



Insolvency Act 1986

1986 CHAPTER 45

PART I

COMPANY VOLUNTARY ARRANGEMENTS

Consideration and implementation of proposal

6 Challenge of decisions.

- (1) Subject to this section, an application to the court may be made, by any of the persons specified below, on one or both of the following grounds, namely—
- (a) that a voluntary arrangement [^{F1}which has effect under section 4A] unfairly prejudices the interests of a creditor, member or contributory of the company;
 - (b) that there has been some material irregularity at or in relation to either of the meetings.
- (2) The persons who may apply under [^{F2}subsection (1)] are—
- (a) a person entitled, in accordance with the rules, to vote at either of the meetings;
 - [^{F3}(aa) a person who would have been entitled, in accordance with the rules, to vote at the creditors' meeting if he had had notice of it]
 - (b) the nominee or any person who has replaced him under section 2(4) or 4(2); and
 - (c) if the company is being wound up or [^{F4}is in administration], the liquidator or administrator.

[^{F5}(2A) Subject to this section, where a voluntary arrangement in relation to a company in energy administration is approved at the meetings summoned under section 3, an application to the court may be made—

- (a) by the Secretary of State, or
- (b) with the consent of the Secretary of State, by the Gas and Electricity Markets Authority,

on the ground that the voluntary arrangement is not consistent with the achievement of the objective of the energy administration.]

Status: Point in time view as at 06/04/2014. This version of this provision has been superseded.

Changes to legislation: Insolvency Act 1986, Section 6 is up to date with all changes known to be in force on or before 21 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)

- (3) An application under this section shall not be made^[F6(a)] after 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 ^[F7]or
- (b) in the case of a person who was not given notice of the creditors' meeting, after the end of the period of 28 days beginning with the day on which he became aware that the meeting had taken place,
- but (subject to that) an application made by a person within subsection (2)(aa) on the ground that the voluntary arrangement prejudices his interests may be made after the arrangement has ceased to have effect, unless it came to an end prematurely.]
- (4) Where on such an application the court is satisfied as to either of the grounds mentioned in subsection (1) ^[F8]or, in the case of an application under subsection (2A), as to the ground mentioned in that subsection], it may do one or both of the following, namely—
- (a) revoke or suspend ^[F9]any decision approving the voluntary arrangement which has effect under section 4A] or, in a case falling within subsection (1)(b), any ^[F10]decision taken by the meeting in question which has effect under that section];
- (b) give a direction to any person for the summoning of further meetings to consider any revised proposal the person who made the original proposal may make or, in the case falling within subsection (1)(b), a further company or (as the case may be) creditors' meeting to reconsider the original proposal.
- (5) Where at any time after giving a direction under subsection (4)(b) for the summoning of meetings to consider a revised proposal the court is satisfied that the person who made the original proposal does not intend to submit a revised proposal, the court shall revoke the direction and revoke or suspend any ^[F11]decision approving the voluntary arrangement which has effect under section 4A].
- (6) In a case where the court, on an application under this section with respect to any meeting—
- (a) gives a direction under subsection (4)(b), or
- (b) revokes or suspends an approval under subsection (4)(a) or (5),
- the court may give such supplemental directions as it thinks fit and, in particular, directions with respect to things done ^[F12]under the voluntary arrangement since it took effect].
- (7) Except in pursuance of the preceding provisions of this section, ^[F13]a decision taken] at a meeting summoned under section 3 is not invalidated by any irregularity at or in relation to the meeting.
- ^[F14](8) In this section “in energy administration” and “objective of the energy administration” are to be construed in accordance with Schedule B1 to this Act, as applied by Part 1 of Schedule 20 to the Energy Act 2004.]

Textual Amendments

- F1** Words in s. 6(1)(a) substituted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(2)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in **arts. 3-5**)
- F2** Words in s. 6(2) substituted (5.10.2004) by **Energy Act 2004 (c. 20)**, ss. 159(1), 198, **Sch. 20 para. 44(2)**; S.I. 2004/2575, **art. 2(1)**, **Sch. 1**

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- F3** S. 6(2)(aa) inserted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(3)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F4** Words in s. 6(2)(c) substituted (15.9.2003) by 2002 c. 40, ss. 248(3), 279, Sch. 17 para. 12 (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))
- F5** S. 6(2A) inserted (5.10.2004) by Energy Act 2004 (c. 20), ss. 159(1), 198, **Sch. 20 para. 44(3)**; S.I. 2004/2575, **art. 2(1)**, Sch. 1
- F6** In s. 6(3) “(a)” inserted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(4)(a)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F7** S. 6(3)(b) and words inserted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(4)(b)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F8** Words in s. 6(4) inserted (5.10.2004) by Energy Act 2004 (c. 20), ss. 159(1), 198, **Sch. 20 para. 44(4)**; S.I. 2004/2575, **art. 2(1)**, Sch. 1
- F9** Words in s. 6(4)(a) substituted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(5)(a)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F10** Words in s. 6(4)(a) substituted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(5)(b)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F11** Words in s. 6(5) substituted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(6)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F12** Words in s. 6(6) substituted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(7)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F13** Words in s. 6(7) substituted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. I para. 7(8)**; S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- F14** S. 6(8) inserted (5.10.2004) by Energy Act 2004 (c. 20), ss. 159(1), 198, **Sch. 20 para. 44(5)**; S.I. 2004/2575, **art. 2(1)**, Sch. 1

Modifications etc. (not altering text)

- C1** S. 6 amended (1.12.2001) by 2000 c. 8, s. 356(2); S.I. 2001/3538, **art. 2(1)**
S. 6 amended (1.1.2003) by 2000 c. 8, s. 356(1) (as substituted (1.1.2003) by 2000 c. 39, s. 15(3)); S.I. 2002/2711, **art. 2** (subject to transitional provisions in arts. 3-5)
- C2** S. 6 modified (1.10.2011) by Postal Services Act 2011 (c. 5), ss. 73, 93(2)(3), **Sch. 10 para. 44**; S.I. 2011/2329, **art. 3** (with arts. 4, 5)

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