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STATUTORY INSTRUMENTS

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**2004 No. 547**

**INSOLVENCY**

INDIVIDUALS, ENGLAND AND WALES

The Insolvency Proceedings (Monetary Limits) (Amendment) Order 2004

<i>Made</i>	- - - -	<i>27th February 2004</i>
<i>Laid before Parliament</i>		<i>2nd March 2004</i>
<i>Coming into force</i>	- -	<i>1st April 2004</i>

The Secretary of State, in exercise of the power conferred on her by section 418 of the Insolvency Act 1986(1), hereby makes the following Order:—

**Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Insolvency Proceedings (Monetary Limits) (Amendment) Order 2004 and shall come into force on 1st April 2004.

(2) In this Order reference to the “principal Order” is to the Insolvency Proceedings (Monetary Limits) Order 1986(2).

**Amendments to Part II of the Schedule to the principal Order**

2. For the entries in columns 1, 2 and 3 set out in Part II of the Schedule to the principal Order there are substituted the entries set out in the Schedule to this Order.

**Matters to be disregarded in determining the value of an interest for the purposes of section 313A(2)**

3. After Article 4 of the principal Order there shall be inserted—

“5. The court shall, in determining the value of the bankrupt’s interest for the purposes of section 313A(2), disregard that part of the value of the property in which the bankrupt’s interest subsists which is equal to the value of:

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(1) 1986 c. 45. The Insolvency Act was amended by the Insolvency Act 2000 (c. 39), the Insolvency Act 1986 (Amendment) Regulations 2002 (S.I. 2002/1307), the Insolvency Act 1986 (Amendment No. 2) Regulations 2002 (S.I. 2002/1240), the Insolvency Act 1986 (Amendment No. 3) Regulations 2002 (S.I. 2002/1990) and the Enterprise Act 2002 (c. 40).  
(2) S.I. 1986/1996.

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- (a) any loans secured by mortgage or other charge against the property;
- (b) any other third party interest; and
- (c) the reasonable costs of sale.”.

27th February 2004

*Gerry Sutcliffe*  
Parliamentary Under Secretary of State For  
Employment Relations, Competition and  
Consumers,  
Department of Trade and Industry

## SCHEDULE

Article 2

MONETARY AMOUNTS FOR PURPOSES OF SECOND  
GROUP OF PARTS OF INSOLVENCY ACT 1986

<i>Section of the Act (1)</i>	<i>Short Description (2)</i>	<i>Monetary Amount (3)</i>
273(1)(a)	Maximum level of unsecured bankruptcy debts on debtor's petition for case to be referred to insolvency practitioner to assess possibility of voluntary arrangement with creditors.	£40,000
273(1)(b)	Minimum potential value of bankrupt's estate for case to be referred as described above.	£4,000
313A(2)	Minimum value of interests in a dwelling-house for application by trustee for order for sale, possession or an order under section 313.	£1,000
346(3)	Minimum amount of judgment, determining whether amount recovered on sale of debtor's goods is to be treated as part of his estate in bankruptcy.	£1,000
354(1) and (2)	Minimum amount of concealed debt, or value of property concealed or removed, determining criminal liability under the section.	£1,000
358	Minimum value of property taken by a bankrupt out of England and Wales, determining his criminal liability.	£1,000
360(1)	Maximum amount of credit which bankrupt may obtain without disclosure of his status.	£500
364(2)(d)	Minimum value of goods removed by the bankrupt, determining his liability to arrest.	£1,000

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## EXPLANATORY NOTE

*(This note does not form part of the Order)*

This Order amends the Insolvency Proceedings (Monetary Limits) Order 1986 (S.I.1986/1996). It increases broadly in line with inflation the sums specified in Part II of the Schedule to that Order. The table below shows the current amounts and the increase.

This Order also prescribes a monetary limit for the purposes of section 313A(2) of the Insolvency Act 1986 (c. 45) and prescribes the matters for the court to disregard in the calculation of that interest. The entry for section 361(2) of the Insolvency Act 1986 is removed as that section has been repealed by section 263 of the Enterprise Act 2002 (c. 40).

<i>Section</i>	<i>Current Monetary Amount</i>	<i>New Monetary Amount</i>
273(1)(a)	£20,000	£40,000
273(1)(b)	£2,000	£4,000
346(3)	£500	£1,000
354(1) and (2)	£500	£1,000
358	£500	£1,000
360(1)	£250	£500
364(2)(d)	£500	£1,000

As this Order will not impose any significant costs on business, there is no requirement to prepare a Regulatory Impact Assessment. The setting of the monetary limit for section 313A(2) and removal of the entry for section 361(2) of the Insolvency Act is derived from the Enterprise Act 2002 (c. 40). Copies of the Regulatory Impact Assessment for the insolvency provisions of that Act are available from the Policy Unit, The Insolvency Service, 21 Bloomsbury Street, London WC1B 3QW.