



Insolvency Act 1986

1986 CHAPTER 45

PART IV

WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

CHAPTER VI

WINDING UP BY THE COURT

Grounds and effect of winding-up petition

126 Power to stay or restrain proceedings against company.

- (1) At any time after the presentation of a winding-up petition, and before a winding-up order has been made, the company, or any creditor or contributory, may—
- (a) where any action or proceeding against the company is pending in the High Court or Court of Appeal in England and Wales or Northern Ireland, apply to the court in which the action or proceeding is pending for a stay of proceedings therein, and
 - (b) where any other action or proceeding is pending against the company, apply to the court having jurisdiction to wind up the company to restrain further proceedings in the action or proceeding;

and the court to which the application is so made may (as the case may be) stay, sist or restrain the proceedings accordingly on such terms as it thinks fit.

- (2) In the case of [^{F1}a company registered but not formed under the Companies Act 2006], where the application to stay, sist or restrain is by a creditor, this section extends to actions and proceedings against any contributory of the company.

- [^{F2}(3) Subsection (1) applies in relation to any action being taken in respect of the company under Part 1 of Schedule 8 to the Finance (No. 2) Act 2015 (enforcement by deduction from accounts) as it applies in relation to any action or proceeding mentioned in paragraph (b) of that subsection.]

Changes to legislation: Insolvency Act 1986, Section 126 is up to date with all changes known to be in force on or before 22 April 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) View outstanding changes

Textual Amendments

- F1** Words in s. 126(2) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009, (S.I. 2009/1941) arts. 2(1), 8, {Sch. 1 para. 75(14)} (with art. 10, Sch. 1 para. 84)
- F2** S. 126(3) inserted (18.11.2015) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 8 para. 27](#)

Modifications etc. (not altering text)

- C1** S. 126 excluded (25.4.1991) by [Companies Act 1989 \(c. 40\)](#), [ss. 154, 155, 161\(4\)](#); S.I. 1991/878, [art. 2](#), [Sch.](#)
S. 126 applied (with modifications) (S.) (6.4.2001) by S.S.I. 2001/128, [reg. 4\(1\)](#), [Sch. 2](#)
- C2** S. 126 applied (with modifications) (6.6.2013) by [The Collective Investment in Transferable Securities \(Contractual Scheme\) Regulations 2013 \(S.I. 2013/1388\)](#), Pt. 3reg. 1, [Sch. 2 paras. 3, 5 Table](#) (with [reg. 24](#))
- C3** [Ss. 126-128](#) applied (with modifications) (4.1.2024) by S.I. 2021/716, [Sch. 1 para. 3](#) (as amended by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), [regs. 1\(2\), 20](#))
- C4** S. 126(2) modified (S.) (6.4.2001) by S.S.I. 2001/128, [reg. 4\(2\)](#), [Sch. 3](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act amendment to earlier affecting provision S.I. 1986/1999, art. 3, Sch. 1 Pt. 2 by [S.I. 2017/1119 Sch. 3 para. 1](#)
- Act savings and transitional provisions for amendments by S.I. 2022/1166 by [S.I. 2022/1172 Regulations](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 41HB(2) words substituted by [2018 c. 14 s. 1\(3\)\(b\)](#)