



Insolvency Act 1986

1986 CHAPTER 45

PART VIII

INDIVIDUAL VOLUNTARY ARRANGEMENTS

[¹Fast-track voluntary arrangement

Textual Amendments

- F1** Ss. 263A-263G and cross-heading inserted (1.4.2004) by 2002 c. 40, ss. 264(1), 279, Sch. 22 para. 2 (with s. 249(6)); S.I. 2003/2093, art. 2(2), Sch. 2 (subject to arts. 3-8 (as amended by S.I. 2003/2332, art. 2))

263A Availability

Section 263B applies where an individual debtor intends to make a proposal to his creditors for a voluntary arrangement and—

- (a) the debtor is an undischarged bankrupt,
- (b) the official receiver is specified in the proposal as the nominee in relation to the voluntary arrangement, and
- (c) no interim order is applied for under section 253.

263B Decision

- (1) The debtor may submit to the official receiver—
 - (a) a document setting out the terms of the voluntary arrangement which the debtor is proposing, and
 - (b) a statement of his affairs containing such particulars as may be prescribed of his creditors, debts, other liabilities and assets and such other information as may be prescribed.

Status: Point in time view as at 25/04/2013.

Changes to legislation: Insolvency Act 1986, Cross Heading: Fast-track voluntary arrangement is up to date with all changes known to be in force on or before 18 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)

- (2) If the official receiver thinks that the voluntary arrangement proposed has a reasonable prospect of being approved and implemented, he may make arrangements for inviting creditors to decide whether to approve it.
- (3) For the purposes of subsection (2) a person is a “creditor” only if—
 - (a) he is a creditor of the debtor in respect of a bankruptcy debt, and
 - (b) the official receiver is aware of his claim and his address.
- (4) Arrangements made under subsection (2)—
 - (a) must include the provision to each creditor of a copy of the proposed voluntary arrangement,
 - (b) must include the provision to each creditor of information about the criteria by reference to which the official receiver will determine whether the creditors approve or reject the proposed voluntary arrangement, and
 - (c) may not include an opportunity for modifications to the proposed voluntary arrangement to be suggested or made.
- (5) Where a debtor submits documents to the official receiver under subsection (1) no application under section 253 for an interim order may be made in respect of the debtor until the official receiver has—
 - (a) made arrangements as described in subsection (2), or
 - (b) informed the debtor that he does not intend to make arrangements (whether because he does not think the voluntary arrangement has a reasonable prospect of being approved and implemented or because he declines to act).

Result

F2 263C

As soon as is reasonably practicable after the implementation of arrangements under section 263B(2) the official receiver shall ^[F3]notify the Secretary of State] whether the proposed voluntary arrangement has been approved or rejected.]

Textual Amendments

- F2** Ss. 263A-263G and cross-heading inserted (1.4.2004) by [2002 c. 40, ss. 264\(1\), 279, Sch. 22 para. 2](#) (with [s. 249\(6\)](#)); [S.I. 2003/2093, art. 2\(2\)](#), Sch. 2 (subject to [arts. 3-8](#) (as amended by [S.I. 2003/2332, art. 2](#)))
- F3** Words in s. 263C substituted (6.4.2010) by [The Legislative Reform \(Insolvency\) \(Miscellaneous Provisions\) Order 2010 \(S.I. 2010/18\)](#), [art. 9\(1\)](#)

Approval of voluntary arrangement

F4 263D

- (1) This section applies where the official receiver ^[F5]notifies the Secretary of State] under section 263C that a proposed voluntary arrangement has been approved.
- (2) The voluntary arrangement—
 - (a) takes effect,
 - (b) binds the debtor, and
 - (c) binds every person who was entitled to participate in the arrangements made under section 263B(2).

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- (3) The court shall annul the bankruptcy order in respect of the debtor on an application made by the official receiver.
- (4) An application under subsection (3) may not be made—
 - (a) during the period specified in section 263F(3) during which the voluntary arrangement can be challenged by application under section 263F(2),
 - (b) while an application under that section is pending, or
 - (c) while an appeal in respect of an application under that section is pending or may be brought.
- (5) The court may give such directions about the conduct of the bankruptcy and the administration of the bankrupt's estate as it thinks appropriate for facilitating the implementation of the approved voluntary arrangement.
- (6) The Deeds of Arrangement Act 1914 (c. 47) does not apply to the voluntary arrangement.
- (7) A reference in this Act or another enactment to a voluntary arrangement approved under this Part includes a reference to a voluntary arrangement which has effect by virtue of this section.]

Textual Amendments

- F4** Ss. 263A-263G and cross-heading inserted (1.4.2004) by [2002 c. 40, ss. 264\(1\), 279, Sch. 22 para. 2](#) (with s. 249(6)); [S.I. 2003/2093, art. 2\(2\), Sch. 2](#) (subject to arts. 3-8 (as amended by [S.I. 2003/2332, art. 2](#)))
- F5** Words in s. 263D(1) substituted (6.4.2010) by [The Legislative Reform \(Insolvency\) \(Miscellaneous Provisions\) Order 2010 \(S.I. 2010/18\), art. 9\(2\)](#)

263E Implementation

Section 263 shall apply to a voluntary arrangement which has effect by virtue of section 263D(2) as it applies to a voluntary arrangement approved by a creditors' meeting.

^I_{F6} 263F Revocation

- (1) The court may make an order revoking a voluntary arrangement which has effect by virtue of section 263D(2) on the ground—
 - (a) that it unfairly prejudices the interests of a creditor of the debtor, or
 - (b) that a material irregularity occurred in relation to the arrangements made under section 263B(2).
- (2) An order under subsection (1) may be made only on the application of—
 - (a) the debtor,
 - (b) a person who was entitled to participate in the arrangements made under section 263B(2),
 - (c) the trustee of the bankrupt's estate, or
 - (d) the official receiver.

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- (3) An application under subsection (2) may not be made after the end of the period of 28 days beginning with the date on which the official receiver [^{F7}notifies the Secretary of State] under section 263C.
- (4) But a creditor who was not made aware of the arrangements under section 263B(2) at the time when they were made may make an application under subsection (2) during the period of 28 days beginning with the date on which he becomes aware of the voluntary arrangement.]

Textual Amendments

- F6** Ss. 263A-263G and cross-heading inserted (1.4.2004) by [2002 c. 40, ss. 264\(1\), 279, Sch. 22 para. 2](#) (with [s. 249\(6\)](#)); [S.I. 2003/2093, art. 2\(2\)](#), Sch. 2 (subject to [arts. 3-8](#) (as amended by [S.I. 2003/2332, art. 2](#)))
- F7** Words in s. 263F(3) substituted (6.4.2010) by [The Legislative Reform \(Insolvency\) \(Miscellaneous Provisions\) Order 2010 \(S.I. 2010/18\), art. 9\(3\)](#)

263G Offences

- (1) Section 262A shall have effect in relation to obtaining approval to a proposal for a voluntary arrangement under section 263D.
- (2) Section 262B shall have effect in relation to a voluntary arrangement which has effect by virtue of section 263D(2) (for which purposes the words “by a creditors’ meeting summoned under section 257” shall be disregarded).]

Status:

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Changes to legislation:

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