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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 The entry for section 361(2) of the Insolvency Act 1986 is removed as that section has been repealed by section 263 of the Enterprise Act 2002 (c. 40).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.