

2020 No. \*\*\*

**BANKRUPTCY**

**DEBT**

**EDUCATION**

**INCOME TAX**

**INSOLVENCY**

**SOCIAL SECURITY**

The Insolvency Act 1986 (HMRC Debts: Priority on  
Insolvency) Regulations 2020

Made - - - - - \*\*\*

Laid before the House of Commons \*\*\*

Coming into force - - - **1st December 2020**

The Treasury make the following Regulations in exercise of the powers conferred by section \*(3) of the Finance Act 2020(a).

**Citation, commencement and effect**

1. These Regulations may be cited as the Insolvency Act 1986 (HMRC Debts: Priority on Insolvency) Regulations 2020 and come into force on **1st December 2020**.

**Specified deductions**

- 2.—(1) The deductions set out in paragraph (2) are specified for the purposes of—
- (a) paragraph 15D(2)(c) of Schedule 6 to the Insolvency Act 1986(b),
  - (b) paragraph 8A(3)(c) of Schedule 3 to the Bankruptcy (Scotland) Act 2016 (asp 21)(c),
  - (c) and paragraph 22(3)(c) of Schedule 4 to the Insolvency (Northern Ireland) Order 1989(d).
- (2) The deductions are—

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(a) 2020 c. \*.

(b) 1986 c. 45; paragraph 15D of Schedule 6 was inserted by section [\*](2) of the Finance Act 2020.

(c) 2016 asp 21; paragraph 8A of Schedule 3 was inserted by section [\*](4) of the Finance Act 2020.

(d) S.I. 1989/2405 (N.I. 19); paragraph 22 of Schedule 4 was inserted by section [\*](6) of the Finance Act 2020.

- (a) deductions under section 61 (deductions on account of tax from contract payments) of the Finance Act 2004(a),
- (b) deductions under paragraph 6(1)(b) (deduction of earnings-related contributions) of Schedule 4 to the Social Security (Contributions) Regulations 2001(b),
- (c) deductions under regulation 21 (deduction and repayment of tax by reference to employee's code) of the Income Tax (PAYE) Regulations 2003(c), and
- (d) deductions under regulation 50 (deductions of repayments) of the Education (Student Loans) (Repayment) Regulations 2009(d).

Name  
Name

Date Two of the Commissioners for Her Majesty's Treasury

### **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

The Finance Act 2020 amends the Insolvency Act 1986, the Bankruptcy (Scotland) Act 2016 and the Insolvency (Northern Ireland) Order 1989 to make provision for certain debts owed to Her Majesty's Revenue and Customs to be included in a category of preferential debt (or, in Scotland, preferred debt) for insolvency purposes. The amounts are those in respect of value added tax or a relevant deduction. A deduction is a relevant deduction if certain conditions are met. One of those conditions is that the deduction is of a kind specified in regulations. These Regulations specify the deductions listed in regulation 2 for those purposes.

[A Tax Information and Impact Note...\*\*\*.]

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(a) 2004 c. 12.  
(b) S.I. 2001/1004; paragraph 6(1) was amended by S.I. 2004/770.  
(c) S.I. 2003/2682.  
(d) S.I. 2009/470; regulation 50 was amended by S.I. 2012/836, 2017/831 and 2018/599.