

*These notes refer to the Financial Services and Markets Act
2000 (c.8) which received Royal Assent on 14 June 2000*

FINANCIAL SERVICES AND MARKETS ACT 2000

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part XXIV: Insolvency

Voluntary arrangements

Section 356: Authority's powers to participate in proceedings: company voluntary arrangements

634. Insolvency legislation allows companies in financial difficulties to propose a voluntary arrangement with creditors; that is, for creditors to agree to take a proportion of what they were owed as a final settlement of their debts. If agreed, such an arrangement is binding on all creditors who were aware of the proposal, subject to their right to ask the court to intervene if the arrangement seems improper or unfair. This section gives the Authority the right to apply to the court in the same way as a creditor, and also makes clear that the Authority may be represented in any such proceedings initiated by a creditor.