
STATUTORY INSTRUMENTS

2014 No. 3486

**The Banks and Building Societies (Depositor
Preference and Priorities) Order 2014**

PART 2

Amendments of Insolvency Act 1986

Priority of debts

7.—(1) Section 328 of the Insolvency Act 1986 (priority of debts) is amended as follows.

(2) In subsection (1) omit “(within the meaning given by section 386 in Part XII)”.

(3) After subsection (1) insert—

“(1A) Ordinary preferential debts rank equally among themselves after the expenses of the bankruptcy and shall be paid in full, unless the bankrupt’s estate is insufficient to meet them, in which case they abate in equal proportions between themselves.

(1B) Secondary preferential debts rank equally among themselves after the ordinary preferential debts and shall be paid in full, unless the bankrupt’s estate is insufficient to meet them, in which case they abate in equal proportions between themselves.”.

(4) Omit subsection (2).

(5) After subsection (6) insert—

“(7) In this section “preferential debts”, “ordinary preferential debts” and “secondary preferential debts” each has the meaning given in section 386 in Part 12.”.