

**Status:** Point in time view as at 01/04/2016.

**Changes to legislation:** The Insolvency (Northern Ireland) Order 1989, Cross Heading: Approval of voluntary arrangement is up to date with all changes known to be in force on or before 12 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)

## SCHEDULES

### [<sup>F1</sup>SCHEDULE A1

#### MORATORIUM WHERE DIRECTORS PROPOSE VOLUNTARY ARRANGEMENT<sup>F1</sup>

**F1** mod. by SR 2004/307  
**F1** 2002 NI 6

### PART V

#### CONSIDERATION AND IMPLEMENTATION OF VOLUNTARY ARRANGEMENT

##### *Approval of voluntary arrangement*

**41.**—(1)<sup>F2</sup> The meetings summoned under paragraph 39 shall decide whether to 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<sup>F3</sup>... 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 Article 14.

(4) A meeting summoned under paragraph 39 shall not 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.

(5) Subject to sub-paragraph (6), a meeting so summoned shall not 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,<sup>F4</sup>...

[ any ordinary preferential debt of the company is to be paid otherwise than in priority to  
<sup>F5</sup>(aa) any secondary preferential debts that it may have,]

(b) a preferential creditor of the company is to be paid an amount in respect of [<sup>F6</sup>an ordinary preferential debt] that bears to that debt a smaller proportion than is borne to [<sup>F7</sup>another ordinary] preferential debt by the amount that is to be paid in respect of that other debt,  
<sup>F8</sup>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) The meeting may approve such a proposal or modification with the concurrence of the preferential creditor concerned.

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(7)<sup>F2</sup> The directors of the company may, before the beginning of the period of 7 days which ends with the meetings (or either of them) summoned under paragraph 39 being held, give notice to the nominee of any modifications of the proposal for which the directors intend to seek the approval of those meetings.

(8) References in this paragraph to preferential debts [<sup>F9</sup>, ordinary preferential debts, secondary preferential debts] and preferential creditors are to be read in accordance with Article 346.]

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| <b>F2</b> | mod. by SR 2004/307  |
| <b>F3</b> | Words in Sch. A1 para. 41(2) repealed (1.4.2016) by Insolvency (Amendment) Act (Northern Ireland) 2016 (c. 2), s. 28(2), Sch. 3 para. 17(b), <b>Sch. 4</b> ; S.R. 2016/203, art. 2                           |
| <b>F4</b> | Word in Sch. A1 para. 41(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), <b>21(2)(a)</b> (with art. 3) |
| <b>F5</b> | Sch. A1 para. 41(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), <b>21(2)(b)</b> (with art. 3)                 |
| <b>F6</b> | Words in Sch. A1 para. 41(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), <b>21(2)(c)(i)</b> (with art. 3)   |
| <b>F7</b> | Words in Sch. A1 para. 41(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), <b>21(2)(c)(ii)</b> (with art. 3)  |
| <b>F8</b> | Sch. A1 para. 41(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), <b>21(2)(d)</b> (with art. 3)         |
| <b>F9</b> | Words in Sch. A1 para. 41(8) inserted (1.1.2015) by The Banks and Building Societies (Depositor Preference and Priorities) Order 2014 (S.I. 2014/3486), arts. 1(2), <b>21(3)</b> (with art. 3)               |

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