
STATUTORY INSTRUMENTS

2018 No. 1244

**The Banks and Building Societies
(Priorities on Insolvency) Order 2018**

PART 5

Amendments of the Insolvency (Northern Ireland) Order 1989

Non-preferential debts in bankruptcy proceedings

26.—(1) Article 300 (priority of debts)(1) is amended as follows.

(2) After paragraph (3) insert—

“(3A) If the bankrupt is a relevant financial institution, paragraph (3) does not apply but—

- (a) the bankrupt’s ordinary non-preferential debts are to be paid in priority to the bankrupt’s secondary non-preferential debts,
- (b) the bankrupt’s ordinary non-preferential debts rank equally among themselves after the secondary preferential debts and are to be paid in full, unless the bankrupt’s estate is insufficient to meet them, in which case they abate in equal proportions,
- (c) the bankrupt’s secondary non-preferential debts are to be paid in priority to the bankrupt’s tertiary non-preferential debts, and
- (d) the bankrupt’s secondary non-preferential debts rank equally among themselves after the ordinary non-preferential debts and are to be paid in full, unless the bankrupt’s estate is insufficient to meet them, in which case they abate in equal proportions.

See Article 347A for definitions relevant to this paragraph.”.

(3) In paragraph (4)—

(a) for the words from “that” to “paragraph (3)” substitute—

“—

- (a) where paragraph (3) applies, that are preferential or rank equally under that paragraph, or
- (b) where paragraph (3A) applies, that are preferential or are referred to in that paragraph,”;

(b) for “period” substitute “periods”.