

## PART 7 CHARGES AND DEBENTURES

### CHAPTER 1 Interpretation

#### Definitions (Part 7)

408. (1) In this Part—

“charge”, in relation to a company, means a mortgage or a charge, in an agreement (written or oral), that is created over an interest in any property of the company (8) and sections 414 to 421 includes a judgment mortgage) but does not include a mortgage or a charge, in an agreement (written or oral), that is created over an interest in—

- (a) cash,
- (b) money credited to an account of a financial institution, or any other deposits,
- (c) shares, bonds or debt instruments,
- (d) units in collective investment undertakings or money market instruments, or
- (e) claims and rights (such as dividends or interest) in respect of any thing referred to in any of paragraphs (b) to (d);

“property”, in relation to a company, includes any assets or undertaking of the company.

(2) Any exclusion provided in subsection (1) to what is defined in that subsection as constituting a “charge” may be varied by order made by the Minister if the Minister considers that it is necessary or expedient to do so in consequence of any Community act adopted after the commencement of this section relating to financial collateral arrangements.

(3) For the avoidance of doubt, in the case of a mortgage or charge created over both—

- (a) an interest in anything specified in any of paragraphs (a) to (e) of subsection (1); and
- (b) any property, assets or undertaking not falling within any of those paragraphs,

the mortgage or charge shall, other than to the extent to which it is created over an interest in anything specified in any of the foregoing paragraphs of subsection (1), be regarded as a charge within the meaning of this Part.