Act 1986 (service of notices) applies in relation to a notice, direction or other document required or authorised by or under this Part to be given to or served on any person other than the Secretary of State.

**Modifications etc. (not altering text)**

**C12** S. 169(3) applied (with modifications) (E.W.S.) (15.8.1995) by S.I. 1995/2049, reg.28

**Commencement Information**

**I16** S. 169 partly in force: s. 169(1)(2)(3)(5) in force 25.4.1991 see s. 215(2) and S.I. 1991/878, art. 2, Sch.

**Marginal Citations**

**M16** 1986 c. 60.

*Other exchanges and clearing houses*

**170 Certain overseas exchanges and clearing houses.**

- (1) The Secretary of State may by regulations provide that this Part applies in relation to contracts connected with an overseas investment exchange or clearing house which is approved by him in accordance with such procedures as may be specified in the regulations, as satisfying such requirements as may be so specified, as it applies in relation to contracts connected with a recognised investment exchange or clearing house.
- (2) The Secretary of State shall not approve an overseas investment exchange or clearing house unless he is satisfied—
  - (a) that the rules and practices of the body, together with the law of the country in which the body's head office is situated, provide adequate procedures for

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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

- dealing with the default of persons party to contracts connected with the body,  
and
- (b) that it is otherwise appropriate to approve the body.
- (3) The reference in subsection (2)(a) to default is to a person being unable to meet his obligations.
- (4) The regulations may apply in relation to the approval of a body under this section such of the provisions of the Financial Services Act 1986 as the Secretary of State considers appropriate.
- (5) The Secretary of State may make regulations which, in relation to a body which is so approved—
- (a) apply such of the provisions of the Financial Services Act 1986 as the Secretary of State considers appropriate, and
- (b) provide that the provisions of this Part apply with such exceptions, additions and adaptations as appear to the Secretary of State to be necessary or expedient;
- and different provision may be made with respect to different bodies or descriptions of body.
- (6) Where the regulations apply any provisions of the Financial Services Act 1986, they may provide that those provisions apply with such exceptions, additions and adaptations as appear to the Secretary of State to be necessary or expedient.

**Modifications etc. (not altering text)**

**C13** Ss. 170-174: certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by S.I. 1992/1315, art. 4, **Sch. 2 para. 7** (with art. 6).

**Commencement Information**

**I17** S. 170 partly in force; s. 170 not in force at Royal Assent see s. 215(1)(2); s. 170 in force for certain purposes at 25.3.1991 by S.I. 1991/488, **art. 2(2)**.

**171 Certain money market institutions.**

- (1) The Secretary of State may by regulations provide that this Part applies to contracts of any specified description in relation to which settlement arrangements are provided by a person for the time being included in a list maintained by the Bank of England for the purposes of this section, as it applies to contracts connected with a recognised investment exchange or recognised clearing house.
- (2) The Secretary of State shall not make any such regulations unless he is satisfied, having regard to the extent to which the contracts in question—
- (a) involve, or are likely to involve, investments falling within paragraph 2 of Schedule 5 to the Financial Services Act 1986 (money market investments), or
- (b) are otherwise of a kind dealt in by persons supervised by the Bank of England, that it is appropriate that the arrangements should be subject to the supervision of the Bank of England.
- (3) The approval of the Treasury is required for—



*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

- (a) the conditions imposed by the Bank of England for admission to the list maintained by it for the purposes of this section, and
  - (b) the arrangements for a person's admission to and removal from the list;
- and any regulations made under this section shall cease to have effect if the approval of the Treasury is withdrawn, but without prejudice to their having effect again if approval is given for fresh conditions or arrangements.
- (4) The Bank of England shall publish the list as for the time being in force and provide a certified copy of it at the request of any person wishing to refer to it in legal proceedings.
- A certified copy shall be evidence (in Scotland, sufficient evidence) of the contents of the list; and a copy purporting to be certified by or on behalf of the Bank shall be deemed to have been duly certified unless the contrary is shown.
- (5) Regulations under this section may, in relation to a person included in the list—
- (a) apply, with such exceptions, additions and adaptations as appear to the Secretary of State to be necessary or expedient, such of the provisions of the <sup>M17</sup>Financial Services Act 1986 as he considers appropriate, and
  - (b) provide that the provisions of this Part apply with such exceptions, additions and adaptations as appear to the Secretary of State to be necessary or expedient.
- (6) Before making any regulations under this section, the Secretary of State [<sup>F7</sup>and the Treasury shall consult] the Bank of England.
- (7) In section 84(1) of the <sup>M18</sup>Banking Act 1987 (disclosure of information obtained under that Act), in the Table showing the authorities to which, and functions for the purposes of which, disclosure may be made, at the end add—

“A person included in the list maintained by the Bank for the purposes of section 171 of the Companies Act 1989. Functions under settlement arrangements to which regulations under that section relate.”.

#### Textual Amendments

**F7** Words in s. 171(6) substituted (7.6.1992) by S.I. 1992/1315, art. 10(1), Sch. 4 para. 13(a) (with art. 6).

#### Modifications etc. (not altering text)

**C14** Ss. 170-174: certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by S.I. 1992/1315, art. 4, Sch. 2 para.7 (with art. 6).

#### Commencement Information

**I18** S. 171 wholly in force: s. 171 not in force at Royal Assent see s. 215(1)(2); s. 171 in force for certain purposes at 25.3.1991 by S.I. 1991/488, art. 2(2); s. 171 wholly in force at 4.7.1995 by S.I. 1995/1591, art. 2

#### Marginal Citations

**M17** 1986 c. 60.

**M18** 1987 c. 22.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

## 172 Settlement arrangements provided by the Bank of England.

- (1) The Secretary of State may by regulations provide that this Part applies to contracts of any specified description in relation to which settlement arrangements are provided by the Bank of England, as it applies to contracts connected with a recognised investment exchange or recognised clearing house.
- (2) Regulations under this section may provide that the provisions of this Part apply with such exceptions, additions and adaptations as appear to the Secretary of State to be necessary or expedient.
- (3) Before making any regulations under this section, the Secretary of State [<sup>F8</sup>and the Treasury shall consult] the Bank of England.

### Textual Amendments

**F8** Words in s. 172(3) substituted (7.6.1992) by S.I. 1992/1315, art. 10(1), Sch. 4 para. 13(b) (with art. 6).

### Modifications etc. (not altering text)

**C15** Ss. 170-174: certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by S.I. 1992/1315, art. 4, Sch. 2 para.7 (with art. 6).

### Commencement Information

**I19** S. 172 partly in force; s. 172 not in force at Royal Assent see s. 215(1)(2); s. 172 in force for certain purposes at 25.3.1991 by S.I. 1991/488, art. 2(2).

## Market charges

### 173 Market charges.

- (1) In this Part “market charge” means a charge, whether fixed or floating, granted—
  - (a) in favour of a recognised investment exchange, for the purpose of securing debts or liabilities arising in connection with the settlement of market contracts,
  - [<sup>F9</sup>(aa) in favour of The Stock Exchange, for the purpose of securing debts or liabilities arising in connection with short term certificates;]
  - (b) in favour of a recognised clearing house, for the purpose of securing debts or liabilities arising in connection with their ensuring the performance of market contracts, or
  - (c) in favour of a person who agrees to make payments as a result of the transfer [<sup>F10</sup>or allotment] of specified securities made through the medium of a computer-based system established by the Bank of England and The Stock Exchange, for the purpose of securing debts or liabilities of the transferee [<sup>F10</sup>or allottee] arising in connection therewith.
- (2) Where a charge is granted partly for purposes specified in subsection (1)(a), [<sup>F11</sup>(aa),] (b) or (c) and partly for other purposes, it is a “market charge” so far as it has effect for the specified purposes.
- (3) [<sup>F12</sup>In subsection (1)—

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“short term certificate” means an instrument issued by The Stock Exchange undertaking to procure the transfer of property of a value and description specified in the instrument to or to the order of the person to whom the instrument is issued or his endorsee or to a person acting on behalf of either of them and also undertaking to make appropriate payments in cash, in the event that the obligation to procure the transfer of property cannot be discharged in whole or in part;]

“specified securities” means securities for the time being specified in the list in Schedule 1 to the <sup>M19</sup>Stock Transfer Act 1982, and includes any right to such securities; and

“transfer”, in relation to any such securities or right, means a transfer of the beneficial interest.

- (4) The Secretary of State may by regulations make further provision as to the charges granted in favour of any such person as is mentioned in subsection (1)(a), (b) or (c) which are to be treated as “market charges” for the purposes of this Part; and the regulations may add to, amend or repeal the provisions of subsections (1) to (3) above.
- (5) The regulations may provide that a charge shall or shall not be treated as a market charge if or to the extent that it secures obligations of a specified description, is a charge over property of a specified description or contains provisions of a specified description.
- (6) Before making regulations under this section in relation to charges granted in favour of a person within subsection (1)(c), the Secretary of State [<sup>F13</sup>and the Treasury shall consult] the Bank of England.

#### Textual Amendments

- F9** S. 173(1)(aa) inserted by S.I. 1991/880, **reg. 9(a)**  
**F10** Words in s. 173(1)(c) inserted by S.I. 1991/880, **reg. 9(b)**  
**F11** Word in s. 173(2) inserted by S.I. 1991/880, **reg. 9(c)**  
**F12** Words in s. 173(3) substituted by S.I. 1991/880, **reg. 9(d)**  
**F13** Words in s. 173(6) substituted (7.6.1992) by S.I. 1992/1315, **art. 10(1), Sch. 4 para. 13**

#### Modifications etc. (not altering text)

- C16** Ss. 170-174: certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by S.I. 1992/1315, **art. 4, Sch. 2 para.7** (with **art. 6**).

#### Commencement Information

- I20** S. 173 wholly in force; s. 173(4)(5) in force for certain purposes at 25.3.1991 and s. 173 wholly in force at 25.4.1991 see s. 215(2); S.I. 1991/488, **art. 2(2)**; S.I. 1991/878, **art. 2, Sch.**

#### Marginal Citations

- M19** 1982 c. 41.

## 174 Modifications of the law of insolvency.

- (1) The general law of insolvency has effect in relation to market charges and action taken in enforcing them subject to the provisions of section 175.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

- (2) The Secretary of State may by regulations make further provision modifying the law of insolvency in relation to the matters mentioned in subsection (1).
- (3) The regulations may add to, amend or repeal the provisions mentioned in subsection (1), and any other provision of this Part as it applies for the purposes of those provisions, or provide that those provisions have effect with such exceptions, additions or adaptations as are specified in the regulations.
- (4) The regulations may make different provision for cases defined by reference to the nature of the charge, the nature of the property subject to it, the circumstances, nature or extent of the obligations secured by it or any other relevant factor.
- (5) Before making regulations under this section in relation to charges granted in favour of a person within section 173(1)(c), the Secretary of State [<sup>F14</sup>and the Treasury shall consult] the Bank of England.

#### Textual Amendments

**F14** Words in s. 174(5) substituted (7.6.1992) by S.I. 1992/1315, art. 10(1), Sch. 4 para. 13(d) (with art. 6).

#### Modifications etc. (not altering text)

**C17** Ss. 170-174: certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by S.I. 1992/1315, art. 4, Sch. 2 para.7 (with art. 6).

#### Commencement Information

**I21** S. 174 wholly in force; s. 174 not in force at Royal Assent see s. 215(2); s. 174(2)(4) in force for certain purposes at 25.3.1991 by S.I. 1991/488, art. 2(2); s. 174 wholly in force at 25.4.1991 by S.I. 1991/878, art. 2, Sch. (subject to certain savings for s. 174(1) in art. 3(4)).

## 175 Administration orders, &c.

- (1) The following provisions of the <sup>M20</sup>Insolvency Act 1986 (which relate to administration orders and administrators) do not apply in relation to a market charge—
  - (a) sections 10(1)(b) and 11(3)(c) (restriction on enforcement of security while petition for administration order pending or order in force), and
  - (b) section 15(1) and (2) (power of administrator to deal with charged property); and section 11(2) of that Act (receiver to vacate office when so required by administrator) does not apply to a receiver appointed under a market charge.
- (2) However, where a market charge falls to be enforced after an administration order has been made or a petition for an administration order has been presented, and there exists another charge over some or all of the same property ranking in priority to or *pari passu* with the market charge, [<sup>F15</sup>on the application of any person interested] the court may order that there shall be taken after enforcement of the market charge such steps as the court may direct for the purpose of ensuring that the chargee under the other charge is not prejudiced by the enforcement of the market charge.
- (3) The following provisions of the Insolvency Act 1986 (which relate to the powers of receivers) do not apply in relation to a market charge—
  - (a) section 43 (power of administrative receiver to dispose of charged property), and

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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

- (b) section 61 (power of receiver in Scotland to dispose of an interest in property).
- (4) Sections 127 and 284 of the Insolvency Act 1986 (avoidance of property dispositions effected after commencement of winding up or presentation of bankruptcy petition), and section 32(8) of the <sup>M21</sup>Bankruptcy (Scotland) Act 1985 (effect of dealing with debtor relating to estate vested in permanent trustee), do not apply to a disposition of property as a result of which the property becomes subject to a market charge or any transaction pursuant to which that disposition is made.
- (5) However, if a person (other than the chargee under the market charge) who is party to a disposition mentioned in subsection (4) has notice at the time of the disposition that a petition has been presented for the winding up or bankruptcy or sequestration of the estate of the party making the disposition, the value of any profit to him arising from the disposition is recoverable from him by the relevant office-holder unless the court directs otherwise.
- (6) Any sum recoverable by virtue of subsection (5) ranks for priority, in the event of the insolvency of the person from whom it is due, immediately before preferential or, in Scotland, preferred debts.
- (7) In a case falling within both subsection (4) above (as a disposition of property as a result of which the property becomes subject to a market charge) and section 164(3) (as the provision of margin in relation to a market contract), section 164(4) applies with respect to the recovery of the amount or value of the margin and subsection (5) above does not apply.

#### Textual Amendments

**F15** Words in s. 175(2) inserted by S.I. 1991/880, **reg. 18**

#### Modifications etc. (not altering text)

**C18** S. 175(1)(a) restricted by S.I. 1991/880, **reg. 14(2)**; and (15.8.1995) by S.I. 1995/2049, **reg.23**

S. 175(1)(a) restricted (15.7.1996) by S.I. 1996/1469, **regs.6(2), 7(2)**

**C19** S. 175(1)(b)(3) amended by S.I. 1991/880, **reg. 15**

S. 175(1)(b)(3) modified (15.8.1995) by S.I. 1995/2049, **reg.24**

S. 175(1)(b)(3) modified (15.7.1996) by S.I. 1996/1469, **reg. 8(2)**

**C20** S. 175(2) restricted (25.2.1991) by S.I. 1991/145, **art. 3**

S. 175(2) amended by S.I. 1991/880, **reg. 19(2)**

**C21** S. 175(5) amended by S.I. 1991/880, **reg. 19(1)**

**C22** S. 175(5)(6) excluded in part (11.12.1999) by S.I. 1999/2979, **reg. 21(2)(c)**

#### Commencement Information

**I22** S. 175 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, **Sch.** (subject to certain savings in art. 3(4))

#### Marginal Citations

**M20** 1986 c. 45.

**M21** 1985 c. 66.

## 176 Power to make provision about certain other charges.

- (1) The Secretary of State may by regulations provide that the general law of insolvency has effect in relation to charges of such descriptions as may be specified in the

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*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

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regulations, and action taken in enforcing them, subject to such provisions as may be specified in the regulations.

- (2) The regulations may specify any description of charge granted in favour of—
- (a) a body approved under section 170 (certain overseas exchanges and clearing houses),
  - (b) a person included in the list maintained by the Bank of England for the purposes of section 171 (certain money market institutions),
  - (c) the Bank of England,
  - (d) an authorised person within the meaning of the <sup>M22</sup>Financial Services Act 1986, or
  - (e) an international securities self-regulating organisation within the meaning of that Act,

for the purpose of securing debts or liabilities arising in connection with or as a result of the settlement of contracts or the transfer of assets, rights or interests on a financial market.

- (3) The regulations may specify any description of charge granted for that purpose in favour of any other person in connection with exchange facilities or clearing services provided by a recognised investment exchange or recognised clearing house or by any such body, person, authority or organisation as is mentioned in subsection (2).
- (4) Where a charge is granted partly for the purpose specified in subsection (2) and partly for other purposes, the power conferred by this section is exercisable in relation to the charge so far as it has effect for that purpose.
- (5) The regulations may—
- (a) make the same or similar provision in relation to the charges to which they apply as is made by or under sections 174 and 175 in relation to market charges, or
  - (b) apply any of those provisions with such exceptions, additions or adaptations as are specified in the regulations.
- (6) Before making regulations under this section relating to a description of charges defined by reference to their being granted—
- (a) in favour of a person included in the list maintained by the Bank of England for the purposes of section 171, or in connection with exchange facilities or clearing services provided by a person included in that list, or
  - (b) in favour of the Bank of England, or in connection with settlement arrangements provided by the Bank,
- the Secretary of State [<sup>F16</sup>and the Treasury shall consult] the Bank of England.
- (7) Regulations under this section may provide that they apply or do not apply to a charge if or to the extent that it secures obligations of a specified description, is a charge over property of a specified description or contains provisions of a specified description.

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#### Textual Amendments

**F16** Words in s. 176(6) substituted (7.6.1992) by S.I. 1992/1315, art. 10(1), Sch. 4 para.13 (with art. 6).

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

#### **Modifications etc. (not altering text)**

- C23** S. 176: certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by S.I. 1992/1315, **art. 4**, **Sch. 2 para. 7** (with art. 6).
- C24** S. 176 amended (1.1.1993) by S.I. 1992/3218, reg. 82(1), **Sch. 10 Pt. I para.29**  
S. 176(2) extended (1.1.1996) by S.I. 1995/3275, reg. 57, **Sch. 10 Pt. I para.13**

#### **Commencement Information**

- I23** S. 176 wholly in force: s. 176 not in force at Royal Assent see s. 215(1)(2); s. 176 in force for certain purposes at 25.3.1991 by S.I. 1991/488, **art. 2(2)**; s. 176 wholly in force at 4.7.1995 by S.I. 1995/1591, **art. 2**

#### **Marginal Citations**

- M22** 1986 c. 60.

### *Market property*

#### **177 Application of margin not affected by certain other interests.**

- (1) The following provisions have effect with respect to the application by a recognised investment exchange or recognised clearing house of property (other than land) held by the exchange or clearing house as margin in relation to a market contract.
- (2) So far as necessary to enable the property to be applied in accordance with the rules of the exchange or clearing house, it may be so applied notwithstanding any prior equitable interest or right, or any right or remedy arising from a breach of fiduciary duty, unless the exchange or clearing house had notice of the interest, right or breach of duty at the time the property was provided as margin.
- (3) No right or remedy arising subsequently to the property being provided as margin may be enforced so as to prevent or interfere with the application of the property by the exchange or clearing house in accordance with its rules.
- (4) Where an exchange or clearing house has power by virtue of the above provisions to apply property notwithstanding an interest, right or remedy, a person to whom the exchange or clearing house disposes of the property in accordance with its rules takes free from that interest, right or remedy.

#### **Modifications etc. (not altering text)**

- C25** S. 177 applied (15.8.1995) by S.I. 1995/2049, **reg. 25(1)**

#### **Commencement Information**

- I24** S. 177 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, **art. 2**, **Sch.** (subject to certain savings in **art. 3(5)**)

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

## PROSPECTIVE

**178 Priority of floating market charge over subsequent charges.**

- (1) The Secretary of State may by regulations provide that a market charge which is a floating charge has priority over a charge subsequently created or arising, including a fixed charge.
- (2) The regulations may make different provision for cases defined, as regards the market charge or the subsequent charge, by reference to the description of charge, its terms, the circumstances in which it is created or arises, the nature of the charge, the person in favour of whom it is granted or arises or any other relevant factor.

**179 Priority of market charge over unpaid vendor's lien.**

Where property subject to an unpaid vendor's lien becomes subject to a market charge, the charge has priority over the lien unless the chargee had actual notice of the lien at the time the property became subject to the charge.

**Modifications etc. (not altering text)**

**C26** S. 179 applied (15.8.1995) by S.I. 1995/2049, reg. 25(2)

**Commencement Information**

**I25** S. 179 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch. (subject to certain savings in art. 3(6))

**180 Proceedings against market property by unsecured creditors.**

- (1) Where property (other than land) is held by a recognised investment exchange or recognised clearing house as margin in relation to market contracts or is subject to a market charge, no execution or other legal process for the enforcement of a judgment or order may be commenced or continued, and no distress may be levied, against the property by a person not seeking to enforce any interest in or security over the property, except with the consent of—
  - (a) in the case of property provided as cover for margin, the investment exchange or clearing house in question, or
  - (b) in the case of property subject to a market charge, the person in whose favour the charge was granted.
- (2) Where consent is given the proceedings may be commenced or continued notwithstanding any provision of the <sup>M23</sup>Insolvency Act 1986 or the <sup>M24</sup>Bankruptcy (Scotland) Act 1985.
- (3) Where by virtue of this section a person would not be entitled to enforce a judgment or order against any property, any injunction or other remedy granted with a view to facilitating the enforcement of any such judgment or order shall not extend to that property.



*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

- (4) In the application of this section to Scotland, the reference to execution being commenced or continued includes a reference to diligence being carried out or continued, and the reference to distress being levied shall be omitted.

**Modifications etc. (not altering text)**

**C27** S. 180 applied (15.8.1995) by [S.I. 1995/2049](#), [reg. 25\(3\)](#)

**Commencement Information**

**I26** S. 180 wholly in force at 25.4.1991 see s. 215 and [S.I. 1991/878](#), [art. 2](#), [Sch.](#) (subject to certain savings in [art. 3\(7\)](#)).

**Marginal Citations**

**M23** 1986 c. 45.

**M24** 1985 c. 66.

**181 Power to apply provisions to other cases.**

- (1) The power of the Secretary of State to make provision by regulations under—
- (a) section 170, 171 or 172 (power to extend provisions relating to market contracts), or
  - (b) section 176 (power to extend provisions relating to market charges),
- includes power to apply sections 177 to 180 to any description of property provided as cover for margin in relation to contracts in relation to which the power is exercised or, as the case may be, property subject to charges in relation to which the power is exercised.
- (2) The regulations may provide that those sections apply with such exceptions, additions and adaptations as may be specified in the regulations.

**Modifications etc. (not altering text)**

**C28** [S. 181](#): certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by [S.I. 1992/1315](#), [art. 4](#), [Sch. 2 para.7](#) (with [art. 6](#)).

**Commencement Information**

**I27** [S. 181](#) wholly in force: s. 181 not in force at Royal Assent see [s. 215\(1\)\(2\)](#); [s. 181](#) in force for certain purposes at 25.3.1991 by [S.I. 1991/488](#), [art. 2\(2\)](#); [s. 181](#) wholly in force at 4.7.1995 by [S.I. 1995/1591](#), [art. 2](#)

*Supplementary provisions*

**182 Powers of court in relation to certain proceedings begun before commencement.**

- (1) The powers conferred by this section are exercisable by the court where insolvency proceedings in respect of—
- (a) a member of a recognised investment exchange or a recognised clearing house, or
  - (b) a person by whom a market charge has been granted,

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are begun on or after 22nd December 1988 and before the commencement of this section.

That person is referred to in this section as “the relevant person”.

- (2) For the purposes of this section “insolvency proceedings” means proceedings under Part II, IV, V or IX of the <sup>M25</sup>Insolvency Act 1986 (administration, winding up and bankruptcy) or under the <sup>M26</sup>Bankruptcy (Scotland) Act 1985; and references in this section to the beginning of such proceedings are to—
- (a) the presentation of a petition on which an administration order, winding-up order, bankruptcy order or award of sequestration is made, or
  - (b) the passing of a resolution for voluntary winding up.
- (3) This section applies in relation to—
- (a) in England and Wales, the administration of the insolvent estate of a deceased person, and
  - (b) in Scotland, the administration by a judicial factor appointed under section 11A of the <sup>M27</sup>Judicial Factors (Scotland) Act 1889 of the insolvent estate of a deceased person,
- as it applies in relation to insolvency proceedings.

In such a case references to the beginning of the proceedings shall be construed as references to the death of the relevant person.

- (4) The court may on an application made, within three months after the commencement of this section, by—
- (a) a recognised investment exchange or recognised clearing house, or
  - (b) a person in whose favour a market charge has been granted,
- make such order as it thinks fit for achieving, except so far as assets of the relevant person have been distributed before the making of the application, the same result as if the provisions of Schedule 22 had come into force on 22nd December 1988.
- (5) The provisions of that Schedule (“the relevant provisions”) reproduce the effect of certain provisions of this Part as they appeared in the Bill for this Act as introduced into the House of Lords and published on that date.
- (6) The court may in particular—
- (a) require the relevant person or a relevant office-holder—
    - (i) to return property provided as cover for margin or which was subject to a market charge, or to pay to the applicant or any other person the proceeds of realisation of such property, or
    - (ii) to pay to the applicant or any other person such amount as the court estimates would have been payable to that person if the relevant provisions had come into force on 22nd December 1988 and market contracts had been settled in accordance with the rules of the recognised investment exchange or recognised clearing house, or a proportion of that amount if the property of the relevant person or relevant office-holder is not sufficient to meet the amount in full;
  - (b) provide that contracts, rules and dispositions shall be treated as not having been void;
  - (c) modify the functions of a relevant office-holder, or the duties of the applicant or any other person, in relation to the insolvency proceedings, or indemnify

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any such person in respect of acts or omissions which would have been proper if the relevant provisions had been in force;

- (d) provide that conduct which constituted an offence be treated as not having done so;
- (e) dismiss proceedings which could not have been brought if the relevant provisions had come into force on 22nd December 1988, and reverse the effect of any order of a court which could not, or would not, have been made if those provisions had come into force on that date.

- (7) An order under this section shall not be made against a relevant office-holder if the effect would be that his remuneration, costs and expenses could not be met.

**Modifications etc. (not altering text)**

**C29** S. 182 amended by [S.I. 1991/880, reg. 19\(1\)](#)

**Commencement Information**

**I28** S. 182 wholly in force at 25.4.1991 see s. 215 and [S.I. 1991/878, art. 2, Sch.](#)

**Marginal Citations**

**M25** 1986 c. 45.

**M26** 1985 c. 66.

**M27** 1889 c. 39.

**183 Insolvency proceedings in other jurisdictions.**

- (1) The references to insolvency law in section 426 of the <sup>M28</sup>Insolvency Act 1986 (co-operation with courts exercising insolvency jurisdiction in other jurisdictions) include, in relation to a part of the United Kingdom, the provisions made by or under this Part and, in relation to a relevant country or territory within the meaning of that section, so much of the law of that country or territory as corresponds to any provisions made by or under this Part.
- (2) A court shall not, in pursuance of that section or any other enactment or rule of law, recognise or give effect to—
- (a) any order of a court exercising jurisdiction in relation to insolvency law in a country or territory outside the United Kingdom, or
  - (b) any act of a person appointed in such a country or territory to discharge any functions under insolvency law,
- in so far as the making of the order or the doing of the act would be prohibited in the case of a court in the United Kingdom or a relevant office-holder by provisions made by or under this Part.
- (3) Subsection (2) does not affect the recognition or enforcement of a judgment required to be recognised or enforced under or by virtue of the <sup>M29</sup>Civil Jurisdiction and Judgments Act 1982.

**Commencement Information**

**I29** S. 183 wholly in force at 25.4.1991 see s. 215 and [S.I. 1991/878, art. 2, Sch.](#)

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

#### Marginal Citations

M28 1986 c. 45.

M29 1982 c. 27.

### 184 Indemnity for certain acts, &c.

- (1) Where a relevant office-holder takes any action in relation to property of a defaulter which is liable to be dealt with in accordance with the default rules of a recognised investment exchange or recognised clearing house, and believes and has reasonable grounds for believing that he is entitled to take that action, he is not liable to any person in respect of any loss or damage resulting from his action except in so far as the loss or damage is caused by the office-holder's own negligence.
- (2) Any failure by a recognised investment exchange or recognised clearing house to comply with its own rules in respect of any matter shall not prevent that matter being treated for the purposes of this Part as done in accordance with those rules so long as the failure does not substantially affect the rights of any person entitled to require compliance with the rules.
- (3) No recognised investment exchange or recognised clearing house, nor any officer or servant or member of the governing body of a recognised investment exchange or recognised clearing house, shall be liable in damages for anything done or omitted in the discharge or purported discharge of any functions to which this subsection applies unless the act or omission is shown to have been in bad faith.
- (4) The functions to which subsection (3) applies are the functions of the exchange or clearing house so far as relating to, or to matters arising out of—
  - (a) its default rules, or
  - (b) any obligations to which it is subject by virtue of this Part.
- (5) No person exercising any functions by virtue of arrangements made pursuant to paragraph 5 or 12 of Schedule 21 (delegation of functions in connection with default procedures), nor any officer or servant of such a person, shall be liable in damages for anything done or omitted in the discharge or purported discharge of those functions unless the act or omission is shown to have been in bad faith.

#### Commencement Information

**I30** S. 184 wholly in force at 1.10.1991; s. 184 in force for certain purposes on 25.3.1991 see s. 215 and S.I. 1991/488, art. 2(2), s. 184 in force for certain purposes on 25.4.1991 see s. 215 and S.I. 1991/878, art. 2 Sch., s. 184 wholly in force at 1.10.1991 see S.I. 1991/2173, art. 3

### 185 Power to make further provision by regulations.

- (1) The Secretary of State may by regulations make such further provision as appears to him necessary or expedient for the purposes of this Part.
- (2) Provision may, in particular, be made—
  - (a) for integrating the provisions of this Part with the general law of insolvency, and
  - (b) for adapting the provisions of this Part in their application to overseas investment exchanges and clearing houses.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

- (3) Regulations under this section may add to, amend or repeal any of the provisions of this Part or provide that those provisions have effect subject to such additions, exceptions or adaptations as are specified in the regulations.

**Modifications etc. (not altering text)**

**C30** S. 185: certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by S.I. 1992/1315, art. 4, Sch. 2 para. 7 (with art. 6)

**Commencement Information**

**I31** S.185 wholly in force at 10.8.1998. In force for certain purposes at 25.3.1991 by s. 215(2) and S.I. 1991/488, art. 2(2), and for all remaining purposes at 10.8.1998 by S.I. 1998/1747, art. 2.

**186 Supplementary provisions as to regulations.**

- (1) Regulations under this Part may make different provision for different cases and may contain such incidental, transitional and other supplementary provisions as appear to the Secretary of State to be necessary or expedient.
- (2) Regulations under this Part shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

**Modifications etc. (not altering text)**

**C31** S. 186: certain functions made exercisable (7.6.1992) jointly by the Secretary of State and the Treasury by S.I. 1992/1315, art. 4, Sch. 2 para. 7 (with art. 6)

**Commencement Information**

**I32** S.186 wholly in force at 10.8.1998. In force for certain purposes at 25.3.1991 by s. 215(2) and S.I. 1991/488, art. 2(2) and for all remaining purposes at 8.10.1998 by S.I. 1998/1747, art. 2

**187 Construction of references to parties to market contracts.**

- (1) Where a person enters into market contracts in more than one capacity, the provisions of this Part apply (subject as follows) as if the contracts entered into in each different capacity were entered into by different persons.
- (2) References in this Part to a market contract to which a person is a party include (subject as follows, and unless the context otherwise requires) contracts to which he is party as agent.
- (3) The Secretary of State may by regulations—
- (a) modify or exclude the operation of subsections (1) and (2), and
  - (b) make provision as to the circumstances in which a person is to be regarded for the purposes of those provisions as acting in different capacities.

**Modifications etc. (not altering text)**

**C32** S. 187(1) amended by S.I. 1991/880, reg. 16(2)

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

#### Commencement Information

**I33** S.187 wholly in force; s. 187(3) in force for certain purposes at 25.3.1991, s. 187 wholly in force at 25.4.1991 see s. 215(2) and S.I. 1991/488, **art. 2(2)**; S.I. 1991/878, **art. 2, Sch.**

### 188 Meaning of “default rules” and related expressions.

- (1) In this Part “default rules” means rules of a recognised investment exchange or recognised clearing house which provide for the taking of action in the event of a person appearing to be unable, or likely to become unable, to meet his obligations in respect of one or more market contracts connected with the exchange or clearing house.
- (2) References in this Part to a “defaulter” are to a person in respect of whom action has been taken by a recognised investment exchange or recognised clearing house under its default rules, whether by declaring him to be a defaulter or otherwise; and references in this Part to “default” shall be construed accordingly.
- (3) In this Part “default proceedings” means proceedings taken by a recognised investment exchange or recognised clearing house under its default rules.
- (4) If an exchange or clearing house takes action under its default rules in respect of a person, all subsequent proceedings under its rules for the purposes of or in connection with the settlement of market contracts to which the defaulter is a party shall be treated as done under its default rules.

#### Commencement Information

**I34** S. 188 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, **art. 2, Sch.**

### 189 Meaning of “relevant office-holder”.

- (1) The following are relevant office-holders for the purposes of this Part—
  - (a) the official receiver,
  - (b) any person acting in relation to a company as its liquidator, provisional liquidator, administrator or administrative receiver,
  - (c) any person acting in relation to an individual (or, in Scotland, any debtor within the meaning of the <sup>M30</sup>Bankruptcy (Scotland) Act 1985) as his trustee in bankruptcy or interim receiver of his property or as permanent or interim trustee in the sequestration of his estate,
  - (d) any person acting as administrator of an insolvent estate of a deceased person.
- (2) In subsection (1)(b) “company” means any company, society, association, partnership or other body which may be wound up under the <sup>M31</sup>Insolvency Act 1986.

#### Commencement Information

**I35** S. 189 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, **art. 2, Sch.**

#### Marginal Citations

**M30** 1985 c. 66.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

M31 1986 c.45.

## 190 Minor definitions.

(1) In this Part—

“administrative receiver” has the meaning given by section 251 of the Insolvency Act 1986;

“charge” means any form of security, including a mortgage and, in Scotland, a heritable security;

“clearing house” has the same meaning as in the <sup>M32</sup>Financial Services Act 1986;

“interim trustee” and “permanent trustee” have the same meaning as in the Bankruptcy (Scotland) Act 1985;

“investment” and “investment exchange” have the same meaning as in the Financial Services Act 1986;

“overseas”, in relation to an investment exchange or clearing house, means having its head office outside the United Kingdom;

“recognised” means recognised under the Financial Services Act 1986;

“set-off”, in relation to Scotland, includes compensation;

“The Stock Exchange” means The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;

“UK”, in relation to an investment exchange or clearing house, means having its head office in the United Kingdom.

(2) References in this Part to settlement in relation to a market contract are to the discharge of the rights and liabilities of the parties to the contract, whether by performance, compromise or otherwise.

(3) In this Part the expressions “margin” and “cover for margin” have the same meaning.

(4) References in this Part to ensuring the performance of a transaction have the same meaning as in the <sup>M33</sup>Financial Services Act 1986.

(5) For the purposes of this Part a person shall be taken to have notice of a matter if he deliberately failed to make enquiries as to that matter in circumstances in which a reasonable and honest person would have done so.

This does not apply for the purposes of a provision requiring “actual notice”.

(6) References in this Part to the law of insolvency include references to every provision made by or under the <sup>M34</sup>Insolvency Act 1986 or the <sup>M35</sup>Bankruptcy (Scotland) Act 1985; and in relation to a building society references to insolvency law or to any provision of the Insolvency Act 1986 are to that law or provision as modified by the Building Societies Act 1986.

(7) In relation to Scotland, references in this Part—

(a) to sequestration include references to the administration by a judicial factor of the insolvent estate of a deceased person, and

(b) to an interim or permanent trustee include references to a judicial factor on the insolvent estate of a deceased person,

unless the context otherwise requires.

*Status: Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)*

### Commencement Information

**I36** S. 190 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch.

### Marginal Citations

**M32** 1986 c. 60.

**M33** 1986 c.60.

**M34** 1986 c. 45.

**M35** 1985 c. 66.

## 191 Index of defined expressions.

The following Table shows provisions defining or otherwise explaining expressions used in this Part (other than provisions defining or explaining an expression used only in the same section or paragraph)—

administrative receiver	section 190(1)
charge	section 190(1)
clearing house	section 190(1)
cover for margin	section 190(3)
default rules (and related expressions)	section 188
designated non-member	section 155(2)
ensuring the performance of a transaction	section 190(4)
insolvency law (and similar expressions)	section 190(6)
interim trustee	section 190(1) and (7)(b)
investment	section 190(1)
investment exchange	section 190(1)
margin	section 190(3)
market charge	section 173
market contract	section 155
notice	section 190(5)
overseas (in relation to an investment exchange or clearing house)	section 190(1)
party (in relation to a market contract)	section 187
permanent trustee	section 190(1) and (7)(b)
recognised	section 190(1)
relevant office-holder	section 189
sequestration	section 190(7)(a)
set off (in relation to Scotland)	section 190(1)



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**Status:** Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.

**Changes to legislation:** There are currently no known outstanding effects for the Companies Act 1989, Part VII. (See end of Document for details)

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settlement and related expressions (in relation to a market contract)	section 190(2)
The Stock Exchange	section 190(1)
trustee, interim or permanent (in relation to Scotland)	section 190(7)(b)
UK (in relation to an investment exchange or clearing house)	section 190(1).

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**Commencement Information**

**I37** S. 191 wholly in force at 25.4.1991 see s. 215 and S.I. 1991/878, art. 2, Sch.

**Status:**

Point in time view as at 01/04/1996. This version of this part contains provisions that are prospective.

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 1989, Part VII.