Draft Order laid before Parliament under section 112(3) of the Deregulation Act 2015 and section 159(3) of the Small Business, Enterprise and Employment Act 2015, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2017 No.

INSOLVENCY

The Deregulation Act 2015 and Small Business, Enterprise and Employment Act 2015 (Consequential Amendments) (Savings) Regulations 2017

Made - - - -	*****
Coming into force - -	*6th April 2017*

The Secretary of State for Business, Energy and Industrial Strategy makes these Regulations in exercise of the powers conferred by section 112(1) and (2) of the Deregulation Act 2015(**a**) and section 159(1) and (2) of the Small Business, Enterprise and Employment Act 2015(**b**).

In accordance with section 112(3) of the Deregulation Act 2015 and section 159(3) of the Small Business, Enterprise and Employment Act 2015, a draft of these Regulations was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Deregulation Act 2015 and Small Business, Enterprise and Employment Act 2015 (Consequential Amendments) (Savings) Regulations 2017 and come into force on 6th April 2017.

Consequential amendments to primary legislation

2. Schedule 1 has effect.

Consequential amendments to subordinate legislation

3. Schedule 2 has effect.

Savings for certain insolvency rules

4.—(1) In this regulation, "the relevant amendments" means the amendments made by—

(a) paragraphs 12, 13(1), 14 and 15 of Schedule 6 to, the Deregulation Act 2015; and

(**a**) 2015 c.20.
(**b**) 2015 c.26.

(b) sections 122, 123, 124 and 125 of, and Schedule 9(**a**) to, the Small Business, Enterprise and Employment Act 2015.

(2) The Insolvency Act 1986(**b**), insofar as it applies to proceedings under the following instruments, continues to have effect without the relevant amendments for the purposes of the application of those instruments—

(a) the Railway Administration Order 2001(**c**);

(b) the Limited Liability Partnerships Regulations 2001(**d**);

(c) the Energy Act 2004(**e**);

(d) the Energy Administration Rules 2005(**f**);

(e) the PPP Administration Order Rules 2007(**g**);

(f) the Water Industry (Special Administration) Rules 2009(**h**);

(g) the Energy Act 2011(**i**);

(h) the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012(**j**);

(i) the Energy Supply Company Administration Rules 2013(**k**); and

(j) the Postal Administration Rules 2013(**l**).

Name
Minister for Small Business
Date Department for Business, Energy and Industrial Strategy

SCHEDULE 1

Regulation 2

Consequential amendments to Primary Legislation

Administration of Justice Act 1985

1.—(1) The Administration of Justice Act 1985(**m**) is amended as follows.

(2) In paragraph 25(4) of Schedule 2 (legal services practices: recognised body: relevant insolvency event)(**n**), for paragraph (d) substitute—

"(d) a winding up becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up)(**o**);".

(**a**) Schedule 9 was amended by S.S.I. 2016/141.
(**b**) 1986 c.45.
(**c**) S.I. 2001/3352. Certain provisions of the Insolvency Act 1986 are applied in relation to insolvency proceedings under the Railway Administration Order 2001 by section 59 of, and Schedule 6 to, the Railways Act 1993 (c.43). There are amendments but none are relevant.
(**d**) S.I. 2001/1090. Schedule 3 applies provisions of the Insolvency Act 1986 with modifications. Paragraph 3 of part II of Schedule 6 applies the Insolvency Rules 1986. There are amendments but none are relevant.
(**e**) 2004 c.20. Schedule 20 applies and modifies Schedule B1 to the Insolvency Act 1986 in relation to the conduct of energy administrations.
(**f**) S.I. 2005/2483. There are amendments but none are relevant.
(**g**) S.I. 2007/3141. There are amendments but none are relevant.
(**h**) S.I. 2009/2477. There are amendments but none are relevant.
(**i**) 2011 c.16.
(**j**) S.I. 2012/3013. Part II and the Schedule apply modifications of the Insolvency Act 1986 to the dissolution of CIOs. Part III makes provision for the dissolution of CIOs otherwise than under the Insolvency Act 1986.
(**k**) S.I. 2013/1046. There are amendments but none are relevant.
(**l**) S.I. 2013/3208. There are amendments but none are relevant.
(**m**) 1985 c.61.
(**n**) Paragraph 25(4) was inserted by the Legal Services Act 2007 (c.29), Schedule 16, paragraph 112.
(**o**) Section 96 of the Insolvency Act 1986 was substituted by the Small Business, Enterprise and Employment Act 2015, Schedule 9, paragraph 20.

(3) In paragraph 10(1A) of Schedule 6 (conveyancing or CLC practitioner services: recognised body: relevant insolvency event)(**a**), for paragraph (d) substitute—

"(d) a winding up becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up);".

Companies Act 1989

2.—(1) The Companies Act 1989(**b**) is amended as follows.

(2) In subsection (4A) of section 159 (proceedings of exchange or clearing house take precedence over insolvency procedures)(**c**)—

(a) in paragraph (a)—

(i) for "to the chairman of the meeting of creditors" substitute "to the convener", and

(ii) for "at a meeting of creditors" substitute "in a decision procedure"; and

(b) in paragraph (b), for "at a meeting of creditors" substitute " in a decision procedure".

(3) In subsection (4)(b) of section 163 (net sum payable on completion of default proceedings), for "a meeting of creditors had been summoned under section 98" substitute "a statement as to the affairs of the company had been made out and sent under section 99".

Pensions Act 1995

3.—(1) The Pensions Act 1995(**d**) is amended as follows.

(2) In section 75 (deficiencies in the assets)(**e**), in subsection (6D), for paragraph (b), substitute—

"(b) the voluntary winding up of the employer—

(i) is stayed other than in prescribed circumstances, or

(ii) becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up),"

Pensions Act 2004

4.—(1) Section 121 of the Pensions Act 2004(**f**) (insolvency events etc) is amended as follows.

(2) In subsection (2)(b), for "a meeting of the individual's creditors should be summoned to" substitute "the individual's creditors should".

(3) In subsection (3)(a), for "meetings of" to the end substitute "the proposal should be considered by a meeting of the company and by the company's creditors;".

(4) For subsection (3)(f) substitute—

"(f) a winding up becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up);".

(5) In subsection (4)(c), for "meetings of" to the end substitute "the proposal should be considered by a meeting of the members of the partnership and by the partnership's creditors;".

Legal Services Act 2007

5.—(1) Schedule 14 to the Legal Services Act 2007 (licensing authority's powers of intervention)(**g**) is amended as follows.

(**a**) Paragraph 10(1A) was inserted by the Legal Services Act 2007, Schedule 17, paragraph 32.
(**b**) 1989 c.40.
(**c**) Subsection (4A) was inserted by S.I. 1991/880 and amended by S.I. 2009/853.
(**d**) 1995 c.26.
(**e**) Subsection (6D) was inserted by the Pensions Act 2004, section 271(5).
(**f**) 2004 c.35. There are amendments but none is relevant.
(**g**) 2007 c.29. There is an amendment which is not relevant.

(2) In sub-paragraph (3) of paragraph 1 (licensed body: relevant insolvency event), for paragraph (d) substitute—

"(d) a winding up becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up);".

Postal Services Act 2011

6.—(1) Part 1 of Schedule 10 to the Postal Services Act 2011(**a**) (conduct of postal administration: application with modifications of Schedule B1 to the Insolvency Act 1986) is amended as follows.

(2) In paragraph 9, at the end of the substituted paragraph 54(2)(d) insert "other than an opted-out creditor".

SCHEDULE 2

Regulation 3

Consequential amendments to subordinate legislation

Administration of Insolvent Estates of Deceased Persons Order 1986

1.—(1) The Administration of Insolvent Estates of Deceased Persons Order 1986(**b**) is amended as follows.

(2) In paragraph 1 of Part II of Schedule 1, after sub-paragraph (b) insert—

"(ba) after subsection (1)(a) there shall be added—

"(aa) by the personal representative of the deceased debtor,";".

(3) For paragraph 15 of Part II of Schedule 1, substitute—

"**15.** Section 288(**c**) with the modification that for subsections (1) to (3) there shall be substituted the following—

"(1) Where an insolvency administration order has been made, the official receiver may at any time require the personal representative, or if there is no personal representative such person as the court may on the application of the official receiver direct, to submit to the official receiver a statement of the deceased debtor's affairs.

(2) The statement of affairs must contain—

(a) particulars of the assets and liabilities of the estate as at the date of the insolvency administration order, and

(b) other particulars of the affairs of the deceased debtor in Form 7 set out in Schedule 3 to the Administration of Insolvent Estates of Deceased Persons Order 1986, or as the official receiver may require.

(3) Where the personal representative or such person as the court may direct is required under subsection (1) to submit a statement of affairs to the official receiver, the statement must be submitted before the end of the period of 56 days beginning with the date on which notice of the requirement under subsection (1) is given by the official receiver, or such longer period as he or the court may allow.".".

(4) After paragraph 17 of Part II of Schedule 1, insert—

(**a**) 2011 c.5.

(**b**) S.I. 1986/1999. Relevant amendments are made by the Administration of Insolvent Estates of Deceased Persons (Amendment) Order 2002 (S.I. 2002/1309) and the Enterprise and Regulatory Reform Act 2013 (Consequential Amendments) (Bankruptcy) and the Small Business Enterprise and Employment Act 2015 (Consequential Amendments) Regulations 2016 (S.I. 2016/481).

(**c**) Section 288 was amended by paragraph 18 of Schedule 19 to the Enterprise and Regulatory Reform Act 2013 (c. 24) with effect from 6th April 2016 and by paragraph 15 of Part 5 of Schedule 6 to the Deregulation Act 2015 with effect from 6th April 2017.

"**17A.** Section 291A(**a**)."

(5) For paragraph 18 of Part II of Schedule 1, substitute—

"**18.** Sections 292 to 302(**b**)."

(6) For paragraph 28 of Part II of Schedule 1, substitute—

"**28.** Sections 342 to 349(**c**) and 350(1), (2), and (4) to (6)(**d**)."

(7) For paragraph 32 of Part II of Schedule 1, substitute—

"**32.** Sections 383 to 384(**e**)."

(8) For paragraph 2 of Part III of Schedule 1, substitute—

"**2.** Section 257(**f**) with the modification that where the individual dies before the individual's creditors have decided whether to approve the proposed voluntary arrangement, the creditors must not approve the proposal and, if the individual was at the date of his death an undischarged bankrupt, the personal representative shall give notice of the death to the deceased debtor's creditors, the trustee of his estate and the official receiver.".

(9) For paragraph 3 of Part III of Schedule 1, substitute—

"**3.** Section 258(**g**).

3A. Section 259(**h**) with the modification that after subsection (1) there shall be added—

"(1A) Where the individual's creditors considered the debtor's proposal pursuant to a report to the court under section 256(1)(aa)(**i**) but the individual has died before the creditors have decided whether to approve the proposed voluntary arrangement—

(a) the creditors must not approve the proposal;

(b) the personal representative must report to the court that the proposal has not been approved; and

(c) if the individual was at the date of his death an undischarged bankrupt, the personal representative must give notice of the death to the deceased debtor's creditors, the trustee of his estate and the official receiver."."

Insolvent Partnerships Order 1994

2. The Insolvent Partnerships Order 1994(**j**) is amended as follows.

(**a**) Section 291A was inserted by section 133(1) of the Small Business, Enterprise and Employment Act 2015 with effect from 6th April 2017.

(**b**) Relevant amendments were made to sections 292 to 302 by the Enterprise Act 2002 (c. 40), paragraph 1 of Schedule 26; the Enterprise and Regulatory Reform Act 2013 (c .24), Schedule 19; and the Small Business, Enterprise and Employment Act, Schedules 9 and 10.

(**c**) Relevant amendments to sections 342 to 349 were made by the Enterprise and Regulatory Reform Act 2013 (c .24), Schedule 19; and the Small Business, Enterprise and Employment Act, Schedules 9 and 10. Sections 342A to 342F were added by the Welfare Reform and Pensions Act 199 (c. 30), section 15 and Schedule 12.

(**d**) Relevant amendments are made by the Enterprise and Regulatory Reform Act 2013 (c .24), Schedule 19.

(**e**) Relevant amendments to section 383 were made by the Enterprise and Regulatory Reform Act 2013 (c. 24), Schedule 19. Section 383A was inserted by the Small Business, Enterprise and Employment Act 2015 (c. 26), section 125(4). Relevant amendments were made to section 384 by the Welfare Reform and Pensions Act 1999 (c. 30), Schedule 12; the Tribunals, Courts and Enforcement Act 2007 (c. 15), Schedule 20; the Enterprise and Regulatory Reform Act 2013 (c. 24), Schedule 19; the Enterprise Act 2002 (c. 40), section 261; and the Tribunals Courts and Enforcement Act 2007 (c. 15), Schedule 20.

(**f**) Relevant amendments to section 257 were made by the Legislative Reform (Insolvency) (Miscellaneous Provisions) Order 2010 (S.I. 2010/18), article 8(2) and by the Small Business, Enterprise and Employment Act 2015 (c. 26), Schedule 9.

(**g**) Relevant amendments were made by the Small Business, Enterprise and Employment Act 2015 (c. 26), Schedule 9.

(**h**) Relevant amendments to section 259 were made by the Small Business, Enterprise and Employment Act 2015 (c. 26), Schedule 9.

(**i**) Section 256(1)(aa) was amended by the Small Business, Enterprise and Employment Act 2015 (c. 26), Schedule 9.

(**j**) S.I. 1994/2421. Relevant amendments were made by the Enterprise and Regulatory Reform Act 2013 (Consequential Amendments) (Bankruptcy) and the Small Business Enterprise and Employment Act 2015 (Consequential Amendments) Regulations 2016 (S.I. 2016/481).

3.—(1) Before article 12, insert—

"Decision procedure in insolvency proceedings in relation to insolvent partnerships

11A. Sections 246ZE, 246ZF, 379ZA and 379ZB of the Act(**a**) apply in insolvency proceedings in relation to insolvent partnerships with the modifications set out in Schedule 7A to this Order."

4.—(1) Part 1 of Schedule 1 (modified provisions of sections 1 to 7B of the Insolvency Act 1986) is amended as follows.

(2) In the substituted version of section 2(2) (nominee's report on partnership's proposal), for paragraphs (b) and (c) substitute—

"(b) whether, in his opinion, the proposal should be considered by a meeting of the members of the partnership and by the partnership's creditors, and

(c) if in his opinion it should, the date on which, and time and place at which, he proposes a meeting should be held."

(3) In the substituted version of section 3 (summoning of meetings)—

(a) in subsection (1)—

(i) for the words from "that" to "summoned" substitute, "under section 2(2) that the proposal should be considered by a meeting of the members of the partnership and by the partnership's creditors"; and

(ii) for the words from "directs)" to the end substitute—

"directs)—

(a) summon a meeting of the members of the partnership to consider the proposal for the time, date and place proposed in the report, and

(b) seek a decision from the partnership's creditors as to whether they approve the proposal.";

(b) in subsection (2), for the words from "shall" to the end substitute—

"must—

(a) summon a meeting of the members of the partnership to consider the proposal for such time, date and place as he thinks fit, and

(b) seek a decision from the partnership's creditors as to whether they approve the proposal."; and

(c) for subsection (3), substitute—

"(3) A decision of the partnership's creditors as to whether they approve the proposal is to be made by a qualifying decision procedure.

(4) Notice of the qualifying decision procedure must be given to every creditor of the partnership of whose claim and address the person summoning the meeting is aware.".

(4) In the substituted version of section 4 (decisions of meetings)—

(a) for subsection (1) substitute—

"(1) This section applies where, under section 3—

(a) a meeting of the members of the partnership is summoned to consider the proposed voluntary arrangement, and

(b) the partnership's creditors are asked to decide whether to approve the proposed voluntary arrangement.

(**a**) Sections 246ZE and 246ZF were inserted by section 122 of the Small Business, Enterprise and Employment Act 2015 (c. 26) and sections 379ZA and 379ZB were inserted by section 123 of that Act.

(1A) The members of the partnership and its creditors may approve the proposed voluntary arrangement with or without modifications.";

(b) in subsection (3) for "A meeting so summoned shall not" substitute "Neither the members of the partnership nor its creditors may";

(c) in subsection (4)—

(i) for "a meeting so summoned shall not" substitute "neither the members of the partnership nor its creditors may"; and

(ii) for "the meeting may approve such a proposal or modification" substitute "such a proposal or modification may be approved";

(d) in subsection (5) for "each of the meetings" substitute "the meeting of the members of the partnership and the qualifying decision procedure";

(e) in subsection (6) for "either meeting" substitute "the meeting of the members of the partnership";

(f) after subsection (6) insert—

"(6A) After the partnership's creditors have decided whether to approve the proposed voluntary arrangement the person who sought the decision must—

(a) report the creditors' decision to the court, and

(b) immediately after reporting to the court, give notice of the creditors' decision to everyone who was invited to consider the proposal or to whom notice of a decision procedure or meeting was delivered."; and

(g) in the heading, for "meetings" substitute "the members of the partnership and its creditors".

(5) In the substituted version of section 4A (approval of arrangement)—

(a) in subsection (2)—

(i) in paragraph (a) for "both meetings summoned under section 3" substitute "the meeting of the members of the partnership summoned under section 3 and by the partnership's creditors pursuant to that section";

(ii) in paragraph (b) for "creditors' meeting summoned under" substitute "partnership's creditors pursuant to"; and

(b) in subsections (3), (4)(a) and (6)(a) for "creditors' meeting" substitute "partnership's creditors".

(6) In the substituted version of section 5 (effect of approval)—

(a) in subsection (2)—

(i) in paragraph (a) for "creditors' meeting" substitute "time the creditors decided to approve the voluntary arrangement";

(ii) in paragraph (b)(i) for the words from "at that" to "it)" substitute "in the qualifying decision procedure by which the creditors' decision to approve the voluntary arrangement was made"; and

(iii) in paragraph (b)(ii), for "it" substitute "the procedure"; and

(b) in subsection (4)(a) after "4(6)" insert "and (6A)".

(7) in the substituted version of section 6 (challenge of decisions)—

(a) in subsection (1)(b) for "either of the meetings" substitute "the meeting of the members of the partnership or in the relevant qualifying decision procedure";

(b) in subsection (2)—

(i) in paragraph (a) for "either of the meetings" substitute "the meeting of the members of the partnership or in the relevant qualifying decision procedure"; and

(ii) in paragraph (b) for "at the creditors' meeting" substitute "in the relevant qualifying decision procedure";

(c) in subsection (3)(a) after "4(6)" insert "and (6A)";

(d) in subsection (3)(b)—

(i) for "creditors' meeting" substitute "relevant qualifying decision procedure"; and

(ii) for "the meeting" substitute "the relevant qualifying decision procedure";

(e) in subsection (4) for "one or both" substitute "any";

(f) in subsection (4)(a) for "in question" substitute "of the members of the partnership, or in the relevant qualifying decision procedure,";

(g) in subsection (4)(b)—

(i) for "further meetings" substitute "a further meeting of the members of the partnership"; and

(ii) for ", a further meeting of the members of the partnership or (as the case may be) of the partnerships creditors" substitute "and relating to the meeting of the members of the partnership, a further meeting of the members of the partnership";

(h) in subsection (4), after paragraph (b) insert—

"(c) direct any person—

(i) to seek a decision from the partnership's creditors (using a qualifying decision procedure) as to whether they approve any revised proposal the person who made the original proposal may make, or

(ii) in a case falling within subsection (1)(b) and relating to the relevant qualifying decision procedure, to seek a decision from the partnership's creditors (using a qualifying decision procedure) as to whether they approve the original proposal.";

(i) in subsection (5) for "for the summoning of meetings to consider" substitute "or (c) in relation to";

(j) in subsection (6)—

(i) after "meeting" insert "or relevant qualifying decision procedure"; and

(ii) in paragraph (a) after "(4)(b)" insert "or (c)"; and

(k) in subsection (7)—

(i) the words from "a decision" to the end become paragraph (a);

(ii) in that paragraph (a) after "at a meeting" insert "of the members of the partnership"; and

(iii) after that paragraph (a) insert—

", and

(b) a decision of the creditors of the partnership made in the relevant qualifying decision procedure is not invalidated by any irregularity in relation to the relevant qualifying decision procedure.".

(8) In section 7(2)(a) for "given at one or both of the meetings summoned under" substitute "of the voluntary arrangement by the members of the partnership or its creditors (or both) pursuant to".

5.—(1) Part 2 of Schedule 1 (modified provisions of Schedule A1 to the Insolvency Act 1986) is amended as follows.

(2) In paragraph 37 as there modified—

(a) in sub-paragraph (2)(a) for "creditors' meeting" substitute "time the creditors decided to approve the voluntary arrangement";

(b) in sub-paragraph (2)(b)(i) for the words from "at that" to "it)" substitute "in the qualifying decision procedure by which the creditors' decision to approve the voluntary arrangement was made";

(c) in sub-paragraph (2)(b)(ii), for "it" substitute "the procedure"; and

(d) in sub-paragraph (5)(a)—

(i) omit "of the meetings"; and

(ii) after "30(3)" insert "and (4)".

(3) In paragraph 40(5) as there modified—

(a) in paragraph (c), omit "creditors or"; and

(b) after paragraph (c) insert—

"(ca) require a decision of the partnership's creditors to be sought (using a qualifying decision procedure) on such matters as the court may direct,".

6.—(1) Schedule 2 (modified provisions of Part 2 of, and Schedule B1 to, the Insolvency Act 1986)(**a**) is amended as follows.

(2) In paragraph 20, in paragraph 49(4)(b) as there modified, after "partnership" insert ", other than an opted-out creditor,";

(3) In paragraph 21—

(a) in paragraph 52(2) as there modified, for the words from "summon" to "requested" substitute "seek a decision from the partnership's creditors as to whether they approve the proposals set out in the statement made under paragraph 49(1) if requested to do so"; and

(b) for paragraph 52(3) as there modified substitute—

"(3) Where a decision is sought by virtue of sub-paragraph (2) the initial decision date (as defined in paragraph 51(3)(**b**)) must be within the prescribed period.".

(4) In paragraph 26, for paragraph 74(4)(c) as there modified substitute—

"(c) require a decision of the partnership's creditors to be sought on a matter;".

(5) In paragraph 37, for paragraph 97(2) and (3) as there modified substitute—

"(2) The administrator may be replaced by a decision of the creditors made by a qualifying decision procedure.

(3) The decision has effect only if, before the decision is made, the new administrator has consented to act in writing."

(6) In paragraph 41, in paragraph 111 as there modified, omit the definitions of "correspondence" and "creditors meeting".

7.—(1) Schedule 3 is amended as follows.

(2) After paragraph 8 insert—

"**Sections 165 and 167**

8A.—(1) Section 165(2) has effect as if for "Parts 1 to 3" there were substituted "Parts 1 and 2".

(2) Section 167(1) has effect as if for "Parts 1 to 3" there were substituted "Parts 1 and 2".
"

(3) In paragraph 10, in Schedule 4 as there modified, omit the heading to Part 1 of the Schedule.

(4) In paragraph 10, in Schedule 4 as there modified, omit the heading to Part 2 of the Schedule.

8.—(1) Schedule 4 (provisions which apply with modifications to winding up in certain circumstances) is amended as follows.

(2) In paragraph 12—

(a) in section 136(1) as there modified, omit "and of section 136A".

(**a**) Schedule 2 was substituted by S.I. 2005/1516.

(**b**) Relevant amendments to paragraph 51(3) are made by the Small Business, Enterprise and Employment Act 2015 (c. 26), Schedule 9.

(b) in section 136(4) as there modified, for "summon a combined meeting of" substitute "in accordance with the rules seek nominations from";

(c) after section 136(4) as there modified, insert—

"(5) It is the duty of the official receiver—

(a) as soon as practicable in the period of 12 weeks beginning with the day on which the insolvency order was made, to decide whether to exercise his power under subsection (4), and

(b) if in pursuance of paragraph (a) he decides not to exercise that power, to give notice of his decision, before the end of that period, to the court and to the creditors of the partnership and of the creditors of any insolvent member against whom an insolvency order has been made, and

(c) (whether or not he has decided to exercise that power) to exercise his power under subsection (4) if he is at any time requested, in accordance with the rules, to do so by one-quarter, in value, of either—

(i) the partnership's creditors, or

(ii) the creditors of any insolvent member against whom an insolvency order has been made,

and accordingly, where the duty imposed by paragraph (c) arises before the official receiver has performed a duty imposed by paragraph (a) or (b), he is not required to perform the latter duty.

(6) A notice given under subsection (5)(b) to the creditors must contain an explanation of the creditors' power under subsection (5)(c) to require the official receiver to seek nominations from the creditors of the partnership and of any insolvent member."; and

(d) omit section 136A as there modified.

(3) In paragraph 13—

(a) in section 137(3) as there modified—

(i) for "a meeting is held in pursuance of a decision under section 136A(1)(a)" substitute "a nomination is sought from the creditors of the partnership and of any insolvent member"; and

(ii) for "as a result of that meeting" substitute "by the creditors";

(b) in section 137A(5) as there modified, for the words from "shall" to the end substitute "must explain the procedure for establishing a liquidation committee under section 141."; and

(c) for section 137A(6) as there modified, substitute—

"(6) In a case where subsection (3) applies, in the notice or advertisement the responsible insolvency practitioner must—

(a) if a liquidation committee has already been established under section 141, state whether he proposes to appoint additional members of the committee under section 141A(3); or

(b) if such a committee has not been established, explain the procedure for establishing a liquidation committee under section 141."

(4) In paragraph 14—

(a) for section 139(2) to (4) as there modified, substitute—

"(2) Subject to subsection (4) below, the rules relating to decision making on the winding up of a company are to apply (with the necessary modifications) to decisions sought from creditors of the partnership, of any corporate members against which an insolvency order has been made or of any insolvent member, where the decision is one to be made with creditors of the partnership.

(3) Subject to subsection (4) below, the rules relating to decision making on the bankruptcy of an individual are to apply (with the necessary modifications) to decisions

sought from creditors of any individual member against whom an insolvency order has been made.

(4) Any decision to be made by the creditors of the partnership and of the insolvent member or members must be conducted as if there were a single set of creditors."; and

(b) in the heading, for "meetings of creditors" substitute "decision making".

(5) In paragraph 15, in section 140(4) as there modified for the words from "he" to the end, substitute "section 136(5)(a) and (b) does not apply.".

(6) In paragraph 16, for section 141 as there modified substitute—

"**141.**—(1) This section applies where insolvency orders are made in respect of an insolvent partnership and one or more of its insolvent members by virtue of article 8 of the Insolvent Partnerships Order 1994.

(2) If both the creditors of the partnership and the creditors of any insolvent members decide that a liquidation committee should be established, a liquidation committee is to be established in accordance with the rules.

(3) A "liquidation committee" is a committee having such functions as are conferred on it by or under this Act.

(4) The responsible insolvency practitioner must seek a decision from the creditors of the partnership and of any insolvent members as to whether a liquidation committee should be established if requested, in accordance with the rules, to do so by one-tenth in value of the creditors."

(7) In paragraph 18, for section 146 as there modified substitute—

"Final Account

146.—(1) This section applies if it appears to the responsible insolvency practitioner of an insolvent partnership which is being wound up by virtue of article 8 of the Insolvent Partnerships Order 1994 and of its insolvent member or members that the winding up of the partnership or of any corporate member, or the administration of any individual member's estate is for practical purposes complete and the practitioner is not the official receiver.

(2) The responsible insolvency practitioner must make up an account of the winding up or administration, showing how it has been conducted and the property disposed of.

(3) The responsible insolvency practitioner must—

(a) send a copy of the account to the creditors of the partnership (other than opted-out creditors), and

(b) give the partnership's creditors (other than opted-out creditors) a notice explaining the effect of section 174(4)(d)(**a**) and how they may object to the liquidator's release.

(4) The liquidator must during the relevant period send to the court and, in the case of a corporate member, send to the registrar of companies—

(a) a copy of the account, and

(b) a statement of whether any of the partnership's creditors objected to the liquidator's release.

(5) The relevant period is the period of 7 days beginning with the day after the last day of the period prescribed by the rules as the period within which the creditors may object to the responsible insolvency practitioner's release."

(8) After paragraph 19 insert—

(**a**) Section 174(4) was amended by the Small Business, Enterprise and Employment Act 2015 (c. 26), Schedule 9.

"**Sections 165 and 167**

19A.—(1) Section 165(2) has effect as if for "Parts 1 to 3" there were substituted "Parts 1 and 2".

(2) Section 167(1) has effect as if for "Parts 1 to 3" there were substituted "Parts 1 and 2".
"

(9) In paragraph 20, in section 168 as there modified—

(a) for subsection (2) substitute—

"(2) The responsible insolvency practitioner may seek a decision on any matter from the creditors of the partnership or of any insolvent member; and must seek a decision on a matter if requested to do so by one-tenth in value of the creditors."; and

(b) omit subsection (3).

(10) In paragraph 21 for section 172(6) as there modified substitute—

"(6) A responsible insolvency practitioner who has produced an account of the winding up or administration under section 146 must vacate office immediately upon complying with the requirements of section 146(3)."

(11) In paragraph 22, in section 174 as there modified—

(a) in subsection (2)(a), for "a combined general meeting of" substitute "the"; and

(b) for subsection (4)(d) substitute—

"(d) in the case of a person who has vacated office under section 172(6)—

(i) if any of the creditors of the partnership or of any insolvent member objected to the person's release before the end of the period for so objecting prescribed by the rules, such time as the Secretary of State may, on an application by that person, determine, and

(ii) otherwise, the time at which the person vacated office."

(12) In paragraph 28, in section 283(4)(a) as there modified, for "a meeting summoned by the trustee of that estate under section 146 has been held" substitute "the trustee of that estate has vacated office under section 298(6)".

(13) In paragraph 30, in Schedule 4 as there modified, omit the heading to Part 1 of the Schedule.

(14) In paragraph 30, in Schedule 4 as there modified, omit the heading to Part 2 of the Schedule.

9.—(1) Schedule 7 (provisions which apply with modifications where joint bankruptcy petition presented in certain circumstances) is amended as follows

(2) In paragraph 3, after section 265(2) as there modified, insert—

"(3) A joint bankruptcy petition may be presented to the court by the members of a partnership only on the grounds that the partnership is unable to pay its debts.

(4) A petition under subsection (3) must be accompanied by—

(a) a statement of each member's affairs in Form 17 in Schedule 9 to the Insolvent Partnerships Order 1994, and

(b) a statement of the affairs of the partnership in Form 18 in that Schedule, sworn by one or more members of the partnership.

(5) The statements of affairs required by subsection (4) must contain—

(a) particulars of the member's or (as the case may be) partnership's creditors, debts and other liabilities and of their assets, and

(b) such other information as is required by the relevant form.".

(3) Omit paragraph 5.

(4) In paragraph 7, in section 283(4)(a) as there modified, for "a meeting summoned by the trustee of that estate under section 331 in Chapter IV has been held" substitute "the trustee of that estate has vacated office under section 298(6)"

(5) In paragraph 10, in section 292 as there modified—

(a) for subsection (1), substitute—

"**292.**—(1) This section applies to any appointment of a person (other than the official receiver) as trustee of a bankrupt's estate."; and

(b) omit subsection (5).

(6) Omit paragraphs 11 and 12.

(7) In paragraph 13, for section 296(6) and (7) as there modified substitute—

"(6) In that notice or advertisement the trustee must explain the procedure for establishing a creditors' committee under section 301, except in a case where such a committee has already been formed, in which case the trustee must state whether he proposes to appoint additional members of the committee under section 301A(3).".

(8) Omit paragraph 14.

(9) In paragraph 15, in section 298 as there modified, for subsection (6) substitute—

"(6) A trustee who has produced an account of the winding up or administration under section 331 must vacate office immediately upon complying with the requirements of section 331(3)."

(10) In paragraph 16, in section 299 as there modified—

(a) in subsection (1)(a)—

(i) for "a combined general meeting of" substitute "the"; and

(ii) for "to the court" substitute "under this paragraph to the prescribed person"; and

(b) for subsection (3)(d) substitute—

"(d) in the case of a person who has vacated office under section 298(6)—

(i) if any of the creditors of the members and of the partnership objected to the person's release before the end of the period for so objecting prescribed by the rules, such time as the Secretary of State may, on an application by that person, determine, and

(ii) otherwise, the time at which the person vacated office.".

(11) In paragraph 17, in section 300(5) as there modified, for the words from "holding" to "331" substitute "vacation of office by the trustee under section 298(6)".

(12) In paragraph 18—

(a) in section 301 as there modified—

(i) in subsection (1) for the words from "a combined" to "otherwise)" substitute "the creditors of the members and of the partnership";

(ii) in subsection (2)—

(aa) for "A combined general meeting of the" substitute "The";

(bb) for "an appointment made by that meeting" substitute "the appointment".

(13) For paragraph 22 substitute—

"Section 331: Final Account

22. Section 331 is modified to read as follows—

"**331.**—(1) Subject as follows in this section and the next, this section applies where—

(a) it appears to the trustee of the estates of the members and of the partnership that the administration of any member's estate or the winding up of the partnership business and administration of the partnership property is for practical purposes complete, and

(b) the trustee is not the official receiver.

(2) The trustee must—

(a) give the creditors of the members and of the partnership (other than opted-out creditors) notice that it appears to the trustee that the administration of the member's estate or the winding up of the partnership business and administration of the partnership property is for practical purposes complete,

(b) make up an account of the administration or winding up, showing how it has been conducted and the property disposed of.

(c) send a copy of the account to the creditors of the members and of the partnership (other than opted-out creditors), and

(d) give the creditors of the members and of the partnership (other than opted-out creditors) a notice explaining the effect of section 299(3)(d) and how they may object to the trustee's release.

(3) The trustee must during the relevant period send to the court and, in the case of a corporate member, send to the registrar of companies—

(a) a copy of the account, and

(b) a statement of whether any of the creditors of the members and of the partnership objected to the trustee's release.

(4) The relevant period is the period of 7 days beginning with the day after the last day of the period prescribed by the rules as the period within which the creditors may object to the trustee's release."."

10. After Schedule 7 insert—

"SCHEDULE 7A

Article 11A

Decisions of Creditors of the Partnership and of the Members of the Partnership

1. Sections 246ZE, 246ZF, 379ZA and 379ZB of the Act are set out as modified in this Schedule.

2. Sections 246ZE and 246ZF are modified so as to read as follows—

"Creditors' decisions: general

246ZE.—(1) This section applies where, for the purposes of this Group of Parts, a person ("P") seeks a decision about any matter from the creditors of the partnership and the creditors of any insolvent members.

(2) The decision may be made by any qualifying decision procedure P thinks fit, except that it may not be made by a meeting of the creditors of the partnership and the creditors of any insolvent members unless subsection (3) applies.

(3) This subsection applies if at least the minimum number of creditors make a request to P in writing that the decision be made by a meeting.

(4) If subsection (3) applies P must summon a meeting of the creditors of the partnership and the creditors of any insolvent members.

(5) Subsection (2) is subject to any provision of this Act, the rules or any other legislation, or any order of the court—

(a) requiring a decision to be made, or prohibiting a decision from being made, by a particular qualifying decision procedure (other than a meeting);

(b) permitting or requiring a decision to be made by a meeting.

(6) Section 246ZF provides that in certain cases the deemed consent procedure may be used instead of a qualifying decision procedure.

(7) For the purposes of subsection (3) the "minimum number" of creditors is any of the following—

(a) 10% in value of the creditors;

(b) 10% in number of the creditors;

(c) 10 creditors.

(8) The references in subsection (7) to creditors are to creditors of any class, even where a decision is sought only from creditors of a particular class.

(9) In this section references to a meeting are to a meeting where the creditors are invited to be present together at the same place (whether or not it is possible to attend the meeting without being present at that place).

(10) Except as provided by subsection (8), references in this section to creditors include creditors of a particular class.

(11) In this Group of Parts "qualifying decision procedure" means a procedure prescribed or authorised under paragraph 8A of Schedule 8.

Deemed consent procedure

246ZF.—(1) The deemed consent procedure may be used instead of a qualifying decision procedure where the creditors of the partnership and the creditors of any insolvent members are to make a decision about any matter, unless—

(a) a decision about the matter is required by virtue of this Act, the rules, or any other legislation to be made by a qualifying decision procedure, or

(b) the court orders that a decision about the matter is to be made by a qualifying decision procedure.

(2) If the rules provide for the creditors of the partnership and the creditors of any insolvent members to make a decision about the remuneration of any person, they must provide that the decision is to be made by a qualifying decision procedure.

(3) The deemed consent procedure is that the relevant creditors (other than opted-out creditors) are given notice of—

(a) the matter about which they are to make a decision,

(b) the decision that the person giving the notice proposes should be made (the "proposed decision"),

(c) the effect of subsections (4) and (5), and

(d) the procedure for objecting to the proposed decision.

(4) If less than the appropriate number of relevant creditors object to the proposed decision in accordance with the procedure set out in the notice, the creditors are to be treated as having made the proposed decision.

(5) Otherwise—

(a) the creditors are to be treated as not having made a decision about the matter in question, and

(b) if a decision about that matter is again sought from the creditors it must be sought using a qualifying decision procedure.

(6) For the purposes of subsection (4) the "appropriate number" of relevant creditors or is 10% in value of those creditors.

(7) "Relevant creditors" means the creditors who, if the decision were to be made by a qualifying decision procedure, would be entitled to vote in the procedure.

(8) In this section references to creditors include creditors of a particular class."

3. Sections 379ZA and 379ZB are modified so as to read as follows—

"**Creditors' decisions: general**

379ZA.—(1) This section applies where, for the purposes of this Group of Parts, a person ("P") seeks a decision from the creditors of the partnership and the creditors of any insolvent members about any matter.

(2) The decision may be made by any creditors' decision procedure P thinks fit, except that it may not be made by a meeting of the creditors of the partnership and the creditors of any insolvent members unless subsection (3) applies.

(3) This subsection applies if at least the minimum number of creditors request in writing that the decision be made by a creditors' meeting.

(4) If subsection (3) applies, P must summon a meeting of the creditors of the partnership and the creditors of any insolvent member.

(5) Subsection (2) is subject to any provision of this Act, the rules or any other legislation, or any order of the court—

(a) requiring a decision to be made, or prohibiting a decision from being made, by a particular creditors' decision procedure (other than a meeting);

(b) permitting or requiring a decision to be made by a meeting.

(6) Section 379ZB provides that in certain cases the deemed consent procedure may be used instead of a creditors' decision procedure.

(7) For the purposes of subsection (3) the "minimum number" of creditors is any of the following—

(a) 10% in value of the creditors;

(b) 10% in number of the creditors;

(c) 10 creditors.

(8) The references in subsection (7) to creditors are to creditors of any class, even where a decision is sought only from creditors of a particular class.

(9) In this section references to a meeting are to a meeting where the creditors are invited to be present together at the same place (whether or not it is possible to attend the meeting without being present at that place).

(10) Except as provided by subsection (8), references in this section to creditors include creditors of a particular class.

(11) In this Group of Parts "creditors' decision procedure" means a procedure prescribed or authorised under paragraph 11A of Schedule 9.

Deemed consent procedure

379ZB.—(1) The deemed consent procedure may be used instead of a creditors' decision procedure where the creditors of the partnership and the creditors of any insolvent members are to make a decision about any matter, unless—

(a) a decision about the matter is required by virtue of this Act, the rules or any other legislation to be made by a creditors' decision procedure, or

(b) the court orders that a decision about the matter is to be made by a creditors' decision procedure.

(2) If the rules provide for the creditors of the partnership and the creditors of any insolvent members to make a decision about the remuneration of any person, they must provide that the decision is to be made by a creditors' decision procedure.

(3) The deemed consent procedure is that the relevant creditors (other than opted-out creditors) are given notice of—

(a) the matter about which the creditors are to make a decision,

(b) the decision the person giving the notice proposes should be made (the "proposed decision"),

(c) the effect of subsections (4) and (5), and

(d) the procedure for objecting to the proposed decision.

(4) If less than the appropriate number of relevant creditors object to the proposed decision in accordance with the procedure set out in the notice, the creditors are to be treated as having made the proposed decision.

(5) Otherwise—

(a) the creditors are to be treated as not having made a decision about the matter in question, and

(b) if a decision about that matter is again sought from the creditors, it must be sought using a creditors' decision procedure.

(6) For the purposes of subsection (4) the "appropriate number" of relevant creditors is 10% in value of those creditors.

(7) "Relevant creditors" means the creditors who, if the decision were to be made by a creditors' decision procedure, would be entitled to vote in the procedure.

(8) In this section references to creditors include creditors of a particular class.

(9) The rules may make further provision about the deemed consent procedure.""

11.—(1) In Schedule 8 (modified provisions of Company Directors Disqualification Act 1986), in Schedule 1 to the Company Directors Disqualification Act 1986 as there modified—

(2) omit paragraph 10; and

(3) in paragraph 11(c), for the words from "directors'" to "up" substitute "directors to lay statement of affairs before creditors".

Legal Services Act 2007 (Designation of a Licensing Authority) (No. 2) Order 2011

12.—(1) The Legal Services Act 2007 (Designation as a Licensing Authority) (No. 2) Order 2011(**a**) is amended as follows.

(2) In paragraph 8(4) of Schedule 1 ("relevant insolvency event"), for paragraph (d) substitute—

"(d) a winding up becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up);".

Legal Services Act 2007 (the Chartered Institute of Patent Attorneys and the Institute of Trade Mark Attorneys) (Modification of Functions) Order 2014

13.—(1) The Legal Services Act 2007 (the Chartered Institute of Patent Attorneys and the Institute of Trade Mark Attorneys) Modification of Functions) Order 2014(**b**) is amended as follows.

(2) In paragraph 12(3)(b) of Schedule 2, in the modified version of paragraph 1(3) of Schedule 14 to the Legal Services Act 2007 (registered person: relevant insolvency event), for paragraph (b)(iv) substitute—

(**a**) S.I. 2011/2866.
(**b**) S.I. 2014/3238.

"(iv) a winding up becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up);"

(3) In paragraph 12(3)(b) of Schedule 4, in the modified version of paragraph 1(3) of Schedule 14 to the Legal Services Act 2007 (registered person: relevant insolvency event), for paragraph (b)(iv) substitute—

"(iv) a winding up becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up);".

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make consequential amendments and savings provisions in relation to the provisions of the Deregulation Act 2015 and the Small Business, Enterprise and Employment Act 2015 commencing on 6th April 2017 by virtue of S.I. 2016/1016 and S.I. 2016/1020.

Regulation 2 introduces Schedule 1 and regulation 3 introduces Schedule 2. These schedules make amendments to primary and subordinate legislation respectively.

Schedule 1 makes amendments to the Administration of Justice Act 1985, the Companies Act 1989, the Pensions Act 2004, the Legal Services Act 2007 and the Postal Services Act 2011.

Schedule 2 makes amendments to the Administration of Insolvent Estates of Deceased Persons Order 1986, the Insolvent Partnerships Order 1995, the Legal Services Act 2007 (Designation of a Licensing Authority) (No. 2) Order 2011, and the Legal Services Act 2007 (the Chartered Institute of Patent Attorneys and the Institute of Trade Mark Attorneys) (Modification of Functions) Order 2014.

No impact assessment has been prepared for these Regulations as no impact on the private or voluntary sectors is foreseen.

An Explanatory Memorandum has been prepared and is available alongside these Regulations at www.legislation.gov.uk.

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