



Insolvency Act 1986

1986 CHAPTER 45

PART XII

PREFERENTIAL ^[F1]AND NON-PREFERENTIAL] DEBTS IN COMPANY AND INDIVIDUAL INSOLVENCY

386 Categories of preferential debts.

(1) A reference in this Act to the preferential debts of a company or an individual is to the debts listed in Schedule 6 to this Act [^{F1}(contributions to occupational pension schemes; remuneration, &c. of employees; levies on coal and steel production [^{F2}; debts owed to the Financial Services Compensation Scheme][^{F3}; deposits covered by Financial Services Compensation Scheme][^{F4}; other deposits [^{F5}; certain HMRC debts]]]; and references to preferential creditors are to be read accordingly.

[^{F6}(1A) A reference in this Act to the “ordinary preferential debts” of a company or an individual is to the preferential debts listed in any of paragraphs 8 to 15B of Schedule 6 to this Act.

(1B) A reference in this Act to the “secondary preferential debts” of a company or an individual is to the preferential debts listed in paragraph 15BA [^{F7}, 15BB or 15D] of Schedule 6 to this Act.]

(2) In [^{F8}Schedule 6] “the debtor” means the company or the individual concerned.

(3) Schedule 6 is to be read with [^{F9}Schedule 4 to the Pension Schemes Act 1993] (occupational pension scheme contributions).

Textual Amendments

F1 Words in s. 386(1) substituted (15.9.2003) by [2002 c. 40, ss. 251\(3\), 279](#) (with s. 249(6)); [S.I. 2003/2093, art. 2\(1\), Sch. 1](#) (subject to [arts. 3-8](#) (as amended by [S.I. 2003/2332, art. 2](#)))

F2 Words in s. 386(1) inserted (26.3.2015) by [The Deposit Guarantee Scheme Regulations 2015](#) (S.I. 2015/486), [regs. 1\(2\), 14\(2\)](#)

Changes to legislation: Insolvency Act 1986, Section 386 is up to date with all changes known to be in force on or before 16 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

- F3** Words in s. 386(1) inserted (31.12.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 13(2)**, 148(5); S.I. 2014/3160, art. 2(1)(a)
- F4** Words in s. 386(1) inserted (1.1.2015) by The Banks and Building Societies (Depositor Preference and Priorities) Order 2014 (S.I. 2014/3486), arts. 1(2), **8(2)** (with art. 3)
- F5** Words in s. 386(1) inserted (with application in accordance with s. 98(7) of the amending Act) by Finance Act 2020 (c. 14), **s. 98(1)(a)**
- F6** S. 386(1A)(1B) inserted (1.1.2015) by The Banks and Building Societies (Depositor Preference and Priorities) Order 2014 (S.I. 2014/3486), arts. 1(2), **8(3)** (with art. 3)
- F7** Words in s. 386(1B) substituted (with application in accordance with s. 98(7) of the amending Act) by Finance Act 2020 (c. 14), **s. 98(1)(b)**
- F8** Words in s. 386(2) substituted (1.1.2015) by The Banks and Building Societies (Depositor Preference and Priorities) Order 2014 (S.I. 2014/3486), arts. 1(2), **8(4)** (with art. 3)
- F9** Words in s. 386(3) substituted (7.2.1994) by 1993 c. 48, s. 190, **Sch. 8 para. 18** (with s. 6(8)); S.I. 1994/86, **art. 2**

Modifications etc. (not altering text)

- C1** S. 386 applied (with modifications) by S.I. 1986/1999, art. 3, **Sch. 1 Pt. II**
- C2** S. 386 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
- C3** S. 386 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), **ss. 145**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2, 3**, Sch. para. 3
- C4** S. 386 applied (with modifications) (8.7.2021) by The Payment and Electronic Money Institution Insolvency Regulations 2021 (S.I. 2021/716), regs. 2, 37, **Sch. 1 para. 3** (with reg. 5) (as amended (4.1.2024) by S.I. 2023/1399, regs. 1(2), 4, 11)

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