

*These notes refer to the Insolvency Act 2000 (c.39)  
which received Royal Assent on 30 November 2000*

# INSOLVENCY ACT 2000

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### *Schedule 3: Individual voluntary arrangements*

92. This Schedule makes amendments to the provisions of the Insolvency Act 1986 relating to individual voluntary arrangements. Paragraphs 93-102 set out its principal provisions.
93. Except with the leave of the court, a landlord or any other person to whom rent is payable may not effect peaceable re-entry to premises let to a debtor, and distress may not be levied whilst an interim order is in force. (*Paragraph 2 of Schedule 3*). Similarly such persons may not effect peaceable re-entry (without leave) whilst an application for an interim order is pending and the court may forbid the levying of distress in that period. (*Paragraph 4 of Schedule 3*). An example of levying distress is where a landlord seizes goods for outstanding rent.
94. The nominee must state in his report to the court whether he considers that the proposed individual voluntary arrangement has a reasonable prospect of being approved and implemented. (*Paragraph 6 of Schedule 3*).
95. Amendments are made to the circumstances in which the court may replace a nominee. (*Paragraph 6 of Schedule 3*).
96. An individual may put a proposal for an individual voluntary arrangement to his creditors without first having to obtain an interim order as is currently the case. (*Paragraphs 7 and 8 of Schedule 3*).
97. The individual voluntary arrangement will bind all of the individual's creditors including unknown creditors who are entitled to claim from the individual the amounts they would have received if they come to light after the voluntary arrangement has been completed. They may also make an application to the court on the ground that their interests are unfairly prejudiced by the voluntary arrangement that is approved. (*Paragraphs 10 and 11 of Schedule 3*).
98. It is an offence for an individual to seek to obtain the approval of an individual voluntary arrangement by making a false representation or fraudulently doing, or failing to do, anything. (*Paragraphs 12 and 16 of Schedule 3*).
99. The nominee or supervisor is required to report suspected offences to the Secretary of State. (*Paragraph 12 of Schedule 3*).
100. The amendments to section 347 of the Insolvency Act 1986 provide that sections 252(2)(b) and 254(1) will apply to all forms of distress. (*Paragraph 14 of Schedule 3*).
101. The amendment to Section 387 provides the relevant date for determining claims where no interim order is obtained is the date on which the voluntary arrangement takes effect. (*Paragraph 15 of Schedule 3*).

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102. There are also consequential amendments resulting from Section 4 (Qualification or authorisation of insolvency practitioners) and other minor amendments of a clarificatory nature.