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STATUTORY INSTRUMENTS

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**1989 No. 2405**

**The Insolvency (Northern Ireland) Order 1989**

**PART V**

**WINDING UP OF COMPANIES REGISTERED**

**UNDER [<sup>F1</sup>the Companies Act 2006]**

**CHAPTER VIII**

**PROVISIONS OF GENERAL APPLICATION IN WINDING UP**

*Preferential debts*

**Preferential debts (general provision)**

**149.**—(1) In a winding up the company's preferential debts <sup>F1</sup>... shall be paid in priority to all other debts [<sup>F2</sup>after the payment of—

- (a) any liabilities to which Article 148A applies, and
- (b) expenses of the winding up.]

[<sup>F3</sup>(1A) Ordinary preferential debts rank equally among themselves <sup>F4</sup>... and shall be paid in full, unless the assets are insufficient to meet them, in which case they abate in equal proportions.

(1B) Secondary preferential debts rank equally among themselves after the ordinary preferential debts and shall be paid in full, unless the assets are insufficient to meet them, in which case they abate in equal proportions.]

(2) Preferential debts—

<sup>F5</sup>(a) .....

- (b) so far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of holders of debentures secured by, or holders of, any floating charge created by the company, and shall be paid accordingly out of any property comprised in or subject to that charge.

[<sup>F6</sup>(3) In this Article “preferential debts”, “ordinary preferential debts” and “secondary preferential debts” each has the meaning given in Article 346.]

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| <b>F1</b> | Words in art. 149(1) omitted (1.1.2015) by virtue of <a href="#">The Banks and Building Societies (Depositor Preference and Priorities) Order 2014 (S.I. 2014/3486)</a> , arts. 1(2), <b>17(2)</b> (with art. 3) |
| <b>F2</b> | Art. 149(1)(a)(b) and words inserted (26.6.2020) by <a href="#">Corporate Insolvency and Governance Act 2020 (c. 12)</a> , s. 49(1), <b>Sch. 7 para. 18(2)</b> (with ss. 2(2), 5(2))                             |
| <b>F3</b> | Art. 149(1A)(1B) inserted (1.1.2015) by <a href="#">The Banks and Building Societies (Depositor Preference and Priorities) Order 2014 (S.I. 2014/3486)</a> , arts. 1(2), <b>17(3)</b> (with art. 3)              |
| <b>F4</b> | Words in art. 149(1A) omitted (26.6.2020) by virtue of <a href="#">Corporate Insolvency and Governance Act 2020 (c. 12)</a> , s. 49(1), <b>Sch. 7 para. 18(3)</b> (with ss. 2(2), 5(2))                          |

**Changes to legislation:** *The Insolvency (Northern Ireland) Order 1989, Section 149 is up to date with all changes known to be in force on or before 22 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- F5** Art. 149(2)(a) and word 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), **17(4)** (with art. 3)
- F6** Art. 149(3) inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **17(5)** (with art. 3)

**Modifications etc. (not altering text)**

- C1** Pts. 1-5 applied (with modifications) (4.1.2024) by [S.I. 2021/716](#), **Sch. 1A para. 3** (as inserted by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), reg. 1(2), **Sch. 1**)
- C2** Art. 149 applied by [Financial Markets and Insolvency \(Settlement Finality\) Regulations 1999 \(S.I. 1999/2979\)](#), reg. 14(5)(a)(i) (as substituted (1.10.2009) by [Financial Markets and Insolvency \(Settlement Finality\) \(Amendment\) Regulations 2009 \(S.I. 2009/1972\)](#), **reg. 4(d)(ii)**)
- C3** Art. 149 applied (with modifications) by [S.R. 1995/225](#), Sch. 4 para. 23 (as amended (19.12.2018) by [The Banks and Building Societies \(Priorities on Insolvency\) Order 2018 \(S.I. 2018/1244\)](#), arts. 1(2), **37** (with art. 3))
- C4** Art. 149 modified by [S.R. 1995/225](#), Sch. 4 para. 23 (as modified (28.12.2020 until IP completion day when the amending provision ceases to have effect in accordance with reg. 1(4) of the amending S.I.) by [The Bank Recovery and Resolution \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1350\)](#), regs. 1(4), **122(4)** (with reg. 108))
- C5** Art. 149 excluded (06.03.2008) by [The Regulated Covered Bonds Regulations 2008 \(S.I. 2008/346\)](#), reg. 1(1), **Sch. para. 9(2)(c)**

**Changes to legislation:**

The Insolvency (Northern Ireland) Order 1989, Section 149 is up to date with all changes known to be in force on or before 22 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to :**

- Instrument amended by [1998 c. 11 s. 23 Sch. 5 Pt.1 Ch. 3 para. 40](#)
- Instrument amended (prosp) by [S.I. 1994/279 \(N.I.\) art. 26\(1\)Sch. 2 para. 15](#)

**Changes and effects yet to be applied to the whole Order associated Parts and Chapters:**

Whole provisions yet to be inserted into this Order (including any effects on those provisions):

- Sch. 9 Pt. 2 para. 66 revoked by [1996 c. 23 s. 107\(2\)Sch. 4](#) (Amendment could not be applied. The relevant affected text is not available on [legislation.gov.uk](#))
- art. 2B inserted by [2016 c. 2 \(N.I.\) s. 2\(1\)](#)
- art. 208ZA applied (with modifications) by S.I. 2021/716, reg. 37A (as inserted) by [S.I. 2023/1399 reg. 12](#) (This amendment not applied to [Legislation.gov.uk](#). S. 208ZA is inserted by the Insolvency (Amendment) Act (Northern Ireland) 2016 (c. 2), s. 1(1) which is currently prospective.)
- art. 208ZA-208ZB inserted by [2016 c. 2 \(N.I.\) s. 1\(1\)](#)
- art. 208ZB applied (with modifications) by S.I. 2021/716, reg. 37A (as inserted) by [S.I. 2023/1399 reg. 12](#) (This amendment not applied to [Legislation.gov.uk](#). S. 208ZB is inserted by the Insolvency (Amendment) Act (Northern Ireland) 2016 (c. 2), s. 1(1) which is currently prospective.)
- art. 345A-345B inserted by [2016 c. 2 \(N.I.\) s. 1\(2\)](#)