



# Insolvency Act 1986

## 1986 CHAPTER 45

### PART VIII

#### INDIVIDUAL VOLUNTARY ARRANGEMENTS

##### *Consideration and implementation of debtor's proposal*

#### **260 Effect of approval.**

- (1) This section has effect where [<sup>F1</sup>the meeting summoned under section 257 approves][<sup>F1</sup>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 [<sup>F2</sup>at the meeting][<sup>F2</sup>at the time the creditors decided to approve the proposal] , and
    - [<sup>F3</sup>(b) binds every person who in accordance with the rules—
      - (i) was entitled to vote [<sup>F4</sup>at the meeting (whether or not he was present or represented at it)][<sup>F4</sup>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.]

<sup>F5</sup>(3) .....

*Status: Point in time view as at 01/10/2015. This version of this provision has been superseded.*

*Changes to legislation: Insolvency Act 1986, Section 260 is up to date with all changes known to be in force on or before 16 August 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)*

- (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' [<sup>F6</sup>meeting][<sup>F6</sup>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

- F1** 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)
- F2** 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)
- F3** 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](#))
- F4** 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)
- F5** 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\(e\)\(i\)](#)
- F6** 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)

- C1** Ss. 256–263 applied with modifications by [S.I. 1986/1999, art. 3](#), [Sch. I Pt. III](#)

**Status:**

Point in time view as at 01/10/2015. This version of this provision has been superseded.

**Changes to legislation:**

Insolvency Act 1986, Section 260 is up to date with all changes known to be in force on or before 16 August 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.