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## STATUTORY INSTRUMENTS

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# 1996 No. 1469

## The Financial Markets and Insolvency Regulations 1996

### PART II

#### SYSTEM-CHARGES

##### **Limitation on disapplication of sections 10(1)(b) and 11(3)(c) of Insolvency Act 1986 in relation to system-charges**

**6.—**(1) This regulation applies where an administration order is made in relation to a system-member or former system-member.

(2) The disapplication of sections 10(1)(b) and 11(3)(c) of the Insolvency Act 1986<sup>(1)</sup> by section 175(1)(a) of the Act shall have effect, in relation to a system-charge granted by a system-member or former system-member, only to the extent necessary to enable there to be realised, whether through the sale of uncertificated units of a security or otherwise, the lesser of the two sums specified in paragraphs (3) and (4).

(3) The first sum of the two sums referred to in paragraph (2) is the net sum of—

(a) all payment obligations discharged by the settlement bank in connection with—

- (i) transfers of uncertificated units of a security by means of a relevant system made during the qualifying period to or by the relevant system-member or former system-member, whether acting for himself or on behalf of a system-beneficiary;
- (ii) agreements made during the qualifying period to transfer uncertificated units of a security by means of a relevant system to or from the relevant system-member or former system-member, whether acting for himself or on behalf of a system-beneficiary; and
- (iii) issues of uncertificated units of a security by means of a relevant system made during the qualifying period to the relevant system-member or former system-member, whether acting for himself or on behalf of a system-beneficiary; less

(b) all payment obligations discharged to the settlement bank in connection with transactions of any kind described in paragraph (3)(a)(i) and (ii).

(4) The second of the two sums referred to in paragraph (2) is the sum (if any) due to the settlement bank from the relevant system-member or former system-member by reason of an obligation of the kind described in regulation 5(b)(i).

(5) In this regulation and regulation 7, “qualifying period” means the period—

- (a) beginning with the fifth business day before the day on which the petition for the making of the administration order was presented; and
- (b) ending with the second business day after the day on which the administration order is made.

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(1) 1986 c. 45.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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