



# Insolvency Act 1986

## 1986 CHAPTER 45

### PART VII

#### INTERPRETATION FOR FIRST GROUP OF PARTS

#### 251 Expressions used generally.

In this Group of Parts, except in so far as the context otherwise requires—

“administrative receiver” means—

- (a) an administrative receiver as defined by section 29(2) in Chapter I of Part III, or
- (b) a receiver appointed under section 51 in Chapter II of that Part in a case where the whole (or substantially the whole) of the company’s property is attached by the floating charge;

[<sup>F1</sup>“agent” does not include a person's counsel acting as such;]

[<sup>F2</sup>“books and papers” and “books or papers” includes accounts, deeds, writing and documents;]

“business day” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday in any part of Great Britain;

“chattel leasing agreement” means an agreement for the bailment or, in Scotland, the hiring of goods which is capable of subsisting for more than 3 months;

“contributory” has the meaning given by section 79;

[<sup>F3</sup>“the court”, in relation to a company, means a court having jurisdiction to wind up the company;]

[<sup>F4</sup>“deemed consent procedure” means the deemed consent procedure provided for by section 246ZF;]

“director” includes any person occupying the position of director, by whatever name called;

[<sup>F5</sup>“document” includes summons, notice, order and other legal process, and registers;]

<sup>F6</sup>  
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“floating charge” means a charge which, as created, was a floating charge an includes a floating charge within section 462 of the Companies Act (Scottish floating charges);

[<sup>F7</sup>“the Gazette” means—

- (a) as respects companies registered in England and Wales, the London Gazette;
- (b) as respects companies registered in Scotland, the Edinburgh Gazette;]

<sup>F8</sup> .....

<sup>F6</sup> ...

[<sup>F9</sup>“officer”, in relation to a body corporate, includes a director, manager or secretary;]

“the official rate”, in relation to interest, means the rate payable under section 189(4);

“prescribed” means prescribed by the rules;

[<sup>F10</sup>“qualifying decision procedure” has the meaning given by section 246ZE(11);]

“receiver”, in the expression “receiver or manager”, does not include a receiver appointed under section 51 in Chapter II of Part III;

“retention of title agreement” means an agreement for the sale of goods to a company, being an agreement—

- (a) which does not constitute a charge on the goods, but
- (b) under which, if the seller is not paid and the company is wound up, the seller will have priority over all other creditors of the company as respects the goods or any property representing the goods;

“the rules” means rules under section 411 in Part XV; and

“shadow director”, in relation to a company, means a person in accordance with whose directions or instructions the directors of the company are accustomed to act [<sup>F11</sup>, but so that a person is not deemed a shadow director by reason only that the directors act—

- (a) on advice given by that person in a professional capacity;
- (b) in accordance with instructions, a direction, guidance or advice given by that person in the exercise of a function conferred by or under an enactment (within the meaning given by section 1293 of the Companies Act 2006);
- (c) in accordance with guidance or advice given by that person in that person's capacity as a Minister of the Crown (within the meaning of the Ministers of the Crown Act 1975)]

<sup>F12</sup> .....

### Textual Amendments

**F1** S. 251: definition inserted (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. 77(2)} (with art. 10, Sch. 1 para. 84)

**F2** S. 251: definition inserted (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. 77(2)} (with art. 10, Sch. 1 para. 84)

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- F3** S. 251: definition inserted (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. 77(2)} (with art. 10, Sch. 1 para. 84)
- F4** Words in s. 251 inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), **ss. 122(4)(a)**, 164(1); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(a) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(a) (with reg. 5)
- F5** S. 251: definition inserted (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. 77(2)} (with art. 10, Sch. 1 para. 84)
- F6** Words in s. 251 omitted (31.12.2020) by virtue of [The Insolvency \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/146\)](#), reg. 1(3), **Sch. para. 30** (with regs. 4, 5); 2020 c. 1, Sch. 5 para. 1(1)
- F7** S. 251: definition inserted (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. 77(2)} (with art. 10, Sch. 1 para. 84)
- F8** S. 251: definition omitted (1.10.2009) by virtue of The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009, (S.I. 2009/1941) arts. 2(1), 8, {Sch. 1 para. 77(3)} (with art. 10, Sch. 1 para. 84)
- F9** S. 251: definition inserted (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. 77(2)} (with art. 10, Sch. 1 para. 84)
- F10** Words in s. 251 inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), **ss. 122(4)(b)**, 164(1); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(a) (with reg. 5) (as amended by S.I. 2017/363, reg. 3); S.I. 2019/816, reg. 4(a) (with reg. 5)
- F11** Words in s. 251 substituted (26.5.2015) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), **ss. 90(1)**, 164(3)(g)(iii)
- F12** Words in s. 251 omitted (1.10.2009) by virtue of The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009, (S.I. 2009/1941) arts. 2(1), 8, {Sch. 1 para. 77(4)} (with art. 10, Sch. 1 para. 84)

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

- C1** S. 251 applied (with modifications) (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4, Sch. 2, **Sch. 3**
- C2** S. 251 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** S. 251 applied (with modifications) (31.1.2019) by [Technical and Further Education Act 2017 \(c. 19\)](#), s. 47(2), **Sch. 3**; S.I. 2018/1161, reg. 3(c)
- C4** S. 251 modified (E.W.) (31.1.2019) by [The Further Education Bodies \(Insolvency\) Regulations 2019 \(S.I. 2019/138\)](#), regs. 1(1), **23** (with regs. 1(2), 3(a)(ii))
- C5** S. 251 applied (with modifications) (31.1.2019) by [Technical and Further Education Act 2017 \(c. 19\)](#), s. 47(2), **Sch. 4**; S.I. 2018/1161, reg. 3(d)
- C6** S. 251 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**)

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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 extended (N.I.) for specified purposes (except for ss. 13-15) by [2024 c. 3 Sch. 13 para. 4\(3\)](#)
- 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. 21(5) inserted by [2024 c. 3 Sch. 13 para. 2\(12\)\(b\)](#)
- s. 22(2B) inserted by [2024 c. 3 Sch. 13 para. 2\(13\)](#)
- s. 22H(1)(a) words inserted by [2024 c. 3 Sch. 13 para. 2\(14\)\(a\)](#)
- s. 22H(1)(aa) inserted by [2024 c. 3 Sch. 13 para. 2\(14\)\(b\)](#)
- s. 22H(4)(j) words inserted by [2024 c. 3 Sch. 13 para. 2\(14\)\(c\)](#)
- s. 22H(4)(k) inserted by [2024 c. 3 Sch. 13 para. 2\(14\)\(d\)](#)
- s. 41HB(2) words substituted by [2018 c. 14 s. 1\(3\)\(b\)](#)