
STATUTORY INSTRUMENTS

2014 No. 3486

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

PART 3

Amendments of Insolvent Partnerships Order 1994

Amendments of Schedule 1 to the Insolvent Partnerships Order 1994

12.—(1) Schedule 1 to the Insolvent Partnerships Order 1994 (modified provisions of Part 1 of, and Schedule A1 to, the Insolvency Act 1986 (company voluntary arrangements) as applied by Article 4)(1), is amended as follows.

(2) In modified section 4(4) (decisions of meetings)—

(a) omit the “or” at the end of paragraph (a);

(b) after paragraph (a) insert—

“(aa) any ordinary preferential debt of the partnership is to be paid otherwise than in priority to any secondary preferential debts that it may have,”;

(c) in paragraph (b)—

(i) for “a preferential debt”, substitute “an ordinary preferential debt”, and

(ii) for “another”, substitute “another ordinary”;

(d) at the end of paragraph (b), insert—

“or

(c) a preferential creditor of the partnership is to be paid an amount in respect of a secondary preferential debt that bears to that debt a smaller proportion than is borne to another secondary preferential debt by the amount that is to be paid in respect of that other debt.”.

(3) In modified section 4(7) after “preferential debts” insert “, ordinary preferential debts, secondary preferential debts”.

Amendments of Schedule 2 to the Insolvent Partnerships Order 1994

13.—(1) Paragraph 25 of Schedule 2 to the Insolvent Partnerships Order 1994 (modified provisions of Part 2 of, and Schedule B1 to, the Insolvency Act 1986 (Administration) as applied by Article 6)(2) is amended as follows.

(2) In modified paragraph 73(1)—

(a) omit the “or” at the end of paragraph (b);

(b) after paragraph (b) insert—

(1) [S.I. 1994/2421](#). Schedule 1 was substituted by [S.I. 2002/2708](#).
(2) Schedule 2 was substituted by [S.I. 2005/1516](#).

- “(bb) would result in an ordinary preferential debt of the partnership being paid otherwise than in priority to any secondary preferential debts that it may have,”;
- (c) in paragraph (c), for “his debt” substitute “an ordinary preferential debt”;
- (d) at the end of paragraph (c), insert—
 - “or
 - (d) would result in one preferential creditor of the partnership being paid a smaller proportion of a secondary preferential debt than another.”.

Amendments of Schedule 4 to the Insolvent Partnerships Order 1994

14.—(1) Paragraph 23 of Schedule 4 to the Insolvent Partnerships Order 1994 (provisions of the Insolvency Act 1986⁽³⁾ which apply with modifications for the purposes of article 8 to winding up of insolvent partnership on creditor’s petition where concurrent petitions are presented against one or more members) is amended as follows.

(2) In modified section 175A(2) (priority of debts in joint estate), for paragraph (a) substitute—

- “(a) the ordinary preferential debts;
- (aa) the secondary preferential debts;”.

(3) In modified sections 175A(4), 175A(5), 175A(6) and 175B(2), for “paragraphs (a) and (b)” substitute “paragraphs (a), (aa) and (b)”.

(4) In modified section 175B(1) (priority of debts in separate estate), for paragraph (a) substitute—

- “(a) the ordinary preferential debts;
- (aa) the secondary preferential debts;”.

Amendments of Schedule 7 to the Insolvent Partnerships Order 1994

15.—(1) Paragraph 21 of Schedule 7 to the Insolvent Partnerships Order 1994 (provisions of the Insolvency Act 1986⁽⁴⁾ which apply with modifications for the purposes of article 11 where joint bankruptcy presented by individual members without winding up of partnership as unregistered company) is amended as follows.

(2) In modified section 328A(2) (priority of debts in joint estate), for paragraph (a) substitute—

- “(a) the ordinary preferential debts;
- (aa) the secondary preferential debts;”.

(3) In modified sections 328A(4), 328A(5), 328A(6) and 328B(2) for “paragraphs (a) and (b)” substitute “paragraphs (a), (aa) and (b)”.

(4) In modified section 328B(1) (priority of debts in separate estate), for paragraph (a) substitute—

- “(a) the ordinary preferential debts;
- (aa) the secondary preferential debts;”.

(3) Schedule 4 to [S.I. 1994/2421](#) has been amended, but those amendments are not relevant to this Order.

(4) Schedule 7 to [S.I. 1994/2421](#) has been amended, but those amendments are not relevant to this Order.