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## STATUTORY INSTRUMENTS

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# 2003 No. 3226

## The Financial Collateral Arrangements (No.2) Regulations 2003

### PART 3

#### Modification of insolvency law

##### **Certain legislation restricting enforcement of security not to apply to financial collateral arrangements**

8.—(1) The following provisions of Schedule B1 to the Insolvency Act 1986<sup>M1</sup> (administration) shall not apply to any security interest created or otherwise arising under a financial collateral arrangement—

(a) paragraph 43(2) (restriction on enforcement of security or repossession of goods) including that provision as applied by paragraph 44 (interim moratorium);<sup>F1</sup>...

[<sup>F2</sup>(aa) paragraph 65(2) (distribution);]

(b) paragraphs 70 and 71 (power of administrator to deal with charged property); [<sup>F3</sup>and]

[<sup>F4</sup>(c) paragraph 99(3) and (4) (administrator's remuneration, expenses and liabilities).]

(2) Paragraph 41(2) of Schedule B1 to the Insolvency Act 1986 (receiver to vacate office when so required by administrator) shall not apply to a receiver appointed under a charge created or otherwise arising under a financial collateral arrangement.

(3) The following provisions of the Insolvency Act 1986<sup>M2</sup> (administration) shall not apply in relation to any security interest created or otherwise arising under a financial collateral arrangement—

(a) sections 10(1)(b) and 11(3)(c) (restriction on enforcement of security while petition for administration order pending or order in force); and

(b) section 15(1) and 15(2) (power of administrator to deal with charged property); [<sup>F5</sup>and]

[<sup>F6</sup>(c) section 19(4) and 19(5) (administrator's remuneration, expenses and liabilities).]

(4) Section 11(2) of the Insolvency Act 1986 (receiver to vacate office when so required by administrator) shall not apply to a receiver appointed under a charge created or otherwise arising under a financial collateral arrangement.

<sup>F7</sup>(5) .....

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#### **Textual Amendments**

- F1** Word in reg. 8(1)(a) omitted (6.4.2011) by virtue of [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(6)(a)** (with reg. 3)

**Status:** Point in time view as at 31/12/2023.

**Changes to legislation:** The Financial Collateral Arrangements (No.2) Regulations 2003, PART 3 is up to date with all changes known to be in force on or before 30 June 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)

- F2** Reg. 8(1)(aa) inserted (6.4.2011) by The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(6)(b)** (with reg. 3)
- F3** Word in reg. 8(1)(b) inserted (6.4.2011) by The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(6)(c)** (with reg. 3)
- F4** Reg. 8(1)(c) inserted (6.4.2011) by The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(6)(d)** (with reg. 3)
- F5** Word in reg. 8(3)(b) inserted (6.4.2011) by The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(6)(e)(i)** (with reg. 3)
- F6** Reg. 8(3)(c) inserted (6.4.2011) by The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(6)(e)(ii)** (with reg. 3)
- F7** Reg. 8(5) omitted (26.6.2020) by virtue of Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 3 para. 40** (with ss. 2(2), 5(2))

#### Marginal Citations

- M1** Schedule B1 of the Insolvency Act 1986 was inserted by section 248 of, and Schedule 16 to the Enterprise Act 2002 c. 40.
- M2** These provisions of the Insolvency Act 1986 are preserved in relation to special administration regimes by section 249 of the Enterprise Act 2002.

### Certain Northern Ireland legislation restricting enforcement of security not to apply to financial collateral arrangements

9.—(1) The following provisions of the Insolvency (Northern Ireland) Order 1989 (administration) shall not apply to any security interest created or otherwise arising under a financial collateral arrangement—

- (a) Article 23(1)(b) and Article 24(3)(c) (restriction on enforcement of security while petition for administration order pending or order in force); <sup>F8</sup> ...
- (b) Article 28(1) and (2) (power of administrator to deal with charged property);
- [<sup>F9</sup>(c) Article 31(4) and (5) (administrator’s remuneration, expenses and liabilities); and
- (d) Paragraphs 44(2), 45 (restriction on enforcement of security), 66(2) (distribution), 71, 72 (power of administrator to deal with charged property), 100(3) and (4) (administrator’s remuneration, expenses and liabilities) of Schedule B1 to the Order.]

(2) Article 24(2) of that Order (receiver to vacate office at request of administrator) shall not apply to a receiver appointed under a charge created or otherwise arising under a financial collateral arrangement.

#### Textual Amendments

- F8** Word in reg. 9(1)(a) omitted (6.4.2011) by virtue of The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(7)(a)** (with reg. 3)
- F9** Reg. 9(1)(c)(d) inserted (6.4.2011) by The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(7)(b)** (with reg. 3)

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## Certain insolvency legislation on avoidance of contracts and floating charges not to apply to financial collateral arrangements

10.—(1) In relation to winding-up proceedings of a collateral-taker or collateral-provider, section 127 of the Insolvency Act 1986 (avoidance of property dispositions, etc) shall not apply (if it would otherwise do so)—

- (a) to any property or security interest subject to a disposition or created or otherwise arising under a financial collateral arrangement; or
- (b) to prevent a close-out netting provision taking effect in accordance with its terms.

(2) Section 88 of the Insolvency Act 1986 (avoidance of share transfers, etc after winding-up resolution) shall not apply (if it would otherwise do so) to any transfer of shares under a financial collateral arrangement.

[<sup>F10</sup>(2A) Sections 40 (or in Scotland, sections 59, 60(1)(e)) and 175 of the Insolvency Act 1986 (preferential debts) shall not apply to any debt which is secured by a charge created or otherwise arising under a financial collateral arrangement.

[<sup>F11</sup>(2AA) Section 174A of the Insolvency Act 1986 (moratorium debts etc. priority) shall not apply (if it otherwise would do so) to any charge created or otherwise arising under a financial collateral arrangement.]

(2B) Section 176ZA of the Insolvency Act 1986 (expenses of winding up) shall not apply in relation to any claim to any property which is subject to a disposition or created or otherwise arising under a financial collateral arrangement.]

(3) Section 176A of the Insolvency Act 1986 <sup>M3</sup> (share of assets for unsecured creditors) shall not apply (if it would otherwise do so) to any charge created or otherwise arising under a financial collateral arrangement.

(4) Section 178 of the Insolvency Act 1986 (power to disclaim onerous property) or, in Scotland, any rule of law having the same effect as that section, shall not apply where the collateral-provider or collateral-taker under the arrangement is [<sup>F12</sup>subject to winding-up proceedings], to any financial collateral arrangement.

(5) Section 245 of the Insolvency Act 1986 (avoidance of certain floating charges) shall not apply (if it would otherwise do so) to any charge created or otherwise arising under a security financial collateral arrangement.

[<sup>F13</sup>(5A) Paragraph 64A of Schedule B1 to the Insolvency Act 1986 shall not apply (if it otherwise would do so) to any charge created or otherwise arising under a financial collateral arrangement.]

(6) [<sup>F14</sup>Section 754 of the Companies Act 2006 (priorities where debentures secured by floating charge)] [<sup>F15</sup>(including that section as applied or modified by any enactment made under the Banking Act 2009)] shall not apply (if it would otherwise do so) to any charge created or otherwise arising under a financial collateral arrangement.

### Textual Amendments

- F10** Reg. 10(2A)(2B) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(8)(a)** (with reg. 3)
- F11** Reg. 10(2AA) inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **15(2)(a)**

**Status:** Point in time view as at 31/12/2023.

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- F12** Words in reg. 10(4) substituted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(8)(b)** (with reg. 3)
- F13** Reg. 10(5A) inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **15(2)(b)**
- F14** Words in reg. 10(6) substituted (1.10.2009) by [The Financial Collateral Arrangements \(No. 2\) Regulations 2003 \(Amendment\) Regulations 2009 \(S.I. 2009/2462\)](#), regs. 1(2), **2(6)**
- F15** Words in reg. 10(6) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(8)(c)** (with reg. 3)

**Marginal Citations**

- M3** Section 176A of the Insolvency Act 1986 was inserted by section 252 of the Enterprise Act 2002.

**Certain Northern Ireland insolvency legislation on avoidance of contracts and floating charges not to apply to financial collateral arrangements**

**11.—**(1) In relation to winding-up proceedings of a collateral-provider or collateral-taker, Article 107 of the Insolvency (Northern Ireland) Order 1989 (avoidance of property dispositions effected after commencement of winding up) shall not apply (if it would otherwise do so)—

- (a) to any property or security interest subject to a disposition or created or otherwise arising under a financial collateral arrangement; or
- (b) to prevent a close-out netting provision taking effect in accordance with its terms.

[<sup>F16</sup>(1A) Article 50 of that Order (payment of debts out of assets subject to floating charge) shall not apply (if it would otherwise do so), to any charge created or otherwise arising under a financial collateral arrangement.]

(2) Article 74 of that Order (avoidance of share transfers, etc after winding-up resolution) shall not apply (if it would otherwise do so) to any transfer of shares under a financial collateral arrangement.

[<sup>F17</sup>(2A) [<sup>F18</sup>Articles 148A (moratorium debts etc. priority) and 149 (preferential debts) of that Order] and 150ZA (expenses of winding up) shall not apply (if they would otherwise do so) to any charge created or otherwise arising under a financial collateral arrangement.]

(3) Article 152 of that Order (power to disclaim onerous property) shall not apply where the collateral-provider or collateral-taker under the arrangement is being wound-up, to any financial collateral arrangement.

(4) Article 207 of that Order (avoidance of certain floating charges) shall not apply (if it would otherwise do so) to any charge created or otherwise arising under a security financial collateral arrangement.

<sup>F19</sup>(5) .....

**Textual Amendments**

- F16** Reg. 11(1A) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(9)(a)** (with reg. 3)
- F17** Reg. 11(2A) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(9)(b)** (with reg. 3)

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- F18** Words in reg. 11(2A) substituted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **15(3)**
- F19** Reg. 11(5) omitted (1.10.2009) by virtue of [The Financial Collateral Arrangements \(No. 2\) Regulations 2003 \(Amendment\) Regulations 2009 \(S.I. 2009/2462\)](#), regs. 1(2), **2(7)**

### Close-out netting provisions to take effect in accordance with their terms

**12.**—(1) A close-out netting provision shall, subject to paragraph (2), take effect in accordance with its terms notwithstanding that the collateral-provider or collateral-taker under the arrangement is subject to winding-up proceedings or reorganisation measures.

(2) Paragraph (1) shall not apply if at the time that a party to a financial collateral arrangement entered into such an arrangement or that the relevant financial obligations came into existence—

(a) that party was aware or should have been aware that winding up proceedings or reorganisation measures had commenced in relation to the other party;

[<sup>F20</sup>(aa) in Scotland, that party had notice that [<sup>F21</sup>a statement as to the affairs of the other party had been sent to the other party’s creditors under section 99(1) of that Act]<sup>F22</sup> ... ;

(ab) in England and Wales, that party had notice that a statement as to the affairs of the other party had been sent to the other party’s creditors under section 99(1) of that Act(c);

(ac) that party had notice that a meeting of creditors of the other party had been summoned under Article 84 of the Insolvency (Northern Ireland) Order 1989;]

(b) that party had notice <sup>F23</sup>... that a petition for the winding-up of [<sup>F24</sup>or, in Scotland, a petition for winding-up proceedings in relation to] the other party was pending;

(c) that party had notice that an application for an administration order was pending or that any person had given notice of an intention to appoint an administrator; or

(d) that party had notice that an application for an administration order was pending or that any person had given notice of an intention to appoint an administrator and liquidation of the other party to the financial collateral arrangement was immediately preceded by an administration of that party.

(3) For the purposes of paragraph (2)—

(a) winding-up proceedings commence on the making of a winding-up order [<sup>F25</sup>or, in the case of a Scottish partnership, the award of sequestration] by the court; and

(b) reorganisation measures commence on the appointment of an administrator, whether by a court or otherwise [<sup>F26</sup>or, in the case of a Scottish partnership, when a protected trust deed is entered into].

[<sup>F27</sup>(4) The following provisions of the Insolvency (England and Wales) Rules 2016, or, in Scotland, any rule of law with the same or similar effect to the effect of these Rules, do not apply to a close-out netting provision unless paragraph (2)(a) applies—

(a) in rule 14.24 (administration: mutual dealings and set-off), in paragraph (6), in the definition of “mutual dealings”, paragraphs (a) and (d); and

(b) in rule 14.25 (winding up: mutual dealings and set-off), in paragraph (6), in the definition of “mutual dealings”, paragraph (c).

(4A) Rules 2.086(2)(a) and (d) and 4.096(2)(c) of the Insolvency Rules (Northern Ireland) 1991 (mutual credits and set off) do not apply to a close-out netting provision unless paragraph (2)(a) applies.]

**Status:** Point in time view as at 31/12/2023.

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[<sup>F28</sup>(5) Nothing in this regulation prevents the Bank of England imposing a restriction on the effect of a close out netting provision in the exercise of its powers under Part 1 of the Banking Act 2009 [<sup>F29</sup>or under Schedule 11 to the Financial Services and Markets Act 2023].]

#### Textual Amendments

- F20** Reg. 12(2)(aa)-(ac) inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **8(a)** (with reg. 19)
- F21** Words in reg. 12(2)(aa) inserted (23.7.2019) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2019 \(S.I. 2019/1058\)](#), regs. 1, **5(a)** (with reg. 10)
- F22** Words in reg. 12(2)(aa) omitted (23.7.2019) by virtue of [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2019 \(S.I. 2019/1058\)](#), regs. 1, **5(b)** (with reg. 10)
- F23** Words in reg. 12(2)(b) omitted (13.3.2018) by virtue of [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **8(b)** (with reg. 19)
- F24** Words in reg. 12(2)(b) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(10)(a)** (with reg. 3)
- F25** Words in reg. 12(3)(a) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(10)(b)(i)** (with reg. 3)
- F26** Words in reg. 12(3)(b) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(10)(b)(ii)** (with reg. 3)
- F27** Reg. 12(4)(4A) substituted for reg. 12(4) (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **3(2)**
- F28** Reg. 12(5) inserted (10.1.2015) by [The Bank Recovery and Resolution \(No. 2\) Order 2014 \(S.I. 2014/3348\)](#), art. 1(2), **Sch. 3 para. 9(3)**
- F29** Words in reg. 12(5) inserted (31.12.2023) by [The Resolution of Central Counterparties \(Modified Application of Corporate Law and Consequential Amendments\) Regulations 2023 \(S.I. 2023/1313\)](#), regs. 1(2), **16(3)**

#### Financial collateral arrangements to be enforceable where collateral-taker not aware of commencement of winding-up proceedings or reorganisation measures

**13.—(1)** Where any of the events specified in paragraph (2) occur on the day of, but after the moment of commencement of, winding-up proceedings or reorganisation measures those events, arrangements and obligations shall be legally enforceable and binding on third parties if the collateral-taker can show that he was not aware, nor should have been aware, of the commencement of such proceedings or measures.

(2) The events referred to in paragraph (1) are—

- (a) a financial collateral arrangement coming into existence;
- (b) a relevant financial obligation secured by a financial collateral arrangement coming into existence; or
- (c) the delivery, transfer, holding, registering or other designation of financial collateral so as to be in the possession or under the control of the collateral-taker.



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- (3) For the purposes of paragraph (1)—
- (a) the commencement of winding-up proceedings means the making of a winding-up order [<sup>F30</sup>or, in the case of a Scottish partnership, the award of sequestration] by the court; and
  - (b) commencement of reorganisation measures means the appointment of an administrator, whether by a court or otherwise [<sup>F31</sup>or, in the case of a Scottish partnership, the date of registration of a protected trust deed].

#### Textual Amendments

- F30** Words in [reg. 13\(3\)\(a\)](#) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, [4\(11\)\(a\)](#) (with [reg. 3](#))
- F31** Words in [reg. 13\(3\)\(b\)](#) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, [4\(11\)\(b\)](#) (with [reg. 3](#))

#### Modification of the [<sup>F32</sup>Insolvency (England and Wales) Rules 2016] and the Insolvency Rules (Northern Ireland) 1991

14. Where the collateral-provider or the collateral-taker under a financial collateral arrangement goes into liquidation or administration and the arrangement or a close out netting provision provides for, or the mechanism provided under the arrangement permits, either—

- (a) the debt owed by the party in liquidation or administration under the arrangement, to be assessed or paid in a currency other than sterling; or
- (b) the debt to be converted into sterling at a rate other than the official exchange rate prevailing on the date when that party went into liquidation or administration;

then [<sup>F33</sup>rule 14.21 of the Insolvency (England and Wales) Rules 2016 (debts in foreign currency)], or rule 4.097 of the Insolvency Rules (Northern Ireland) 1991 <sup>M4</sup> (liquidation, debt in foreign currency), as appropriate, shall not apply unless the arrangement provides for an unreasonable exchange rate or the collateral-taker uses the mechanism provided under the arrangement to impose an unreasonable exchange rate in which case the appropriate rule shall apply.

#### Textual Amendments

- F32** Words in [reg. 14](#) heading substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, [3\(3\)\(b\)](#)
- F33** Words in [reg. 14](#) substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, [3\(3\)\(a\)](#)

#### Marginal Citations

- M4** S.R. 1991 No. 364.

#### Modification of the [<sup>F34</sup>Insolvency (Scotland) (Receivership and Winding up) Rules 2018 and the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018]

15. Where the collateral-provider or the collateral-taker under a financial collateral arrangement goes into liquidation [<sup>F35</sup>or administration] or, in the case of a partnership, sequestration and the arrangement provides for, or the mechanism provided under the arrangement permits, either—

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- (a) the debt owed by the party in liquidation or sequestration under the arrangement, to be assessed or paid in a currency other than sterling; or
- (b) the debt to be converted into sterling at a rate other than the official exchange rate prevailing on the date when that party went into liquidation or sequestration;

then [<sup>F36</sup>rule 7.25 of the Insolvency (Scotland) (Receivership and Winding up) Rules 2018 and rule 3.114 of the Insolvency (Scotland) Company Voluntary Arrangements and Administration Rules 2018], as appropriate, shall not apply unless the arrangement provides for an unreasonable exchange rate or the collateral-taker uses the mechanism provided under the arrangement to impose an unreasonable exchange rate in which case the appropriate rule shall apply.

#### Textual Amendments

- F34** Words in [reg. 15](#) heading substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, [3\(4\)\(b\)](#)
- F35** Words in [reg. 15](#) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, [4\(12\)\(a\)](#) (with [reg. 3](#))
- F36** Words in [reg. 15](#) substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, [3\(4\)\(a\)](#)

#### [<sup>F37</sup>Insolvency proceedings in other jurisdictions

**15A.—(1)** The references to insolvency law in section 426 of the Insolvency Act 1986 (co-operation between courts exercising jurisdiction in relation to insolvency) include, in relation to a part of the United Kingdom, this Part of these Regulations and, in relation to a relevant country or territory within the meaning of that section, so much of the law of that country or territory as corresponds to this Part.

(2) A court shall not, in pursuance of that section or any other enactment or rule of law, recognise or give effect to—

- (a) any order of a court exercising jurisdiction in relation to insolvency law in a country or territory outside the United Kingdom, or
- (b) any act of a person appointed in such a country or territory to discharge any functions under insolvency law,

in so far as the making of the order or the doing of the act would be prohibited by this Part in the case of a court in England and Wales or Scotland, the High Court in Northern Ireland or a relevant office holder.

(3) Paragraph (2) does not affect the recognition of a judgment required to be recognised or enforced under or by virtue of the Civil Jurisdiction and Judgments Act 1982 <sup>F38</sup>....]

#### Textual Amendments

- F37** [Reg. 15A](#) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, [4\(13\)](#) (with [reg. 3](#))
- F38** Words in [reg. 15A\(3\)](#) omitted (31.12.2020) by virtue of [The Financial Markets and Insolvency \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/341\)](#), regs. 1(3), [12\(3\)](#) (with [reg. 21](#)) (as amended by [S.I. 2020/1301](#), regs. 1, 3, [Sch. para. 23\(b\)](#)) and with savings in [S.I. 2019/680](#), [reg. 11](#)); [2020 c. 1](#), [Sch. 5 para. 1\(1\)](#)



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