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SCHEDULES

[^{F1}SCHEDULE B1

ADMINISTRATION

Textual Amendments

- F1** Sch. B1 inserted (15.9.2003) by 2002 c. 40, ss. 248(2), 279, Sch. 16 (with s. 249(1)-(3)(6)); S.I. 2003/2093, art. 2(1), Sch. 1 (subject to arts. 3-8 (as amended by S.I. 2003/2332, art. 2))

Modifications etc. (not altering text)

- C1** Sch. B1 applied in part (with modifications) (5.10.2004) by Energy Act 2004 (c. 20), ss. 159(1), 198, Sch. 20 Pts. 1-3; S.I. 2004/2575, art. 2(1), Sch. 1
- C1** Pt. 2 (including Sch. B1) applied (with modifications) (1.2.2011) by The Financial Services and Markets Act 2000 (Administration Orders Relating to Insurers) Order 2010 (S.I. 2010/3023), art. 2, Sch. (with art. 6) (as amended (1.4.2013) by S.I. 2013/472, Sch. 2 para. 195(c); and (7.4.2017) by S.I. 2017/400, regs. 1(2), 9)
- C1** Pt. 2 (including Sch. B1) applied (with modifications) (6.4.2014) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 (S.I. 2014/229), art. 2(2), Sch. 1 (as renamed (1.8.2014) by S.I. 2014/1815, Sch. para 33; and as amended (1.8.2014) by S.I. 2014/1822, art. 5; and (13.3.2018) by S.I. 2018/208, regs. 1(3), 15(3)(b))
- C1** Sch. B1 applied in part (with modifications) (1.10.2011) by Postal Services Act 2011 (c. 5), ss. 73, 93(2) (3), Sch. 10 Pts. 1, 2; S.I. 2011/2329, art. 3 (with arts. 4, 5) (as amended (6.4.2017) by S.I. 2017/540, reg. 1, Sch. 1 para. 6(2) (with reg. 4))
- C1** Pt. 2 (including Sch. B1) applied (with modifications) (1.12.1994) by The Insolvent Partnerships Order 1994 (S.I. 1994/2421), art. 6(1), Sch. 2 (as amended (1.7.2005) by S.I. 2005/1516, art. 7, Sch. 1; (1.4.2013) by S.I. 2013/472, Sch. 2 para. 11(b)); (1.1.2015) by S.I. 2014/3486, arts. 1(2), 13 (with art. 3); (6.4.2017) by S.I. 2017/540, reg. 1, Sch. 2 para. 6 (with reg. 4); (19.12.2018) by S.I. 2018/1244, arts. 1(2), 19(2)(3) (with art. 3)); and (28.12.2020) (temp.) by S.I. 2020/1350, regs. 1(4), 121(3))
- C1** Sch. B1 applied (with modifications) by S.I. 2010/3023, art. 2, Sch. (as amended (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), 12 (with reg. 22))
- C1** Sch. B1 specified provisions applied (with modifications) (4.7.2018) by The Insolvency of Registered Providers of Social Housing Regulations 2018 (S.I. 2018/728), regs. 1, 2(2), Sch. 1 Pt. 1
- C1** Sch. B1 specified provisions applied (with modifications) by S.I. 2012/3013, Sch. 2 Pt. 1 (as inserted (4.7.2018) by The Insolvency of Registered Providers of Social Housing Regulations 2018 (S.I. 2018/728), regs. 1, 3(6), Sch. 2)
- C1** Sch. B1 specified provisions applied (with modifications) (13.7.2018 for E.W.) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), Sch. 6 para. 5; S.I. 2018/848, art. 2(b) (as amended by S.I. 2017/400, regs. 1(2), 6(a)(c); and S.I. 2018/208, regs. 1(3), 6(a))

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NATURE OF ADMINISTRATION

Administration

- 1 (1) For the purposes of this Act “administrator” of a company means a person appointed under this Schedule to manage the company’s affairs, business and property.
- (2) For the purposes of this Act—
- (a) a company is “in administration” while the appointment of an administrator of the company has effect,
 - (b) a company “enters administration” when the appointment of an administrator takes effect,
 - (c) a company ceases to be in administration when the appointment of an administrator of the company ceases to have effect in accordance with this Schedule, and
 - (d) a company does not cease to be in administration merely because an administrator vacates office (by reason of resignation, death or otherwise) or is removed from office.

Modifications etc. (not altering text)

C1 Sch. B1 para. 1 modified (5.7.2018) by [Housing and Planning Act 2016 \(c. 22\)](#), s. 216(3), Sch. 5 Pts. 1, 2; S.I. 2018/805, reg. 3(b)

- 2 A person may be appointed as administrator of a company—
- (a) by administration order of the court under paragraph 10,
 - (b) by the holder of a floating charge under paragraph 14, or
 - (c) by the company or its directors under paragraph 22.

Purpose of administration

- 3 (1) The administrator of a company must perform his functions with the objective of—
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company’s creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company’s creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either—
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company’s creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if—
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and

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- (b) he does not unnecessarily harm the interests of the creditors of the company as a whole.
- 4 The administrator of a company must perform his functions as quickly and efficiently as is reasonably practicable.

Status of administrator

- 5 An administrator is an officer of the court (whether or not he is appointed by the court).

General restrictions

- 6 A person may be appointed as administrator of a company only if he is qualified to act as an insolvency practitioner in relation to the company.
- 7 A person may not be appointed as administrator of a company which is in administration (subject to the provisions of paragraphs 90 to 97 and 100 to 103 about replacement and additional administrators).
- 8 (1) A person may not be appointed as administrator of a company which is in liquidation by virtue of—
(a) a resolution for voluntary winding up, or
(b) a winding-up order.
- (2) Sub-paragraph (1)(a) is subject to paragraph 38.
- (3) Sub-paragraph (1)(b) is subject to paragraphs 37 and 38.
- 9 (1) A person may not be appointed as administrator of a company which—
(a) has a liability in respect of a deposit which it accepted in accordance with the Banking Act 1979 (c. 37) or 1987 (c. 22), but
(b) is not an authorised deposit taker.
- (2) A person may not be appointed as administrator of a company which effects or carries out contracts of insurance.
- (3) But sub-paragraph (2) does not apply to a company which—
(a) is exempt from the general prohibition in relation to effecting or carrying out contracts of insurance, or
(b) is an authorised deposit taker effecting or carrying out contracts of insurance in the course of a banking business.
- (4) In this paragraph—
“authorised deposit taker” means a person with permission under Part IV of the Financial Services and Markets Act 2000 (c. 8) to accept deposits, and
“the general prohibition” has the meaning given by section 19 of that Act.
- (5) This paragraph shall be construed in accordance with—
(a) section 22 of the Financial Services and Markets Act 2000 (classes of regulated activity and categories of investment),
(b) any relevant order under that section, and
(c) Schedule 2 to that Act (regulated activities).]

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