
DRAFT STATUTORY INSTRUMENTS

2014 No.

The Banks and Building Societies (Depositor Preference and Priorities) Order 2014

PART 2

Amendments of Insolvency Act 1986

Moratorium where directors propose voluntary arrangement and preferential debts

9.—(1) Schedule A1(1) to the Insolvency Act 1986 (moratorium where directors propose voluntary arrangement) is amended as follows.

(2) In paragraph 31(5)—

(a) omit the “or” at the end of paragraph (a);

(b) after paragraph (a) insert—

“(aa) any ordinary preferential debt of the company is to be paid otherwise than in priority to any secondary preferential debts that it may have.”;

(c) in paragraph (b)—

(i) for “a preferential debt”, substitute “an ordinary preferential debt”, and

(ii) for “another”, substitute “another ordinary”;

(d) at the end of paragraph (b), insert—

“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.”.

(3) In paragraph 31(8), after “preferential debts” insert “, ordinary preferential debts, secondary preferential debts”.