

266. Unfair preferences voidable in certain circumstances

- (1) This section applies in relation to a company if the company goes into liquidation.
- (2) If the company has at a relevant time (within the meaning of section 266B) given an unfair preference to a person, the liquidator may apply to the court for an order under subsection (3).
- (3) Subject to section 266C, on an application under subsection (2), the court may make an order that it thinks fit for restoring the position to what it would have been if the company had not given that unfair preference.
- (4) The court must not make an order under subsection (3) unless the company was influenced, in deciding to give that unfair preference, by a desire to produce in relation to that person the effect mentioned in section 266A(1)(b).
- (5) A company which has given an unfair preference to a person connected with the company (otherwise than by reason only of being its employee) at the time the unfair preference was given is presumed, unless the contrary is shown, to have been influenced, in deciding to give it, by the desire mentioned in subsection (4).

(Replaced 14 of 2016 s. 89)