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SCHEDULES

[^{F1}SCHEDULE A1

MORATORIUM WHERE DIRECTORS PROPOSE VOLUNTARY ARRANGEMENT

Textual Amendments

- F1** Sch. A1 inserted (11.5.2001 so far as is necessary to give effect to Sch. A1 paras. 5, 45(1)-(3)(5) and 1.1.2003 in so far as not already in force) by 2000 c. 39, s. 1, **Sch. 1 para. 4**; S.I. 2001/1751, **art. 2**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)

Modifications etc. (not altering text)

- C1** Sch. A1 extended (24.6.2003) by **The Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003** (S.I. 2003/1633), regs. 1, 15, **Sch. 2 para. 7**
- C1** Sch. A1 applied (with modifications) (E.W.) (1.1.2003) by **The Insolvent Partnerships Order 1994** (S.I. 1994/2421), art. 4(1), **Sch. 1** (as amended (1.1.2003) by S.I. 2002/2708, **arts. 4-6** (with transitional provisions in art. 11); (1.7.2005) by S.I. 2005/1516, **art. 6**); (6.4.2017) by S.I. 2017/540, reg. 1, **Sch. 2 para. 5** (with reg. 4))

PART V

CONSIDERATION AND IMPLEMENTATION OF VOLUNTARY ARRANGEMENT

Approval of voluntary arrangement

- 31 [This paragraph applies where under paragraph 29—
- ^{F2}(1) (a) a meeting of the company is summoned to consider the proposed voluntary arrangement, and
- (b) the nominee seeks a decision from the company's creditors as to whether they approve the proposed voluntary arrangement.
- (1A) The company and its creditors may approve the proposed voluntary arrangement with or without modifications.]
- (2) The modifications may include one conferring the functions proposed to be conferred on the nominee on another person qualified to act as an insolvency practitioner^{F3}... in relation to the voluntary arrangement.
- (3) The modifications shall not include one by virtue of which the proposal ceases to be a proposal such as is mentioned in section 1.
- (4) [^{F4}Neither the company nor its creditors may] approve any proposal or modification which affects the right of a secured creditor of the company to enforce his security, except with the concurrence of the creditor concerned.

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- (5) Subject to sub-paragraph (6), [^{F5}neither the company nor its creditors may] approve any proposal or modification under which—
- (a) any preferential debt of the company is to be paid otherwise than in priority to such of its debts as are not preferential debts, ^{F6} ...
 - [any ordinary preferential debt of the company is to be paid otherwise than
 - ^{F7}(aa) in priority to any secondary preferential debts that it may have,]
 - (b) a preferential creditor of the company is to be paid an amount in respect of [^{F8}an ordinary preferential debt] that bears to that debt a smaller proportion than is borne to [^{F9}another ordinary] preferential debt by the amount that is to be paid in respect of that other debt [^{F10}, or
 - (c) a preferential creditor of the company 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.]
- (6) [^{F11}Such a proposal or modification may be approved] with the concurrence of the preferential creditor concerned.
- (7) The directors of the company may, before the beginning of the [^{F12}relevant period], give notice to the nominee of any modifications of the proposal for which the directors intend to seek the approval of [^{F13}the company and its creditors].
- [The “relevant period” is—
- ^{F14}(7A) (a) in relation to the company, the period of seven days ending with the company meeting summoned under paragraph 29 being held;
- (b) in relation to the company's creditors, the period of 14 days ending with the end of the period mentioned in paragraph 8(3).
- (7B) Where under sub-paragraph (7) the nominee is given notice of proposed modifications, the nominee must seek a decision from the company's creditors (using a qualifying decision procedure) as to whether the proposed voluntary arrangement should be approved with those modifications.]
- (8) References in this paragraph to preferential debts^{F15}, ordinary preferential debts, secondary preferential debts] and preferential creditors are to be read in accordance with section 386 in Part XII of this Act.]

Textual Amendments

- F2** Sch. A1 para. 31(1)(1A) substituted for Sch. A1 para. 31(1) (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 9\(14\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F3** Words in Sch. A1 para. 31(2) omitted (1.10.2015) by virtue of [Deregulation Act 2015 \(c. 20\), s. 115\(7\), Sch. 6 para. 20\(2\)\(e\)\(ii\)](#); S.I. 2015/1732, art. 2(e)(vi)
- F4** Words in Sch. A1 para. 31(4) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 9\(15\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F5** Words in Sch. A1 para. 31(5) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\)](#),

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- Sch. 9 para. 9(16)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F6** Word in Sch. A1 para. 31(5)(a) omitted (1.1.2015) by virtue of **The Banks and Building Societies (Depositor Preference and Priorities) Order 2014** (S.I. 2014/3486), arts. 1(2), **9(2)(a)** (with art. 3)
- F7** Sch. A1 para. 31(5)(aa) inserted (1.1.2015) by **The Banks and Building Societies (Depositor Preference and Priorities) Order 2014** (S.I. 2014/3486), arts. 1(2), **9(2)(b)** (with art. 3)
- F8** Words in Sch. A1 para. 31(5)(b) substituted (1.1.2015) by **The Banks and Building Societies (Depositor Preference and Priorities) Order 2014** (S.I. 2014/3486), arts. 1(2), **9(2)(c)(i)** (with art. 3)
- F9** Words in Sch. A1 para. 31(5)(b) substituted (1.1.2015) by **The Banks and Building Societies (Depositor Preference and Priorities) Order 2014** (S.I. 2014/3486), arts. 1(2), **9(2)(c)(ii)** (with art. 3)
- F10** Sch. A1 para. 31(5)(c) and word inserted (1.1.2015) by **The Banks and Building Societies (Depositor Preference and Priorities) Order 2014** (S.I. 2014/3486), arts. 1(2), **9(2)(d)** (with art. 3)
- F11** Words in Sch. A1 para. 31(6) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015** (c. 26), s. 164(1), **Sch. 9 para. 9(17)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F12** Words in Sch. A1 para. 31(7) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015** (c. 26), s. 164(1), **Sch. 9 para. 9(18)(a)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F13** Words in Sch. A1 para. 31(7) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015** (c. 26), s. 164(1), **Sch. 9 para. 9(18)(b)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F14** Sch. A1 para. 31(7A)(7B) inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015** (c. 26), s. 164(1), **Sch. 9 para. 9(19)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F15** Words in Sch. A1 para. 31(8) inserted (1.1.2015) by **The Banks and Building Societies (Depositor Preference and Priorities) Order 2014** (S.I. 2014/3486), arts. 1(2), **9(3)** (with art. 3)

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