



# Insolvency Act 1986

## 1986 CHAPTER 45

### PART IV U.K.

#### WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

### CHAPTER VIII U.K.

#### PROVISIONS OF GENERAL APPLICATION IN WINDING UP

##### *Miscellaneous matters*

#### 189 Interest on debts. E+W+S

- (1) In a winding up interest is payable in accordance with this section on any debt proved in the winding up, including so much of any such debt as represents interest on the remainder.
- (2) Any surplus remaining after the payment of the debts proved in a winding up shall, before being applied for any other purpose, be applied in paying interest on those debts in respect of the periods during which they have been outstanding since the company went into liquidation.
- (3) All interest under this section ranks equally, whether or not the debts on which it is payable rank equally.
- (4) The rate of interest payable under this section in respect of any debt (“the official rate” for the purposes of any provision of this Act in which that expression is used) is whichever is the greater of—
  - (a) the rate specified in section 17 of the <sup>M1</sup>Judgments Act 1838 on the day on which the company went into liquidation, and
  - (b) the rate applicable to that debt apart from the winding up.
- (5) In the application of this section to Scotland—

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**Changes to legislation:** Insolvency Act 1986, Section 189 is up to date with all changes known to be in force on or before 28 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

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- (a) references to a debt proved in a winding up have effect as references to a claim accepted in a winding up, and
- (b) the reference to section 17 of the Judgments Act 1838 has effect as a reference to the rules.

**Modifications etc. (not altering text)**

- C1** Pts. 1-4 applied (with modifications) (8.7.2021) by [The Payment and Electronic Money Institution Insolvency Regulations 2021 \(S.I. 2021/716\)](#), reg. 2, **Sch. 1 para. 3** (with reg. 5) (as amended (4.1.2024) by [S.I. 2023/1399](#), regs. 1(2), **4**)
- C2** S. 189 applied (with modifications) (1.12.1994) by [S.I. 1994/2421](#), art. 8(3)(9), **Sch. 4 Pt. II para. 24**  
 S. 189 applied (with modifications) (S.) (6.4.2001) by [S.S.I. 2001/128](#), reg. 4(1), **Sch. 2**
- C3** S. 189 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by [Banking Act 2009 \(c. 1\)](#), **ss. 103, 263(1)(2)** (with s. 247); [S.I. 2009/296](#), **arts. 2, 3**, Sch. para. 2
- C4** S. 189 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)
- C5** **Ss. 185-189** 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**)
- C6** S. 189(4) applied (S.) (7.6.2013) by [The Energy Supply Company Administration \(Scotland\) Rules 2013 \(S.I. 2013/1047\)](#), rules **1,46(2)(b)** (with rules 3, 46(7))

**Marginal Citations**

- M1** 1838 c. 110.

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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\(3\)\(b\)](#)