



# Insolvency Act 1986

## 1986 CHAPTER 45

### [<sup>F1</sup>PART A1

#### MORATORIUM

### CHAPTER 4

#### EFFECTS OF MORATORIUM

##### *Restrictions on payments and disposal of property*

#### [<sup>F1</sup>A29 Restrictions on disposal of property

- (1) During a moratorium, the company may dispose of its property only if authorised by subsection (2) or (5).
- (2) In the case of property that is not subject to a security interest, the company may dispose of the property if—
  - (a) the disposal is made in the ordinary way of the company's business,
  - (b) the monitor consents, or
  - (c) the disposal is in pursuance of a court order.
- (3) The monitor may give consent under subsection (2)(b) only if the monitor thinks that it will support the rescue of the company as a going concern.
- (4) In deciding whether to give consent under subsection (2)(b), the monitor is entitled to rely on information provided by the company unless the monitor has reason to doubt its accuracy.
- (5) In the case of property that is subject to a security interest, the company may dispose of the property if the disposal is in accordance with—
  - (a) section A31(1), or
  - (b) the terms of the security.

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**Changes to legislation:** *Insolvency Act 1986, Section A29 is up to date with all changes known to be in force on or before 19 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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- (6) If the company disposes of its property during the moratorium otherwise than as authorised by this section—
- (a) the company commits an offence, and
  - (b) any officer of the company who without reasonable excuse authorised or permitted the disposal commits an offence.]

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**Textual Amendments**

**F1** Pt. A1 inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), **ss. 1(1)**, 49(1) (with [ss. 2\(2\)](#), [5\(2\)](#))

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

**C1** Ss. A29-A32 excluded by S.I. 2015/912, reg. 37(12A)(d) (as inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 3 para. 55(4)** (with [ss. 2\(2\)](#), [5\(2\)](#)))

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