
STATUTORY INSTRUMENTS

1995 No. 2049

**The Financial Markets and Insolvency
(Money Market) Regulations 1995**

MONEY MARKET CHARGES

Administration orders, &c

21.—(1) The provisions of this regulation are subject to the provisions of regulations 22 to 24 below.

(2) The following provisions of the Insolvency Act 1986⁽¹⁾ (which relate to administration orders and administrators) do not apply in relation to a money market charge—

- (a) sections 10(1)(b) and 11(3)(c) (restriction on enforcement of security while petition for administration order pending or order in force); and
- (b) section 15(1) and (2) (power of administrator to deal with charged property);

and section 11(2) of that Act (receiver to vacate office when so requested by administrator) does not apply to a receiver appointed under a money market charge.

(3) However, where a money market charge falls to be enforced after an administration order has been made or a petition for an administration order has been presented, and there exists another charge over some or all of the same property ranking in priority to or *pari passu* with the market charge, the court may, on the application of any person interested, order that there shall be taken after enforcement of the money market charge such steps as the court may direct for the purpose of ensuring that the chargee under the other charge is not prejudiced by the enforcement of the money market charge.

(4) The following provisions of the Insolvency Act 1986 (which relate to the powers of receivers) do not apply to a money market charge—

- (a) section 43 (power of administrative receiver to dispose of charged property); and
- (b) section 61 (power of receiver in Scotland to dispose of an interest in property).

(5) Sections 127 and 284 of the Insolvency Act 1986 (avoidance of property dispositions effected after the commencement of winding up or presentation of a bankruptcy petition), and section 32(8) of the Bankruptcy (Scotland) Act 1985⁽²⁾ (effect of dealing with debtor relating to estate vested in permanent trustee), do not apply to a disposition of property as a result of which the property becomes subject to a money market charge or any transaction pursuant to which that disposition is made.

(6) However, if a person (other than the chargee under the money market charge) who is a party to a disposition mentioned in paragraph (5) above has notice at the time of the disposition that a petition has been presented for the winding up, bankruptcy or sequestration of the estate of the party making the disposition, the value of any profit to him arising from the disposition is recoverable by the relevant office-holder unless the court directs otherwise.

(1) 1986 c. 45.
(2) 1985 c. 66.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(7) Any sum recoverable by virtue of paragraph (6) above ranks for priority, in the event of the insolvency of the person from whom it is due, immediately before preferential or, in Scotland, preferred debts.

(8) In a case falling within paragraph (5) above (as a disposition of property as a result of which the property becomes subject to a money market charge) and section 164(3) of the Act as it has effect by virtue of these Regulations (as the provision of margin or other property in relation to money market contracts), section 164(4), as it has effect by virtue of these Regulations, applies with respect to the recovery of the amount or value of the margin or other property and paragraph (6) above does not apply.