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# Insolvency Act 1986

# **1986 CHAPTER 45**

# F1PART II

## ADMINISTRATION ORDERS

Making etc. of administration order

## 9 Application for order.

- (1) An application to the court for an administration order shall be by petition presented either by the company or the directors, or by a creditor or creditors (including any contingent or prospective creditor or creditors), [<sup>F1</sup>or by the clerk of a magistrates' court in the exercise of the power conferred by section 87A of the Magistrates' Courts Act 1980 (enforcement of fines imposed on companies)] or by all or any of those parties, together or separately.
- (2) Where a petition is presented to the court—
  - (a) notice of the petition shall be given forthwith to any person who has appointed, or is or may be entitled to appoint, an administrative receiver of the company, and to such other persons as may be prescribed, and
  - (b) the petition shall not be withdrawn except with the leave of the court.
- (3) Where the court is satisfied that there is an administrative receiver of the company, the court shall dismiss the petition unless it is also satisfied either—
  - (a) that the person by whom or on whose behalf the receiver was appointed has consented to the making of the order, or
  - (b) that, if an administration order were made, any security by virtue of which the receiver was appointed would—
    - [<sup>F2</sup>(i) be void against the administrator to any extent by virtue of the provisions of Part XII of the Companies Act 1985 (registration of company charges),]
    - [<sup>F2</sup>(i)] be liable to be released or discharged under sections 238 to 240 in Part VI (transactions at an undervalue and preferences),

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- [<sup>F2</sup>(ii)] be avoided under section 245 in that Part (avoidance of floating charges), or
- [<sup>F2</sup>(iii)] be challengeable under section 242 (gratuitous alienations) or 243 (unfair preferences) in that Part, or under any rule of law in Scotland.
- (4) Subject to subsection (3), on hearing a petition the court may dismiss it, or adjourn the hearing conditionally or unconditionally, or make an interim order or any other order that it thinks fit.
- (5) Without prejudice to the generality of subsection (4), an interim order under that subsection may restrict the exercise of any powers of the directors or of the company (whether by reference to the consent of the court or of a person qualified to act as an insolvency practitioner in relation to the company, or otherwise).

#### **Textual Amendments**

- F1 Words inserted (E.W.) by Criminal Justice Act 1988 (c. 33, SIF 39:1), ss. 62(2)(a), 123, Sch. 8 para. 16
- **F2** S. 9(3)(b)(i) inserted (*prosp.*) and the existing sub-paragraphs are renumbered (*prosp.*) as (ii) to (iv) by Companies Act 1989 (c. 40, SIF 27), ss. 107, 213(2), 215(2), Sch. 16 para. 3(1)(2)

#### **Modifications etc. (not altering text)**

- C1 S. 9 extended by Financial Services Act 1986 (c. 60, SIF 69), s. 74
  S. 9 extended (E.W.) by Magistrates' Courts Act 1980 (c. 43, SIF 82), s. 87A (as inserted (E.W.) by Criminal Justice Act 1988 (c. 33, SIF 39:1), ss. 62(1), 123, Sch. 8 para. 16)
- C2 S. 9 modified (1.12.2001) by 2000 c. 8, s. 359(1); S.I. 2001/3538, art. 2(1)
- C3 S. 9(1) amended (1.4.2001) by 1999 c. 22, s. 90, Sch. 13 para. 133 (with s. 107, Sch. 14 para. 7(2)); S.I. 2001/916, art. 2(a)(ii) (with Sch. 2 para. 2)
- C4 S. 9(4) applied (1.4.1994) by 1993 c. 43, ss. 60(4), 61(3), 150(1)(c); S.I. 1994/571, art. 5 (with transitional provision in art. 7) S. 9(4) applied (1.2.2001) by 2000 c. 38, s. 30(2) (with ss. 105(2)(b), 106); S.I. 2001/57, art. 3(1), Sch. 2 Pt. I (subject to transitional provision and saving in Sch. 2 Pt. II) S. 9(4) applied (E.W) (1.12.1991) by Water Industry Act 1991 (c. 56), ss.24(4), 223(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6) S. 9(4) applied (1.4.1994) by 1993 c. 43, ss. 62(4), 65(5), 150(1)(c); S.I. 1994/571, art. 5 (with transitional provision in art. 7) S. 9(4) applied (15.7.2003) by 1999 c. 29, ss. 221(4), 222(3), 223(4), 224(5), 425(2) (with Sch. 12 para. 9(1)); S.I. 2003/1920, art. 2(b) C5 S. 9(4) extended by Water Act 1989 (c. 15, SIF 130), s. 23(6) (with ss. 58(7), 101(1), 141(6), 160(1)(2) (4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58) S. 9(5) applied (with modifications) (1.4.1994) by 1993 c. 43, ss. 60(4), 61(3), 65(3), 150(1)(c); S.I. C6 1994/571, art. 5 (with transitional provision in art. 7) S. 9(5) applied (1.2.2001) by 2000 c. 38, s. 30(2) (with ss. 105(2)(b), 106); S.I. 2001/57, art. 3(1), Sch. 2 Pt. I (subject to transitional provision and saving in Sch. 2 Pt. II) S. 9(5) applied (E.W) (1.12.1991) by Water Industry Act 1991 (c. 56), ss.24(4), 223(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6) S. 9(5) applied (1.4.1994) by 1993 c. 43, ss. 62(4), 65(5), 150(1)(c); S.I. 1994/571, art. 5 (with transitional provision in art. 7) S. 9(5) applied (15.7.2003) by 1999 c. 29, ss. 221(4), 222(3), 223(4), 224(5), 425(2) (with Sch. 12 para. 9(1)); S.I. 2003/1920, art. 2(b) **C7** S. 9(5) extended by Water Act 1989 (c. 15, SIF 130), s. 23(6) (with ss. 58(7), 101(1), 141(6), 160(1)(2) (4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)

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