EXPLANATORY MEMORANDUM TO

The Companies (Disqualification Orders) (Amendment) Regulations (Northern Ireland) 2025

S.R. 2025 No. 14

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department for the Economy ("the Department") to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under Article 22(1) and (7) of the Company Directors Disqualification (Northern Ireland) Order 2002 and is subject to the negative resolution procedure.

2. Purpose

2.1. The purpose of the regulations is twofold. They first of all alter the forms prescribed for use by the clerk of the court when furnishing the Department and the Secretary of State with particulars about disqualification orders as required by Article 22(1) of the Company Directors Disqualification (Northern Ireland) Order 2002 ("the CDDO") so that they can be used in the case of disqualification orders made under sections 8ZF and 8ZG of the Company Directors Disqualification Act 1986 ("the CDDA"). Secondly, they extend provisions in Article 22 of the CDDO so that the requirements under that Article relating to the furnishing by the clerk of the court of particulars about disqualification orders and undertakings to the Department and the Secretary of State and the entry by the Department of information about disqualification orders and undertakings in its register will apply in the case of disqualification orders made and undertakings acceped under sections 8Zf and 8ZG of the CDDA, as these two sections extend to Northern Ireland.

3. Background

3.1. The main primary legislation dealing with director disqualification in England, Scotland and Wales is the CDDA. The main primary legislation dealing wih director disqualfication in Northern Ireland is the CDDO.

3.2. New sections 8ZF and 8ZG inserted into the CDDA by section 12 of and Schedule 13 to the Finance Act 2014 extend to Northern Ireland.

3.3. Sections 8ZF and 8ZG enable persons who are, or have been directors of companies carrying on business as promoters of tax avoidiance schemes to be disqualified.

3.4. Disqualification under the two sections as they extend to Northern Ireland can be by Order made by the Northern Ireland High Court, or by an undertaking given to an officer of Revenue and Customs.

3.5. The Companies (Disqualification Orders) Regulations (Northern Ireland) 2010 ("the 2010 Regulations") include a set of forms for use by court clerks when furnishing information about disqualification orders and

undertakings to the Department and the Secretary of State, as required by Article 22 of the CDDO. The regulations which are the subject of this Explanatory Memorandum replace those forms with substitutes which can be used where the disqualification order has been made or the undertaking given under section 8ZF or 8ZG of the CDDA. They also amend the interpretation in the 2010 regulations to reflect that disqualification orders can be made by the Northern Ireland High Court and undertakings accepted by officers of Revenue and Customs under these two sections.

3.6. The regulations which are the subject of this Explanatory Memorandum also extend provisions in Article 22 of the CDDO so that the requirements under that Article for court clerks to furnish information to the Department and the Secretary of State about disqualification orders and undertakings and the requirements for the Department to record information about disqualification orders and undertakings will apply in the case of disqualification orders made and disqualification undertakings given under sections 8ZF and 8ZG of the CDDA as they extend to Northern Ireland.

4. Consultation

4.1. No consultation has been undertaken. The regulations deal solely with administrative actions to be taken by the High Court and the Department as an essential adjunct to a measure passed at Westminster.

5. Equality Impact

5.1. The issue of equality was considered. It was concluded that formal equality screening was not necessary as these regulations do not have any differential impact on any of the section 75 groups

6. Regulatory Impact

6.1. A Regulatory Impact Assessment has not been prepared as there is no impact on business, charities, social enterprise or voluntary bodies.

7. Financial Implications

7.1. The transmission and recording of information as required by the regulations will not involve any increase to staff numbers and is not therefore expected to result in any significant cost to the public purse.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that the Regulations are not incompatible with any of the Convention rights, do not discriminate against a person or class of person on the grounds of religious belief or political opinion and do not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. The Regulations are unique to Northern Ireland and are not in parity with and do not replicate any legislation in other administrations.

11. Additional Information

11.1. Not applicable.