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STATUTORY INSTRUMENTS

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**1989 No. 2405**

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

**<sup>F1</sup>PART V**

**WINDING UP OF COMPANIES REGISTERED  
UNDER THE COMPANIES ORDERS**

**CHAPTER VIII**

**PROVISIONS OF GENERAL APPLICATION IN WINDING UP**

*[<sup>F1</sup>Property subject to floating charge]*

**<sup>F1</sup>Share of assets for unsecured creditors**

- 150A.**—(1) This Article applies where a floating charge relates to property of a company—
- (a) which has gone into liquidation,
  - (b) which is in administration,
  - (c) of which there is a provisional liquidator, or
  - (d) of which there is a receiver.
- (2) The liquidator, administrator or receiver—
- (a) shall make a prescribed part of the company's net property available for the satisfaction of unsecured debts, and
  - (b) shall not distribute that part to the proprietor of a floating charge except in so far as it exceeds the amount required for the satisfaction of unsecured debts.
- (3) Paragraph (2) shall not apply to a company if—
- (a) the company's net property is less than the prescribed minimum, and
  - (b) the liquidator, administrator or receiver thinks that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits.
- (4) Paragraph (2) shall also not apply to a company if or in so far as it is disappplied by—
- (a) a voluntary arrangement in respect of the company, or
  - (b) a compromise or arrangement agreed under [<sup>F2</sup>Part 26 of the Companies Act 2006 (arrangements and reconstructions)].
- (5) Paragraph (2) shall also not apply to a company if—
- (a) the liquidator, administrator or receiver applies to the High Court for an order under this paragraph on the ground that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits, and
  - (b) the Court orders that paragraph (2) shall not apply.

*Status: Point in time view as at 06/04/2008. This version of this provision has been superseded.*

*Changes to legislation: The Insolvency (Northern Ireland) Order 1989, Section 150A is up to date with all changes known to be in force on or before 22 July 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)*

(6) In paragraphs (2) and (3) a company's net property is the amount of its property which would, but for this Article, be available for satisfaction of claims of holders of debentures secured by, or holders of, any floating charge created by the company.

(7) An order under paragraph (2) prescribing part of a company's net property may, in particular, provide for its calculation—

- (a) as a percentage of the company's net property, or
- (b) as an aggregate of different percentages of different parts of the company's net property.

(8) An order under this Article shall be subject to negative resolution.

(9) In this Article—

“floating charge” means a charge which is a floating charge on its creation and which is created after the first order under paragraph (2)(a) comes into operation, and

“prescribed” means prescribed by order by the Department.

(10) An order under this Article may include transitional or incidental provision.]

**F1** Art. 150A and preceding cross-heading inserted (27.3.2006) by [Insolvency \(Northern Ireland\) Order 2005 \(S.I. 2005/1455 \(N.I. 10\)\)](#), arts. 1(3), 7(1) (with art. 4); S.R. 2006/21, **art. 2** (with S.R. 2006/22, **arts. 2-7**)

**F2** Words in art. 150A(4)(b) substituted (6.4.2008) by [Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), arts. 2(2), 3(1)(b), **Sch. 1 para. 169** (with arts. 6, 11, 12)

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

**C1** Art. 150A 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)**)

**C2** Art. 150A excluded (06.03.2008) by [The Regulated Covered Bonds Regulations 2008 \(S.I. 2008/346\)](#), reg. 1(1), **Sch. para. 9(2)(c)**

**Status:**

Point in time view as at 06/04/2008. This version of this provision has been superseded.

**Changes to legislation:**

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