2003 No. 2097

INSOLVENCY
COMPANIES

The Insolvency Act 1986 (Prescribed Part) Order 2003

Made - - - - -	*8th August 2003*
Laid before Parliament	*13th August 2003*
Coming into force - -	*15th September 2003*

The Secretary of State, in exercise of the power conferred on her by section 176A of the Insolvency Act 1986(**a**), hereby makes the following Order:

Citation, Commencement and Interpretation

1.—(1) This Order may be cited as the Insolvency Act 1986 (Prescribed Part) Order 2003 and shall come into force on 15th September 2003.

(2) In this order "the 1986 Act" means the Insolvency Act 1986.

Minimum value of the company's net property

2. For the purposes of section 176A(3)(a) of the 1986 Act the minimum value of the company's net property is £10,000.

Calculation of prescribed part

3.—(1) The prescribed part of the company's net property to be made available for the satisfaction of unsecured debts of the company pursuant to section 176A of the 1986 Act shall be calculated as follows—

(a) where the company's net property does not exceed £10,000 in value, 50% of that property;

(b) subject to paragraph (2), where the company's net property exceeds £10,000 in value the sum of—

(i) 50% of the first £10,000 in value; and

(ii) 20% of that part of the company's net property which exceeds £10,000 in value.

(2) The value of the prescribed part of the company's net property to be made available for the satisfaction of unsecured debts of the company pursuant to section 176A shall not exceed £600,000.

Nigel Griffiths,
Parliamentary Under-Secretary of State for
Small Business and Enterprise,
Department of Trade and Industry

8th August 2003

(**a**) 1986 c. 45; section 176A is inserted into the Act by section 252 of the Enterprise Act 2002 (c. 40).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order sets out the method of calculation of the prescribed part referred to in section 176A of the Insolvency Act 1986 (c. 45), which was inserted into that Act by section 251 of the Enterprise Act 2002 (c. 40). The prescribed part is a part of the insolvency estate of a company which, but for section 176A, would have been available to the holders of debentures secured by floating charges. From the coming into force of section 176A and this Order, the amount of money reflecting the prescribed part as calculated by virtue of this Order will need to be set aside to satisfy the claims of unsecured creditors under the section.

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