



# Insolvency Act 1986

## 1986 CHAPTER 45

### PART XIV

#### PUBLIC ADMINISTRATION (ENGLAND AND WALES)

##### *Insolvency Service finance, accounting and investment*

#### **403 Insolvency Services Account.**

- (1) All money received by the Secretary of State in respect of proceedings under this Act as it applies to England and Wales shall be paid into the Insolvency Services Account kept by the Secretary of State with the Bank of England; and all payments out of money standing to the credit of the Secretary of State in that account shall be made by the Bank of England in such manner as he may direct.
- (2) Whenever the cash balance standing to the credit of the Insolvency Services Account is in excess of the amount which in the opinion of the Secretary of State is required for the time being to answer demands in respect of bankrupts' estates or companies' estates, the Secretary of State shall—
  - (a) notify the excess to the National Debt Commissioners, and
  - (b) pay into the Insolvency Services Investment Account ("the Investment Account") kept by the Commissioners with the Bank of England the whole or any part of the excess as the Commissioners may require for investment in accordance with the following provisions of this Part.
- (3) Whenever any part of the money so invested is, in the opinion of the Secretary of State, required to answer any demand in respect of bankrupt's estates or companies' estates, he shall notify to the National Debt Commissioners the amount so required and the Commissioners—
  - (a) shall thereupon repay to the Secretary of State such sum as may be required to the credit of the Insolvency Services Account, and
  - (b) for that purpose may direct the sale of such part of the securities in which the money has been invested as may be necessary.

*Status: Point in time view as at 01/10/2012.*

*Changes to legislation: Insolvency Act 1986, Cross Heading: Insolvency Service finance, accounting and investment is up to date with all changes known to be in force on or before 01 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)*

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

**C1** S. 403 applied with modifications by S.I. 1986/1999, art. 3, **Sch. 1 Pt. II**

**404 Investment Account.**

Any money standing to the credit of the Investment Account (including any money received by the National Debt Commissioners by way of interest on or proceeds of any investment under this section) may be invested by the Commissioners, in accordance with such directions as may be given by the Treasury, in any manner for the time being specified in Part II of Schedule 1 to the <sup>M1</sup>Trustee Investments Act 1961.

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

**C2** S. 404 applied with modifications by S.I. 1986/1999, art. 3, **Sch. 1 Pt. II**

**Marginal Citations**

**M1** 1961 c. 62.

**405 Application of income in Investment Account; adjustment of balances.**

<sup>F1</sup> .....

**Textual Amendments**

**F1** S. 405 repealed (1.4.2004) by 2002 c. 40, ss. 272(1), 278, 279, Sch. 26 (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))

**406** [<sup>F2</sup>Interest on money received by liquidators or trustees in bankruptcy and invested.]

Where under rules made by virtue of paragraph 16 of Schedule 8 to this Act (investment of money received by company liquidators) [<sup>F3</sup>or paragraph 21 of Schedule 9 to this Act (investment of money received by trustee in bankruptcy) a company or a bankrupt's estate] has become entitled to any sum by way of interest, the Secretary of State shall certify that sum and the amount of tax payable on it to the National Debt Commissioners; and the Commissioners shall pay, out of the Investment Account—

- (a) into the Insolvency Services Account, the sum so certified less the amount of tax so certified, and
- (b) to the Commissioners of Inland Revenue, the amount of tax so certified.

**Textual Amendments**

**F2** S. 406: sidenote substituted (2.4.2001) by 2000 c. 39, s. 13(2)(b); S.I. 2001/766, **art. 2** (subject to transitional provisions in art. 3)

**F3** Words in s. 406 substituted (2.4.2001) by 2000 c. 39, s. 13(2)(a); S.I. 2001/766, **art. 2** (subject to transitional provisions in art. 3)

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#### **407 Unclaimed dividends and undistributed balances.**

- (1) The Secretary of State shall from time to time pay into the Consolidated Fund out of the Insolvency Services Account so much of the sums standing to the credit of that Account as represents—
  - (a) dividends which were declared before such date as the Treasury may from time to time determine and have not been claimed, and
  - (b) balances ascertained before that date which are too small to be divided among the persons entitled to them.
- (2) For the purposes of this section the sums standing to the credit of the Insolvency Services Account are deemed to include any sums paid out of that Account and represented by any sums or securities standing to the credit of the Investment Account.
- (3) The Secretary of State may require the National Debt Commissioners to pay out of the Investment Account into the Insolvency Services Account the whole or part of any sum which he is required to pay out of that account under subsection (1); and the Commissioners may direct the sale of such securities standing to the credit of the Investment Account as may be necessary for that purpose.

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

**C3** S. 407 applied with modifications by S.I. 1986/1999, art. 3, Sch. 1 Pt. II

#### **[<sup>F4</sup>408 Adjustment of balances**

- (1) The Treasury may direct the payment out of the Consolidated Fund of sums into—
  - (a) the Insolvency Services Account;
  - (b) the Investment Account.
- (2) The Treasury shall certify to the House of Commons the reason for any payment under subsection (1).
- (3) The Secretary of State may pay sums out of the Insolvency Services Account into the Consolidated Fund.
- (4) The National Debt Commissioners may pay sums out of the Investment Account into the Consolidated Fund.]

#### **Textual Amendments**

**F4** S. 408 substituted (1.4.2004) by 2002 c. 40, ss. 272(2), 279 (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))

#### **409 Annual financial statement and audit.**

- (1) The National Debt Commissioners shall for each year ending on 31st March prepare a statement of the sums credited and debited to the Investment Account in such form and manner as the Treasury may direct and shall transmit it to the Comptroller and Auditor General before the end of November next following the year.

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- (2) The Secretary of State shall for each year ending 31st March prepare a statement of the sums received or paid by him under section 403 above in such form and manner as the Treasury may direct and shall transmit each statement to the Comptroller and Auditor General before the end of November next following the year.
- (3) Every such statement shall include such additional information as the Treasury may direct.
- (4) The Comptroller and Auditor General shall examine, certify and report on every such statement and shall lay copies of it, and of his report, before Parliament.

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

**C4** S. 409 applied with modifications by S.I. 1986/1999, art. 3, **Sch. 1 Pt. II**

**Status:**

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**Changes to legislation:**

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