



Insolvency Act 1986

1986 CHAPTER 45

PART VIII

INDIVIDUAL VOLUNTARY ARRANGEMENTS

Consideration and implementation of debtor's proposal

258 [F1 Approval of debtor's proposal]

[F2(1) This section applies where under section 257 the debtor's creditors are asked to decide whether to approve the proposed voluntary arrangement.]

(2) The [F3 creditors] may approve the proposed voluntary arrangement with [F4 or without] modifications, but shall not [F5 approve it with modifications] unless the debtor consents to each modification.

(3) The modifications subject to which the proposed voluntary arrangement may be approved may include one conferring the functions proposed to be conferred on the nominee on another person qualified to act as an insolvency practitioner [F6 or authorised to act as nominee, in relation to the voluntary arrangement].

But they shall not include any modification by virtue of which the proposal ceases to be a proposal [F6 under this Part].

(4) The [F7 creditors] shall not approve any proposal or modification which affects the right of a secured creditor of the debtor to enforce his security, except with the concurrence of the creditor concerned.

(5) Subject as follows, the [F8 creditors] shall not approve any proposal or modification under which—

(a) any preferential debt of the debtor is to be paid otherwise than in priority to such of his debts as are not preferential debts, F9 ...

[F10(aa) any ordinary preferential debt of the debtor is to be paid otherwise than in priority to any secondary preferential debts that the debtor may have,]

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- (b) a preferential creditor of the debtor is to be paid an amount in respect of [^{F11}an ordinary preferential debt] that bears to that debt a smaller proportion than is borne to [^{F12}another ordinary] preferential debt by the amount that is to be paid in respect of that other debt [^{F13}, ^{F14}...
- (c) a preferential creditor of the debtor 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.]]^{F15}or
- (d) if the debtor is a relevant financial institution (see section 387A), any non-preferential debt is to be paid otherwise than in accordance with the rules in section 328(3A) (reading references to the bankrupt as references to the debtor),]

However, the [^{F8}creditors] may approve such a proposal or modification with the concurrence of the ^{F16}... creditor concerned.

^{F17}(6)

- (7) In this section “preferential debt” [^{F18}, “ordinary preferential debt” and “secondary preferential debt” each has] the meaning given by section 386 in Part XII; and “preferential creditor” is to be construed accordingly.

Textual Amendments

- F1** S. 258 heading substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 65\(6\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F2** S. 258(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 65\(2\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F3** Word in s. 258(2) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 65\(3\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F4** Words in s. 258(2) inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 65\(4\)\(a\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F5** Words in s. 258(2) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 65\(4\)\(b\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F6** Words in s. 258(3) substituted (1.1.2003) by 2000 c. 39, s. 3, [Sch. 3 para. 9](#); S.I. 2002/2711, [art. 2](#) (subject to transitional provisions in [arts. 3-5](#))
- F7** Word in s. 258(4) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 65\(3\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F8** Word in s. 258(5) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 65\(3\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

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- F9** Word in s. 258(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), **6(2)(a)** (with art. 3)
- F10** S. 258(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), **6(2)(b)** (with art. 3)
- F11** Words in s. 258(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), **6(2)(c)(i)** (with art. 3)
- F12** Words in s. 258(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), **6(2)(c)(ii)** (with art. 3)
- F13** S. 258(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), **6(2)(d)** (with art. 3)
- F14** Word in s. 258(5)(b) omitted (19.12.2018) by virtue of [The Banks and Building Societies \(Priorities on Insolvency\) Order 2018 \(S.I. 2018/1244\)](#), arts. 1(2), **7(a)** (with art. 3)
- F15** S. 258(5)(d) and word inserted (19.12.2018) by [The Banks and Building Societies \(Priorities on Insolvency\) Order 2018 \(S.I. 2018/1244\)](#), arts. 1(2), **7(b)** (with art. 3)
- F16** Word in s. 258(5) omitted (19.12.2018) by virtue of [The Banks and Building Societies \(Priorities on Insolvency\) Order 2018 \(S.I. 2018/1244\)](#), arts. 1(2), **7(c)** (with art. 3)
- F17** S. 258(6) omitted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 65(5)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F18** Words in s. 258(7) substituted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **6(3)** (with art. 3)

Modifications etc. (not altering text)

- C1** Ss. 256-263 applied (with modifications) by S.I. 1986/1999, art. 3, **Sch. I Pt. III**
- C2** S. 258 modified (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) Regulations 2004 \(S.I. 2004/353\)](#), **reg. 33(5)** (as modified (10.8.2005) by S.I. 2005/1998, **regs. 2(3)**, {40(1)-(4)(11)})
- C3** S. 258 excluded (16.6.2016) by [The Education \(Postgraduate Masters Degree Loans\) Regulations 2016 \(S.I. 2016/606\)](#), regs. 1(1), **97(1)(c)**

259 Report of decisions to court.

- [^{F19}(1) When pursuant to section 257 the debtor's creditors have decided whether to approve the debtor's proposal (with or without modifications), the nominee (or the nominee's replacement under section 256(3) or 256A(4)) must—
- (a) give notice of the creditors' decision to such persons as may be prescribed, and
 - (b) where the creditors considered the debtor's proposal pursuant to a report to the court under section 256(1)(aa), report the creditors' decision to the court.]
- (2) If the report is that the [^{F20}creditors have] declined (with or without modifications) to approve the [^{F21}voluntary arrangement proposed under section 256], the court may discharge any interim order which is in force in relation to the debtor.

Textual Amendments

- F19** S. 259(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 66(2)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F20** Words in s. 259(2) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 9 para. 66(3)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

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F21 Words in s. 259(2) substituted (6.4.2010) by [The Legislative Reform \(Insolvency\) \(Miscellaneous Provisions\) Order 2010 \(S.I. 2010/18\)](#), [art. 8\(3\)\(b\)](#)

Modifications etc. (not altering text)

C4 Ss. 256–263 applied with modifications by [S.I. 1986/1999](#), [art. 3](#), [Sch. I Pt. III](#)

260 Effect of approval.

- (1) This section has effect where [^{F22}pursuant to section 257 the debtor's creditors decide to approve] the proposed voluntary arrangement (with or without modifications).
- (2) The approved arrangement—
- (a) takes effect as if made by the debtor [^{F23}at the time the creditors decided to approve the proposal], and
- [^{F24}(b) binds every person who in accordance with the rules—
- (i) was entitled to vote [^{F25}in the creditors' decision procedure by which the decision to approve the proposal was made], or
- (ii) would have been so entitled if he had had notice of it, as if he were a party to the arrangement.
- (2A) If—
- (a) when the arrangement ceases to have effect any amount payable under the arrangement to a person bound by virtue of subsection (2)(b)(ii) has not been paid, and
- (b) the arrangement did not come to an end prematurely,
- the debtor shall at that time become liable to pay to that person the amount payable under the arrangement.]
- ^{F26}(3)
- (4) Any interim order in force in relation to the debtor immediately before the end of the period of 28 days beginning with the day on which the report with respect to the creditors' [^{F27}decision] was made to the court under section 259 ceases to have effect at the end of that period.
- This subsection applies except to such extent as the court may direct for the purposes of any application under section 262 below.
- (5) Where proceedings on a bankruptcy petition have been stayed by an interim order which ceases to have effect under subsection (4), that petition is deemed, unless the court otherwise orders, to have been dismissed.

Textual Amendments

F22 Words in s. 260(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), [s. 164\(1\)](#), [Sch. 9 para. 67\(2\)](#); [S.I. 2015/1329](#), [reg. 3\(d\)](#); [S.I. 2016/1020](#), [reg. 4\(e\)](#) (with [reg. 5](#)) (as amended by [S.I. 2017/363](#), [reg. 3](#))

F23 Words in s. 260(2)(a) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), [s. 164\(1\)](#), [Sch. 9 para. 67\(3\)\(a\)](#); [S.I. 2015/1329](#), [reg. 3\(d\)](#); [S.I. 2016/1020](#), [reg. 4\(e\)](#) (with [reg. 5](#)) (as amended by [S.I. 2017/363](#), [reg. 3](#))

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- F24** S. 260(2)(b)(2A) substituted for 260(2)(b) (1.1.2003) by 2000 c. 39, s. 3, **Sch. 3 para. 10**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F25** Words in s. 260(2)(b)(i) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 67(3)(b)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F26** S. 260(3) omitted (1.10.2015) by virtue of **Deregulation Act 2015 (c. 20), s. 115(7), Sch. 6 para. 2(11)(a)** (with **Sch. 6 para. 3**); S.I. 2015/1732, art. 2(e)(i)
- F27** Word in s. 260(4) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 67(4)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

Modifications etc. (not altering text)

- C5** Ss. 256–263 applied with modifications by S.I. 1986/1999, art. 3, **Sch. I Pt. III**

[^{F28}261 Additional effect on undischarged bankrupt

- (1) This section applies where—
- [^{F29}pursuant to section 257 the debtor's creditors decide to approve] the proposed voluntary arrangement (with or without modifications), and
 - the debtor is an undischarged bankrupt.
- (2) Where this section applies the court shall annul the bankruptcy order on an application made—
- by the bankrupt, or
 - where the bankrupt has not made an application within the prescribed period, by the official receiver.
- (3) An application under subsection (2) may not be made—
- during the period specified in section 262(3)(a) during which the [^{F30}creditors' decision] can be challenged by application under section 262,
 - while an application under that section is pending, or
 - while an appeal in respect of an application under that section is pending or may be brought.
- (4) Where this section applies 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.]

Textual Amendments

- F28** S. 261 substituted (1.4.2004) by 2002 c. 40, ss. 264(1), 279, **Sch. 22 para. 1** (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))
- F29** Words in s. 261(1)(a) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 68(2)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F30** Words in s. 261(3)(a) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch.**

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9 para. 68(3); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

262 Challenge of [^{F31}creditors'] decision.

- (1) Subject to this section, an application to the court may be made, by any of the persons specified below, on one or both of the following grounds, namely—
- (a) that a voluntary arrangement approved by [^{F32}a decision of the debtor's creditors pursuant to] section 257 unfairly prejudices the interests of a creditor of the debtor;
 - (b) that there has been some material irregularity [^{F33}in relation to a creditors' decision procedure instigated under that section].
- (2) The persons who may apply under this section are—
- (a) the debtor;
 - [^{F34}(b) a person who—
 - (i) was entitled, in accordance with the rules, to vote [^{F35}in the creditors' decision procedure], or
 - (ii) would have been so entitled if he had had notice of it]
 - (c) the nominee (or his replacement under section [^{F36}256(3), 256A(4)] or 258(3)); and
 - (d) if the debtor is an undischarged bankrupt, the trustee of his estate or the official receiver.
- (3) An application under this section shall not be made
- [^{F37}(a)] after the end of the period of 28 days beginning with the day on which [^{F38}the creditors decided whether to approve the proposed voluntary arrangement or, where a report was required to be made to the court under section 259(1)(b), the day on which the report was made][^{F37} or
 - (b) in the case of a person who was not given notice of the [^{F39}creditors' decision procedure], after the end of the period of 28 days beginning with the day on which he became aware that [^{F40}a decision as to whether to approve the proposed voluntary arrangement had been made],
- but (subject to that) an application made by a person within subsection (2)(b)(ii) on the ground that the arrangement prejudices his interests may be made after the arrangement has ceased to have effect, unless it has come to an end prematurely.]
- (4) Where on an application under this section the court is satisfied as to either of the grounds mentioned in subsection (1), it may do one or both of the following, namely—
- (a) revoke or suspend any approval given by [^{F41}a decision of the debtor's creditors];
 - [^{F42}(b) direct any person to seek a decision from the debtor's creditors (using a creditors' decision procedure) as to whether they approve—
 - (i) any revised proposal the debtor may make, or
 - (ii) in a case falling within subsection (1)(b), the debtor's original proposal.]
- (5) Where at any time after giving a direction under subsection (4)(b) [^{F43}in relation to] a revised proposal the court is satisfied that the debtor does not intend to submit such a proposal, the court shall revoke the direction and revoke or suspend any approval [^{F44}previously given by the debtor's creditors].

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- (6) Where the court gives a direction under subsection (4)(b), it may also give a direction continuing or, as the case may require, renewing, for such period as may be specified in the direction, the effect in relation to the debtor of any interim order.
- (7) In any case where the court, on an application made under this section with respect to a creditors' [^{F45}decision], gives a direction under subsection (4)(b) or revokes or suspends an approval under subsection (4)(a) or (5), the court may give such supplemental directions as it thinks fit and, in particular, directions with respect to—
- (a) things done since the [^{F45}decision] under any voluntary arrangement approved by the meeting, and
 - (b) such things done since the [^{F45}decision] as could not have been done if any interim order had been in force in relation to the debtor when they were done.
- (8) Except in pursuance of the preceding provisions of this section, [^{F46}the approval of a voluntary arrangement by a decision of the debtor's creditors pursuant to section 257 is not invalidated by any irregularity in relation to the creditors' decision procedure by which the decision was made.]

Textual Amendments

- F31** Word in s. 262 heading substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 69\(11\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F32** Words in s. 262(1)(a) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 69\(2\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F33** Words in s. 262(1)(b) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 69\(3\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F34** S. 262(2)(b) substituted (1.1.2003) by 2000 c. 39, s. 3, [Sch. 3 para. 11\(1\)\(a\)](#); S.I. 2002/2711, [art. 2](#) (subject to transitional provisions in [arts. 3-5](#))
- F35** Words in s. 262(2)(b)(i) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 69\(4\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F36** Words in s. 262(2)(c) substituted (1.1.2003) by 2000 c. 39, s. 3, [Sch. 3 para. 11\(1\)\(b\)](#); S.I. 2002/2711, [art. 2](#) (subject to transitional provisions in [arts. 3-5](#))
- F37** Words in s. 262(3) inserted (1.1.2003) by 2000 c. 39, s. 3, [Sch. 3 para. 11\(2\)](#); S.I. 2002/2711, [art. 2](#) (subject to transitional provisions in [arts. 3-5](#))
- F38** Words in s. 262(3)(a) substituted (26.5.2015) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), ss. 134, 164\(3\)\(i\)\(iv\)](#)
- F39** Words in s. 262(3)(b) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 69\(5\)\(a\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F40** Words in s. 262(3)(b) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 69\(5\)\(b\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

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- F41** Words in s. 262(4)(a) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 69(6)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F42** S. 262(4)(b) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 69(7)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F43** Words in s. 262(5) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 69(8)(a)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F44** Words in s. 262(5) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 69(8)(b)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F45** Word in s. 262(7) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 69(9)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F46** Words in s. 262(8) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 69(10)**; S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

Modifications etc. (not altering text)

- C6** Ss. 256–263 applied with modifications by S.I. 1986/1999, art. 3, **Sch. I Pt. III**
- C7** S. 262 amended (1.12.2001) by 2000 c. 8, s. 357(5)(a); S.I. 2001/3538, **art. 2(1)**

[^{F47}262A False representations etc.

- (1) If for the purpose of obtaining the approval of his creditors to a proposal for a voluntary arrangement, the debtor—
- (a) makes any false representation, or
 - (b) fraudulently does, or omits to do, anything,
- he commits an offence.
- (2) Subsection (1) applies even if the proposal is not approved.
- (3) A person guilty of an offence under this section is liable to imprisonment or a fine, or both.]

Textual Amendments

- F47** S. 262A inserted (1.1.2003) by 2000 c. 39, s. 3, **Sch. 3 para. 12**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)

^{F48}262B Prosecution of delinquent debtors.

- (1) This section applies where a voluntary arrangement approved by a [^{F49}decision of the debtor's creditors pursuant to] section 257 has taken effect.

Status: Point in time view as at 16/02/2021.

Changes to legislation: Insolvency Act 1986, Cross Heading: Consideration and implementation of debtor's proposal is up to date with all changes known to be in force on or before 30 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 it appears to the nominee or supervisor that the debtor has been guilty of any offence in connection with the arrangement for which he is criminally liable, he shall forthwith—
- (a) report the matter to the Secretary of State, and
 - (b) provide the Secretary of State with such information and give the Secretary of State such access to and facilities for inspecting and taking copies of documents (being information or documents in his possession or under his control and relating to the matter in question) as the Secretary of State requires.
- (3) Where a prosecuting authority institutes criminal proceedings following any report under subsection (2), the nominee or, as the case may be, supervisor shall give the authority all assistance in connection with the prosecution which he is reasonably able to give.
- For this purpose, “prosecuting authority” means the Director of Public Prosecutions or the Secretary of State.
- (4) The court may, on the application of the prosecuting authority, direct a nominee or supervisor to comply with subsection (3) if he has failed to do so.

Textual Amendments

- F48** S. 262B inserted (1.1.2003) by 2000 c. 39, s. 3, **Sch. 3 para. 12**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in **arts. 3-5**)
- F49** Words in s. 262B(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 70**; S.I. 2015/1329, **reg. 3(d)**; S.I. 2016/1020, **reg. 4(e)** (with **reg. 5**) (as amended by S.I. 2017/363, **reg. 3**)

^{F50}**262C Arrangements coming to an end prematurely.**

For the purposes of this Part, a voluntary arrangement approved by a [^{F51}decision of the debtor's creditors pursuant to] section 257 comes to an end prematurely if, when it ceases to have effect, it has not been fully implemented in respect of all persons bound by the arrangement by virtue of section 260(2)(b)(i).

Textual Amendments

- F50** S. 262C inserted (1.1.2003) by 2000 c. 39, s. 3, **Sch. 3 para. 12**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in **arts. 3-5**)
- F51** Words in s. 262C substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by **Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(1), Sch. 9 para. 71**; S.I. 2015/1329, **reg. 3(d)**; S.I. 2016/1020, **reg. 4(e)** (with **reg. 5**) (as amended by S.I. 2017/363, **reg. 3**)

263 Implementation and supervision of approved voluntary arrangement.

- (1) This section applies where a voluntary arrangement approved by a [^{F52}decision of the debtor's creditors pursuant to] section 257 has taken effect.
- (2) The person who is for the time being carrying out, in relation to the voluntary arrangement, the functions conferred by virtue of the approval on the nominee (or

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his replacement under section [^{F53}256(3), 256A(4)] or 258(3)) shall be known as the supervisor of the voluntary arrangement.

- (3) If the debtor, any of his creditors or any other person is dissatisfied by any act, omission or decision of the supervisor, he may apply to the court; and on such an application the court may—
- (a) confirm, reverse or modify any act or decision of the supervisor,
 - (b) give him directions, or
 - (c) make such other order as it thinks fit.
- (4) The supervisor may apply to the court for directions in relation to any particular matter arising under the voluntary arrangement.
- (5) The court may, whenever—
- (a) it is expedient to appoint a person to carry out the functions of the supervisor, and
 - (b) it is inexpedient, difficult or impracticable for an appointment to be made without the assistance of the court, make an order appointing a person who is qualified to act as an insolvency practitioner [^{F54}or authorised to act as supervisor, in relation to the voluntary arrangement], either in substitution for the existing supervisor or to fill a vacancy.

^{F55} ...

- (6) The power conferred by subsection (5) is exercisable so as to increase the number of persons exercising the functions of the supervisor or, where there is more than one person exercising those functions, so as to replace one or more of those persons.

Textual Amendments

- F52** Words in s. 263(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 72](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F53** Words in s. 263(2) substituted (1.1.2003) by 2000 c. 39, s. 3, [Sch. 3 para. 13\(a\)](#); S.I. 2002/2711, [art. 2](#) (subject to transitional provisions in [arts. 3-5](#))
- F54** Words in s. 263(5) substituted (1.1.2003) by 2000 c. 39, s. 3, [Sch. 3 para. 13\(b\)](#); S.I. 2002/2711, [art. 2](#) (subject to transitional provisions in [arts. 3-5](#))
- F55** Words in s. 263(5) omitted (1.10.2015) by virtue of [Deregulation Act 2015 \(c. 20\), s. 115\(7\), Sch. 6 para. 2\(11\)\(b\)](#) (with [Sch. 6 para. 3](#)); S.I. 2015/1732, [art. 2\(e\)\(i\)](#)

Modifications etc. (not altering text)

- C8** Ss. 256–263 applied with modifications by S.I. 1986/1999, [art. 3, Sch. I Pt. III](#)
S. 263 amended (1.12.2001) by 2000 c. 8, [s. 357\(5\)\(b\)](#); S.I. 2001/3538, [art. 2\(1\)](#)

Status:

Point in time view as at 16/02/2021.

Changes to legislation:

Insolvency Act 1986, Cross Heading: Consideration and implementation of debtor's proposal is up to date with all changes known to be in force on or before 30 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.