

## 5. Preferential Payments Bill 2016 – First Reading approved

Mr Anderson to move:

*That the Preferential Payments Bill 2016 be read a first time.*

**The President:** We turn then to Item 5, Preferential Payments Bill 2016.  
I call on the Hon. Member, Mr Anderson.

**Mr Anderson:** Thank you, Madam President.

This long and complex Bill we are about to embark on!

The Preferential Payments (Amendment) Bill 2016 will amend the Preferred Creditor Regime to place deposit amounts eligible for compensation under the Isle of Man Depositors' Compensation Scheme above all other preferred creditors except liquidator expenses and secured creditors. This will ensure that if in the future the Depositors' Compensation Scheme is triggered, then rapid payments can be made to depositors. The latest international standards regarding depositor compensation schemes require payments to depositors to be made within seven days from the default of a bank.

This will also address recommendation 3R/2 of the report of the Select Committee of Tynwald on Kaupthing Singer & Friedlander (IOM) Ltd, which stated:

*we recommend that Government consider all options to enhance the position of and speed of repayment to retail depositors in the review of the Depositors' Compensation Scheme.*

The proposed amendment Bill also enables Treasury, by order, subject to the approval of Tynwald, to vary or reduce the priority of debts, and also to recognise the depositor compensation scheme of another jurisdiction as a preferred creditor if the scheme is equivalent or similar to the Isle of Man's Depositors' Compensation Scheme.

Madam President, I beg to move the Item standing in my name.

**The President:** The Hon. Member, Mr Henderson.

**Mr Henderson:** Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

**The President:** The motion is that the Preferential Payments Bill 2016 be read for a first time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

That concludes our business for this morning, Hon. Members. The Council will now adjourn. The adjournment will be to Tynwald Court on the 15th, and thereafter in this Chamber on 22nd March.

Thank you, Hon. Members.

*The Council adjourned at 11.54 a.m.*