



Insolvency Act 1986

1986 CHAPTER 45

PART VI

MISCELLANEOUS PROVISIONS APPLYING TO COMPANIES WHICH ARE INSOLVENT OR IN LIQUIDATION

[^{F1}Decisions by creditors and contributories

[^{F1}246Z] Deemed consent procedure

- (1) The deemed consent procedure may be used instead of a qualifying decision procedure where a company's creditors or contributories are to make a decision about any matter, unless—
 - (a) a decision about the matter is required by virtue of this Act, the rules, or any other legislation to be made by a qualifying decision procedure, or
 - (b) the court orders that a decision about the matter is to be made by a qualifying decision procedure.
- (2) If the rules provide for a company's creditors or contributories to make a decision about the remuneration of any person, they must provide that the decision is to be made by a qualifying decision procedure.
- (3) The deemed consent procedure is that the relevant creditors (other than opted-out creditors) or (as the case may be) the relevant contributories are given notice of—
 - (a) the matter about which they are to make a decision,
 - (b) the decision that the person giving the notice proposes should be made (the “proposed decision”),
 - (c) the effect of subsections (4) and (5), and
 - (d) the procedure for objecting to the proposed decision.
- (4) If less than the appropriate number of relevant creditors or (as the case may be) relevant contributories object to the proposed decision in accordance with the procedure set out in the notice, the creditors or (as the case may be) the contributories are to be treated as having made the proposed decision.

Status: Point in time view as at 06/04/2017. This version of this provision has been superseded.

Changes to legislation: *Insolvency Act 1986, Section 246ZF is up to date with all changes known to be in force on or before 09 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)*

- (5) Otherwise—
- (a) the creditors or (as the case may be) the contributories are to be treated as not having made a decision about the matter in question, and
 - (b) if a decision about that matter is again sought from the creditors or (as the case may be) the contributories, it must be sought using a qualifying decision procedure.
- (6) For the purposes of subsection (4) the “appropriate number” of relevant creditors or relevant contributories is 10% in value of those creditors or contributories.
- (7) “Relevant creditors” means the creditors who, if the decision were to be made by a qualifying decision procedure, would be entitled to vote in the procedure.
- (8) “Relevant contributories” means the contributories who, if the decision were to be made by a qualifying decision procedure, would be entitled to vote in the procedure.
- (9) In this section references to creditors include creditors of a particular class.
- (10) The rules may make further provision about the deemed consent procedure.]

Textual Amendments

- F1** Ss. 246ZE-246ZG and cross-heading 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 \(c. 26\)](#), [ss. 122\(2\)](#), [164\(1\)](#); [S.I. 2015/1329](#), [reg. 3\(d\)](#); [S.I. 2016/1020](#), [reg. 4\(a\)](#) (with [reg. 5](#)) (as amended by [S.I. 2017/363](#), [reg. 3](#))

Modifications etc. (not altering text)

- C1** Ss. 246ZE, 246ZF modified by [The Insolvent Partnerships Order 1994 \(S.I. 1994/2421\)](#), [Sch. 7A](#) (as inserted (6.4.2017) by [The Deregulation Act 2015](#) and [Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) \(Savings\) Regulations 2017 \(S.I. 2017/540\)](#), [reg. 1](#), [Sch. 2 para. 10](#) (with [reg. 4](#)))

Status:

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