
STATUTORY INSTRUMENTS

1999 No. 2979

**The Financial Markets and Insolvency
(Settlement Finality) Regulations 1999**

PART III

**TRANSFER ORDERS EFFECTED THROUGH A
DESIGNATED SYSTEM AND COLLATERAL SECURITY**

Collateral security charges

Administration orders, &c

19.—(1) The following provisions of the Insolvency Act 1986 (which relate to administration orders and administrators) do not apply in relation to a collateral security 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 such a charge.

(2) However, where a collateral security 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 collateral security charge, on the application of any person interested, the court may order that there shall be taken after enforcement of the collateral security 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 collateral security charge.

(3) Sections 127 and 284 of the Insolvency Act 1986⁽¹⁾ (avoidance of property dispositions effected after commencement of winding up or presentation of bankruptcy petition), section 32(8) of the Bankruptcy (Scotland) Act 1985⁽²⁾ (effect of dealing with debtor relating to estate vested in permanent trustee) and any like provision or rule of law affecting a protected trust deed, do not apply to a disposition of property as a result of which the property becomes subject to a collateral security charge or any transactions pursuant to which that disposition is made.

(1) 1986 c. 45.

(2) 1985 c. 66.