| Annex A |
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| Procedure | Brief summary | Section (Insolvency Act 1986) | Time limit | Time limit where beneficiary connected party or associate | Need to show insolvency at time of transaction? | Insolvency presumed where beneficiary connected party or associate? | Alternative procedure | Notes |
| Preferences(see chapter 31) | Repayment of a debt | s239 and s340 | Six months prior to the presentation of the petition | Two years prior to the presentation of the petition | Yes | No | Avoidance of disposition if preference made post-petition | Also need to show desire to prefer – which is presumed where beneficiary connected or associate |
| Transactions at an undervalue(see chapter 31) | Transferring an asset for less than its value | s238 and s339 | Companies – two years prior to the presentation of the petitionBankruptcies – five years prior to the presentation of the petition | No difference | Companies – YesBankruptcies – Only if transaction was entered into more than two years prior to the presentation of the petition | Yes | Transactions defrauding creditorsMisfeasance (companies only)Avoidance of disposition if transaction entered into post-petition | Defence of “good faith” in companies |
| Transactions defrauding creditors(see chapter32) | Transferring an asset at less than its value | s423 | No time limit | No time limit | No – person who gave property away does not even need to be in “formal” insolvency to trigger provision | N/A | Transactions at an undervalueMisfeasance (companies only)Avoidance of disposition if transaction entered into post-petition | Need to show intent to defraud (rather than just fact) |
| Avoidance of floating charges (companies only)(see chapter 32) | Cancellation of charges made in lead up to formal insolvency | s245 | 12 months prior to presentation of petition | Two years prior to the presentation of the petition | Yes | No | MisfeasanceAvoidance of charges due to non-registration (Companies Act 1985 s395) | Charge not avoided where it was given for new value |
| Avoidance of dispositions of property(see chapter 32) | Reversal of dispositions of insolvent’s property made after presentation of petition | s127 and s284 | Deals only with dispositions between petition and order | Deals only with dispositions between petition and order | No | N/A | Misfeasance (companies only) | Disposition can be validated by court – before or after disposition |
| Avoidance of general assignments of book debts (bankruptcies only)(see chapter 32) | Cancellation of assignments of book debts if assignment not registered under Bills of Sale Act 1878 | s344 | Deals with any unregistered assignment | Deals with any unregistered assignment | No | N/A | Transaction at an undervalue | None |
| Misfeasance (companies only)(see chapter 32) | Recovery of sums from directors who have caused losses to company | s212 | None | None | No | N/A | Fraudulent trading (s213)Wrongful trading (s214) | Action brought in name of company against directors personally |
| Extortionate credit transactions(see chapter 32) | Reversal of unfair terms (including interest) in credit agreements | s244 and s343 | Three years prior to the winding-up or bankruptcy order | Three years prior to the winding-up or bankruptcy order | No | N/A | Transaction at an undervalue | Unfair credit terms must be “grossly” exorbitant. |
| Excessive pension contributions(see chapter 32) | Recovery of excessive pension contributions made by bankrupt | s342A | None | None | No, but contributions must have unfairly prejudiced creditors | N/A | Avoidance of disposition if contributions made post-petition | None |