
STATUTORY INSTRUMENTS

1999 No. 2979

**The Financial Markets and Insolvency
(Settlement Finality) Regulations 1999**

PART III

**TRANSFER ORDERS EFFECTED THROUGH A
DESIGNATED SYSTEM AND COLLATERAL SECURITY**

Net sum payable on completion of action taken under default arrangements

15.—(1) The following provisions apply with respect to any sum which is owed on completion of action taken under default arrangements by or to a defaulter but do not apply to any sum which (or to the extent that it) arises from a transfer order which is also a market contract within the meaning of Part VII, in which case sections 162 and 163 of the Companies Act 1989⁽¹⁾ apply subject to the modification made by regulation 21.

(2) If, in England and Wales, a bankruptcy or winding-up order has been made or a creditors' voluntary winding-up resolution has been passed, the debt—

- (a) is provable in the bankruptcy or winding up or, as the case may be, is payable to the relevant office-holder; and
- (b) shall be taken into account, where appropriate, under section 323 of the Insolvency Act 1986 (mutual dealings and set-off) or the corresponding provision applicable in the case of winding up;

in the same way as a debt due before the commencement of bankruptcy, the date on which the body corporate goes into liquidation (within the meaning of section 247 of the Insolvency Act 1986) or, in the case of a partnership, the date of the winding-up order.

(3) If, in Scotland, an award of sequestration or a winding-up order has been made, or a creditors' voluntary winding-up resolution has been passed, or a trust deed has been granted and it has become a protected trust deed, the debt—

- (a) may be claimed in the sequestration or winding up or under the protected trust deed or, as the case may be, is payable to the relevant office-holder; and
- (b) shall be taken into account for the purposes of any rule of law relating to set-off applicable in sequestration, winding up or in respect of a protected trust deed;

in the same way as a debt due before the date of sequestration (within the meaning of section 73(1) of the Bankruptcy (Scotland) Act 1985) or the commencement of the winding up (within the meaning of section 129 of the Insolvency Act 1986) or the grant of the trust deed.