



Insolvency Act 1986

1986 CHAPTER 45

PART I

COMPANY VOLUNTARY ARRANGEMENTS

Consideration and implementation of proposal

5 Effect of approval.

- (1) This section has effect where each of the meetings summoned under section 3 approves the proposed voluntary arrangement either with the same modifications or without modifications.
- (2) The approved voluntary arrangement—
 - (a) takes effect as if made by the company at the creditors' meeting, and
 - (b) binds every person who in accordance with the rules had notice of, and was entitled to vote at, the meetings (whether or not he was present or represented at the meeting) as if he were a party to the voluntary arrangement.
- (3) Subject as follows, if the company is being wound up or an administration order is in force, the court may do one or both of the following, namely—
 - (a) by order stay or sist all proceedings in the winding up or discharge the administration order;
 - (b) give such directions with respect to the conduct of the winding up or the administration as it thinks appropriate for facilitating the implementation of the approved voluntary arrangement.
- (4) The court shall not make an order under subsection (3)(a)—
 - (a) at any time before the end of the period of 28 days beginning with the first day on which each of the reports required by section 4(6) has been made to the court, or
 - (b) at any time when an application under the next section or an appeal in respect of such an application is pending, or at any time in the period within which such an appeal may be brought.

Status: Point in time view as at 01/07/1999. This version of this provision has been superseded.

Changes to legislation: *Insolvency Act 1986, Section 5 is up to date with all changes known to be in force on or before 06 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)*

Modifications etc. (not altering text)

- C1** S. 5 restricted (S.) (1.11.2001) by 2001 asp 10, s. 63, **Sch. 7 para 10(5)**; S.S.I. 2001/336, art. 2(3), **Sch. Pt.II** (subject to transitional provisions and savings in art. 3)

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