

Insolvency (Amendment) Act (Northern Ireland) 2026

CHAPTER 6

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Insolvency (Amendment) Act (Northern Ireland) 2026

2026 CHAPTER 6

An Act to amend the law relating to insolvency; and for connected purposes. [24th June 2026]

BE IT ENACTED by being passed by the Northern Ireland Assembly and assented to by His Majesty as follows:

PART 1

INTRODUCTORY

Introductory

1.—(1) In this Act—

(a) Parts 2 to 8 contain amendments to the Insolvency (Northern Ireland) Order 1989 corresponding to those made to the Insolvency Act 1986 by sections 117 to 135 of the Small Business, Enterprise and Employment Act 2015;

(b) Part 9 makes provision corresponding to that made by and under sections 92 to 95 of the Enterprise and Regulatory Reform Act 2013;

(c) Part 10 contains provision replacing that made by section 1 of the Insolvency (Amendment) Act (Northern Ireland) 2016;

(d) Part 11 contains miscellaneous amendments relating to the law of insolvency;

(e) Part 12 contains amendments relating to insolvent partnerships.

(2) In Parts 2 to 11—

(a) "the 1989 Order" means the Insolvency (Northern Ireland) Order 1989, and

(b) any reference to a numbered Article, or Schedule, is a reference to that Article of, or Schedule to, the 1989 Order (unless otherwise stated).

PART 2

OFFICE-HOLDER ACTIONS

Power for administrator to bring claim for fraudulent or wrongful trading

2.—(1) In Part 7 of the 1989 Order, after Article 208 insert—

"Administration: penalisation of directors etc

Fraudulent trading: administration

208ZA.—(1) If while a company is in administration it appears that any business of the company has been carried on—

(a) with intent to defraud creditors of the company or creditors of any other person, or

(b) for any fraudulent purpose,

paragraph (2) has effect.

(2) The High Court, on the application of the administrator, may declare that any persons who were knowingly parties to the carrying on of the business in the manner mentioned in paragraph (1) are to be liable to make such contributions (if any) to the company's assets as the Court thinks proper.

Wrongful trading: administration

208ZB.—(1) If while a company is in administration it appears that paragraph (2) applies in relation to a person who is or has been a director of the company, the High Court, on the application of the administrator, may declare that that person is to be liable to make such contribution (if any) to the company's assets as the Court thinks proper; but this is subject to paragraph (3).

(2) This paragraph applies in relation to a person if—

(a) the company has entered insolvent administration,

(b) at some time before the company entered administration, that person knew or ought to have concluded that there was no reasonable prospect that the company would avoid entering insolvent administration or going into insolvent liquidation, and

(c) the person was a director of the company at that time.

(3) The High Court must not make a declaration under this Article with respect to any person if it is satisfied that, after the condition specified in paragraph (2)(b) was first satisfied in relation to the person, the person took every step with a view to minimising the potential loss to the company's creditors as (on the assumption that the person had knowledge of the matter mentioned in paragraph (2)(b)) the person ought to have taken.

(4) For the purposes of paragraphs (2) and (3), the facts which a director of a company ought to know or ascertain, the conclusions which the director ought to reach and the steps which the director ought to take are those which would be known or ascertained, or reached or taken, by a reasonably diligent person having both—

(a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company, and

(b) the general knowledge, skill and experience that that director has.

(5) The reference in paragraph (4) to the functions carried out in relation to a company by a director of the company includes any functions which the director does not carry out but which have been entrusted to the director.

(6) For the purposes of this Article—

(a) a company enters insolvent administration if it enters administration at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the administration;

(b) a company goes into insolvent liquidation if it goes into liquidation at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up.

(7) In this Article "director" includes a shadow director.

(8) This Article is without prejudice to Article 208ZA.

Proceedings under Articles 208ZA and 208ZB

208ZC. Article 179 applies for the purposes of an application under Article 208ZA or 208ZB as it applies for the purposes of an application under Article 177 but as if the reference in Article 179(1) to the liquidator were a reference to the administrator.".

(2) In Article 178 (wrongful trading)—

(a) in paragraph (2)(b), after "liquidation" insert "or entering insolvent administration";

(b) in paragraph (3), for the words from "assuming" to "liquidation" substitute "on the assumption that he had knowledge of the matter mentioned in paragraph (2)(b)";

(c) in paragraph (6), for "paragraph" substitute "Article";

(d) after paragraph (6) insert—

"(6A) For the purposes of this Article a company enters insolvent administration if it enters administration at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the administration.".

(3) Articles 208ZA to 208ZC (as inserted by subsection (1)) and the amendments made to Article 178 by subsection (2) apply in respect of the carrying on of any business of the company on or after the date on which this section comes into operation.

Power for liquidator or administrator to assign causes of action

3. After Article 208ZC (inserted by section 2) insert—

"Power to assign certain causes of action

Power to assign

208ZD.—(1) This Article applies in the case of a company where—

(a) the company enters administration, or

(b) the company goes into liquidation;

and "the office holder" means the administrator or the liquidator, as the case may be.

(2) The office-holder may assign a right of action (including the proceeds of an action) arising under or by virtue of any of the following—

(a) Article 13FA (challenges to monitor remuneration in subsequent insolvency proceedings);

(b) Article 177 or 208ZA (fraudulent trading);

(c) Article 178 or 208ZB (wrongful trading);

(d) Article 202 (transactions at an undervalue);

(e) Article 203 (preferences);

(f) Article 206 (extortionate credit transactions).".

Application of proceeds of office-holder claims

4. After Article 150ZA insert—

"Application of proceeds of office-holder claims

150ZB.—(1) This Article applies where—

(a) there is a floating charge (whether created before or after the coming into operation of this Article) which relates to property of a company which—

(i) is in administration, or

(ii) has gone into liquidation, and

(b) the administrator or the liquidator (referred to in this Article as "the office-holder") has—

(i) brought a claim under any provision mentioned in paragraph (3), or

(ii) made an assignment in relation to a right of action under any such provision under Article 208ZD.

(2) The proceeds of the claim or assignment are not to be treated as part of the company's net property, that is to say the amount of its property which would be available for satisfaction of claims of holders of debentures secured by, or holders of, any floating charge created by the company.

(3) The provisions are—

(a) Article 177 or 208ZA (fraudulent trading);

(b) Article 178 or 208ZB (wrongful trading);

(c) Article 202 (transactions at an undervalue);

(d) Article 203 (preferences);

(e) Article 206 (extortionate credit transactions).

(4) Paragraph (2) does not apply to a company if or in so far as it is disapplied by—

(a) a voluntary arrangement in respect of the company, or

(b) a compromise or arrangement agreed under Part 26 or 26A of the Companies Act 2006 (arrangements and reconstructions).".

PART 3

REMOVING REQUIREMENTS TO SEEK SANCTION

Exercise of powers by liquidator: removal of need for sanction

5.—(1) In Article 140 (voluntary winding up: powers of liquidator), for paragraphs (2) and (3) substitute—

"(2) The liquidator may exercise any of the powers specified in Parts 1 to 3 of Schedule 2.".

(2) In Article 142 (winding up by the High Court: powers of liquidator), for paragraph (1) substitute—

"(1) Where a company is being wound up by the High Court, the liquidator may exercise any of the powers specified in Parts 1 to 3 of Schedule 2.".

(3) Schedule 2 (powers of liquidator in a winding up) is amended as follows.

(4) After paragraph 2 insert—

"3. Power to compromise, on such terms as may be agreed—

(a) all calls and liabilities to calls, all debts and liabilities capable of resulting in debts, and all claims (present or future, certain or contingent, ascertained or sounding only in damages) subsisting or supposed to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company, and

(b) all questions in any way relating to or affecting the assets or the winding up of the company,

and take any security for the discharge of any such call, debt, liability or claim and give a complete discharge in respect of it.".

(5) Omit—

(a) paragraph 7A;

(b) the headings for each of Parts 1 to 3.

(6) In consequence of the amendments made by subsections (4) and (5)(a), omit section 7 of the Insolvency (Amendment) Act (Northern Ireland) 2016.

Exercise of powers by trustee in bankruptcy: removal of need for sanction

6.—(1) Article 287 (bankruptcy: powers of trustee) is amended in accordance with subsections (2) to (4).

(2) For paragraph (1) substitute—

"(1) The trustee may exercise any of the powers specified in Parts 1 and 2 of Schedule 3.".

(3) In paragraph (2), omit "With the permission of the creditors' committee or the High Court,".

(4) Omit paragraphs (3) to (5).

(5) In Schedule 3 (powers of trustee in bankruptcy), omit the headings for each of Parts 1 to 3.

PART 4

POSITION OF CREDITORS

CHAPTER 1

PRINCIPAL AMENDMENTS

Abolition of requirements to hold meetings: company insolvency

7.—(1) After Article 208ZD (inserted by section 3) insert—

"Decisions by creditors and contributories

Decisions by creditors and contributories: general

208ZE.—(1) This Article applies where, for the purposes of Parts 1A to 7, a person ("P") seeks a decision about any matter from a company's creditors or contributories.

(2) The decision may be made by any qualifying decision procedure P thinks fit, except that it may not be made by a creditors' meeting or (as the case may be) a contributories' meeting unless paragraph (3) applies.

(3) This paragraph applies if at least the minimum number of creditors or (as the case may be) contributories make a request to P in writing that the decision be made by a creditors' meeting or (as the case may be) a contributories' meeting.

(4) If paragraph (3) applies, P must summon a creditors' meeting or (as the case may be) a contributories' meeting.

(5) Paragraph (2) is subject to any provision of this Order, the rules or any other legislation, or any order of the High Court—

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

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

(6) Article 208ZF provides that in certain cases the deemed consent procedure may be used instead of a qualifying decision procedure.

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

(a) 10% in value of the creditors or contributories;

(b) 10% in number of the creditors or contributories;

(c) 10 creditors or contributories.

(8) The references in paragraph (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 Article references to a meeting are to a meeting where the creditors or (as the case may be) contributories 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 paragraph (8), references in this Article to creditors include creditors of a particular class.

(11) In Parts 1A to 7 "qualifying decision procedure" means a procedure prescribed or authorised under paragraph 8A of Schedule 5.

Deemed consent procedure

208ZF.—(1) The deemed consent procedure may be used instead of a qualifying decision procedure where a company's creditors or contributories are to make a decision about any matter, unless—

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

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

(2) If the rules provide for a company's creditors or contributories 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 or (as the case may be) the relevant contributories 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 paragraphs (4) and (5), and

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

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

(5) Otherwise—

(a) the creditors or (as the case may be) the contributories 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 or (as the case may be) the contributories, it must be sought using a qualifying decision procedure.

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

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

(9) In this Article references to creditors include creditors of a particular class.

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

Power to amend Articles 208ZE and 208ZF

208ZG.—(1) Regulations may amend Article 208ZE so as to change the definition of—

(a) the minimum number of creditors;

(b) the minimum number of contributories.

(2) Regulations may amend Article 208ZF so as to change the definition of—

(a) the appropriate number of relevant creditors;

(b) the appropriate number of relevant contributories.

(3) Regulations under this Article may define the minimum number or the appropriate number by reference to any one or more of—

(a) a proportion in value;

(b) a proportion in number;

(c) an absolute number;

and the definition may include alternative, cumulative or relative requirements.

(4) Regulations under paragraph (1) may define the minimum number of creditors or contributories by reference to all creditors or contributories, or by reference to creditors or contributories of a particular description.

(5) Regulations under this Article may make transitional provision.

(6) Regulations may not be made under this Article unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.".

(2) In Schedule 5 (provision that may be included in company insolvency rules), after paragraph 8 insert—

"8A.—(1) Provision about the making of decisions by creditors and contributories, including provision—

(a) prescribing particular procedures by which creditors and contributories may make decisions;

(b) authorising the use of other procedures for creditors and contributories to make decisions, if those procedures comply with prescribed requirements.

(2) Provision under sub-paragraph (1) may in particular include provision about—

(a) how creditors and contributories may request that a creditors' meeting or a contributories' meeting be held;

(b) the rights of creditors, contributories and others to be given notice of, and participate in, procedures;

(c) creditors' and contributories' rights to vote in procedures;

(d) the period within which any right to participate or vote is to be exercised;

(e) the proportion of creditors or contributories that must vote for a proposal for it to be approved;

(f) how the value of any debt or contribution should be determined;

(g) the time at which decisions taken by a procedure are to be treated as having been made.".

(3) In Article 5 (interpretation of Parts 1A to 7), insert each of the following definitions in its appropriate place—

""deemed consent procedure" means the deemed consent procedure provided for by Article 208ZF;";

""qualifying decision procedure" has the meaning given by Article 208ZE(11);".

Abolition of requirements to hold meetings: individual insolvency

8.—(1) After Article 345 insert—

"Creditors' decisions

Creditors' decisions: general

345A.—(1) This Article applies where, for the purposes of Parts 7A to 10, a person ("P") seeks a decision about any matter from an individual's creditors.

(2) The decision may be made by any creditors' decision procedure P thinks fit, except that it may not be made by a creditors' meeting unless paragraph (3) applies.

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

(4) If paragraph (3) applies, P must summon a creditors' meeting.

(5) Paragraph (2) is subject to any provision of this Order, the rules or any other legislation, or any order of the High Court—

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

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

(6) Article 345B provides that in certain cases the deemed consent procedure may be used instead of a creditors' decision procedure.

(7) For the purposes of paragraph (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 paragraph (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 Article 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 paragraph (8), references in this Article to creditors include creditors of a particular class.

(11) In Parts 7A to 10 "creditors' decision procedure" means a procedure prescribed or authorised under paragraph 9A of Schedule 6.

Deemed consent procedure

345B.—(1) The deemed consent procedure may be used instead of a creditors' decision procedure where an individual's creditors are to make a decision about any matter, unless—

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

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

(2) If the rules provide for an individual's creditors 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 paragraphs (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 paragraph (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 Article references to creditors include creditors of a particular class.

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

Power to amend Articles 345A and 345B

345C.—(1) Regulations may amend Article 345A so as to change the definition of the minimum number of creditors.

(2) Regulations may amend Article 345B so as to change the definition of the appropriate number of relevant creditors.

(3) Regulations under this Article may define the minimum number or the appropriate number by reference to any one or more of—

(a) a proportion in value;

(b) a proportion in number;

(c) an absolute number;

and the definition may include alternative, cumulative or relative requirements.

(4) Regulations under paragraph (1) may define the minimum number of creditors by reference to all creditors, or by reference to creditors of a particular description.

(5) Regulations under this Article may make transitional provision.

(6) Regulations may not be made under this Article unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.".

(2) In Schedule 6 (provision that may be included in individual insolvency rules), after paragraph 9 insert—

"9A.—(1) Provision about the making of decisions by creditors, including provision—

(a) prescribing particular procedures by which creditors may make decisions;

(b) authorising the use of other procedures for creditors to make decisions, if those procedures comply with prescribed requirements.

(2) Provision under sub-paragraph (1) may in particular include provision about—

(a) how creditors may request that a creditors' meeting be held;

(b) the rights of creditors and others to be given notice of, and participate in, procedures;

(c) creditors' rights to vote in procedures;

(d) the period within which any right to participate or vote is to be exercised;

(e) the proportion of creditors that must vote for a proposal for it to be approved;

(f) how the value of any debt should be determined;

(g) the time at which decisions taken by a procedure are to be treated as having been made.".

(3) In Article 9 (interpretation of Parts 7A to 10), insert each of the following definitions in its appropriate place—

""creditors' decision procedure" has the meaning given by Article 345A(11);";

""deemed consent procedure" means the deemed consent procedure provided for by Article 345B;".

Ability for creditors to opt not to receive certain notices: company insolvency

9.—(1) After Article 208ZI (inserted by section 101(1) below) insert—

"Creditors' ability to opt out of receiving certain notices

208ZJ.—(1) Any provision of the rules which requires an office-holder of a company to give a notice to creditors of the company does not apply, in circumstances prescribed by the rules, in relation to opted-out creditors.

(2) Paragraph (1)—

(a) does not apply in relation to a notice of a distribution or proposed distribution to creditors;

(b) is subject to any order of the High Court requiring a notice to be given to all creditors (or all creditors of a particular category).

(3) Except as provided by the rules, a creditor may participate and vote in a qualifying decision procedure or a deemed consent procedure even though, by virtue of being an opted-out creditor, the creditor does not receive notice of it.

(4) In this Article—

"give" includes deliver, furnish or send;

"notice" includes any document or information in any other form;

"office-holder", in relation to a company, means—

(a) a liquidator, provisional liquidator, administrator or administrative receiver of the company, or

(b) the supervisor of a voluntary arrangement which has taken effect under Part 2 in relation to the company.".

(2) After Article 8 insert—

""Opted-out creditor"

8A.—(1) For the purposes of Parts 2 to 7 "opted-out creditor", in relation to an office-holder of a company, means a person who—

(a) is a creditor of the company, and

(b) in accordance with the rules has elected (or is deemed to have elected) to be (and not to cease to be) an opted-out creditor in relation to the office-holder.

(2) In this Article, "office-holder", in relation to a company, means—

(a) a liquidator, provisional liquidator, administrator or administrative receiver of the company, or

(b) the supervisor of a voluntary arrangement which has taken effect under Part 2 in relation to the company.".

(3) In Schedule 5 (provision that may be included in company insolvency rules), after paragraph 5 insert—

"5A. Provision for enabling a creditor of a company to elect to be, or to cease to be, an opted-out creditor in relation to an office-holder of the company (within the meaning of Article 8A), including, in particular, provision—

(a) for requiring an office-holder to provide information to creditors about how they may elect to be, or cease to be, opted-out creditors;

(b) for deeming an election to be, or cease to be, an opted-out creditor in relation to a particular office-holder of a company to be such an election also in relation to any other office-holder of the company.".

Ability for creditors to opt not to receive certain notices: individual insolvency

10.—(1) After Article 345D (inserted by section 101(2) below) insert—

"Creditors' ability to opt out of receiving certain notices

345E.—(1) Any provision of the rules which requires an office-holder to give a notice to creditors of an individual does not apply, in circumstances prescribed by the rules, in relation to opted-out creditors.

(2) Paragraph (1)—

(a) does not apply in relation to a notice of a distribution or proposed distribution to creditors;

(b) is subject to any order of the High Court requiring a notice to be given to all creditors (or all creditors of a particular category).

(3) Except as provided by the rules, a creditor may participate and vote in a creditors' decision procedure or a deemed consent procedure even though, by virtue of being an opted-out creditor, the creditor does not receive notice of it.

(4) In this Article—

"give" includes deliver, furnish or send;

"notice" includes any document or information in any other form;

"office-holder", in relation to an individual, means—

(a) where a bankruptcy order is made against the individual, the official receiver or the trustee in bankruptcy;

(b) where an interim receiver of the individual's property is appointed, the interim receiver;

(c) the supervisor of a voluntary arrangement approved under Chapter 2 of Part 8 in relation to the individual.".

(2) After Article 11 insert—

““Opted-out creditor”

11A.—(1) For the purposes of Parts 7A to 10 “opted-out creditor” in relation to an office-holder for an individual means a person who—

(a) is a creditor of the individual, and

(b) in accordance with the rules has elected (or is deemed to have elected) to be (and not to cease to be) an opted-out creditor in relation to the office-holder.

(2) In this Article, “office-holder”, in relation to an individual, means—

(a) where a bankruptcy order is made against the individual, the official receiver or the trustee in bankruptcy;

(b) where an interim receiver of the individual’s property is appointed, the interim receiver;

(c) the supervisor of a voluntary arrangement approved under Chapter 2 of Part 8 in relation to the individual.”.

(3) In Schedule 6 (provision that may be included in individual insolvency rules), after paragraph 5 insert—

“5ZA. Provision for enabling a creditor of an individual to elect to be, or to cease to be, an opted-out creditor in relation to an office-holder for the individual (within the meaning of Article 11A), including, in particular, provision—

(a) for requiring an office-holder to provide information to creditors about how they may elect to be, or cease to be, opted-out creditors;

(b) for deeming an election to be, or cease to be, an opted-out creditor in relation to a particular office-holder for an individual to be such an election also in relation to any other office-holder for the individual.”.

CHAPTER 2

FURTHER AMENDMENTS: COMPANY INSOLVENCY

Moratoriums

Creditor consent for the purposes of Article 13CB

11.—(1) Article 13CC (creditor consent for the purposes of Article 13CB) is amended as follows.

(2) In paragraph (2), for “at a meeting of pre-moratorium creditors” substitute “using a qualifying decision procedure”.

(3) Omit paragraph (3).

Challenge to directors' actions

12. In Article 13FB (challenge to directors' actions), for paragraph (4)(c) substitute—

"(c) require a decision of the company's creditors to be sought (using a qualifying decision procedure) on such matters as the Court may direct, or".

Regulated companies: modifications to Part 1A

13. In Article 13H (regulated companies: modifications to Part 1A), in paragraphs (4) and (6), for the words from "any meeting" to "held" substitute "any qualifying decision procedure by which a decision of the company's creditors is sought".

Company voluntary arrangements

Nominee's report on company's proposal

14. In Article 15(2) (nominee's report on company's proposal), for sub-paragraphs (aa) and (b) substitute—

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

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

Summoning of meetings

15.—(1) Article 16 (summoning of meetings) is amended as follows.

(2) In paragraph (1)—

(a) for the words from "that" to "summoned" substitute "under Article 15(2) that the proposal should be considered by a meeting of the company and by the company's creditors";

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

(a) summon a meeting of the company, for the time, date and place proposed in the report, for the purpose of considering the proposal, and

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

(3) In paragraph (2), for the words from "shall" to the end substitute "must—

(a) summon a meeting of the company, for such time, date and place as he thinks fit, for the purpose of considering the proposal, and

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

(4) For paragraph (3) substitute—

"(3) A decision of the company'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 company of whose claim and address the person seeking the decision is aware.".

(5) For the heading substitute "Consideration of proposal".

Decisions of meetings

16.—(1) Article 17 (decisions of meetings) is amended as follows.

(2) For paragraph (1) substitute—

"(1) This Article applies where, under Article 16—

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

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

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

(3) In paragraph (3), for "A meeting so summoned shall not" substitute "Neither the company nor its creditors may".

(4) In paragraph (4), for "A meeting so summoned shall not" substitute "Neither the company nor its creditors may".

(5) In paragraph (4A), for "a meeting so summoned may not" substitute "neither the company nor its creditors may".

(6) In paragraph (5), for "each of the meetings" substitute "the meeting of the company and the qualifying decision procedure".

(7) In paragraph (6), for "either" substitute "the company".

(8) After paragraph (6) insert—

"(6A) After the company'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 High Court, and

(b) immediately after reporting to the Court, give notice of the creditors' decision to such persons as may be prescribed.".

(9) In the heading, for "meetings" substitute "the company and its creditors".

Approval of arrangement

17.—(1) Article 17A (approval of arrangement) is amended as follows.

(2) In paragraph (2)—

(a) in sub-paragraph (a), for "both meetings summoned under Article 16" substitute "the meeting of the company summoned under Article 16 and by the company's creditors pursuant to that Article";

(b) in sub-paragraph (b), for "creditors' meeting summoned under" substitute "company's creditors pursuant to".

(3) In paragraphs (3), (4)(a) and (6)(a), for "creditors' meeting" substitute "company's creditors".

Effect of approval

18.—(1) Article 18 (effect of approval) is amended as follows.

(2) In paragraph (2)—

(a) in sub-paragraph (a), for "at the creditors' meeting, and" substitute "—

(i) at the time the creditors decided to approve the voluntary arrangement, or

(ii) where the decision has effect as a result of an order of the High Court under Article 17A(6)(a), at the time the meeting of the company decided to approve the voluntary arrangement, and";

(b) in sub-paragraph (b)(i), for the words from "at that" to "it)" substitute "in the qualifying decision procedure by which the creditors decided on whether to approve the arrangement";

(c) in sub-paragraph (b)(ii), for "it" substitute "that procedure".

(3) For paragraph (4)(a) substitute—

"(a) at any time before the end of the period of 28 days beginning with the day on which the reporting requirement in Article 17 is met, or".

(4) After paragraph (4) add—

"(5) For the purposes of paragraph (4)(a), the day on which the reporting requirement is met is—

(a) if the reports required by Article 17(6) and (6A) are made to the High Court on the same day, that day;

(b) if those reports are made on different days, the later of them.".

Challenge of decisions

19.—(1) Article 19 (challenge of decisions) is amended as follows.

(2) In paragraph (1)(b), for "either of the meetings" substitute "the meeting of the company, or in relation to the relevant qualifying decision procedure".

(3) After paragraph (1) insert—

"(1A) In this Article—

(a) the "relevant qualifying decision procedure" means the qualifying decision procedure in which the company's creditors decide whether to approve a voluntary arrangement;

(b) references to a decision made in the relevant qualifying decision procedure include any other decision made in that qualifying decision procedure.".

(4) In paragraph (2)—

(a) in sub-paragraph (a), for "either of the meetings" substitute "the meeting of the company or in the relevant qualifying decision procedure";

(b) in sub-paragraph (aa), for "at the creditors' meeting" substitute "in the relevant qualifying decision procedure".

(5) For paragraph (3)(a) substitute—

"(a) after the end of the period of 28 days beginning with the day on which the reporting requirement in Article 17 is met, or".

(6) In paragraph (3)(b)—

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

(b) for "the meeting" substitute "the relevant qualifying decision procedure".

(7) After paragraph (3) insert—

"(3A) For the purposes of paragraph (3)(a), the day on which the reporting requirement is met is—

(a) if the reports required by Article 17(6) and (6A) are made to the High Court on the same day, that day;

(b) if those reports are made on different days, the later of them.".

(8) In paragraph (4), for "one or both" substitute "any".

(9) In paragraph (4)(a), for "in question" substitute "of the company, or in the relevant qualifying decision procedure,".

(10) In paragraph (4)(b)—

(a) for "further meetings" substitute "a further company meeting";

(b) for ", a further company or (as the case may be) creditors'" substitute "and relating to the company meeting, a further company".

(11) In paragraph (4), after sub-paragraph (b) add—

"(c) direct any person—

(i) to seek a decision from the company'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 paragraph (1)(b) and relating to the relevant qualifying decision procedure, to seek a decision from the company's creditors (using a qualifying decision procedure) as to whether they approve the original proposal.".

(12) In paragraph (5), for "for the summoning of meetings to consider" substitute "or (c) in relation to".

(13) In paragraph (6)—

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

(b) in sub-paragraph (a), after "(4)(b)" insert "or (c)".

(14) For paragraph (7) substitute—

"(7) Except in pursuance of the preceding provisions of this Article—

(a) a decision taken at a company meeting summoned under Article 16 is not invalidated by any irregularity at or in relation to the meeting, and

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

(15) In consequence of subsections (5) and (14), omit paragraph 7(4)(a) and (8) of Schedule 2 to the Insolvency (Northern Ireland) Order 2002.

Supervisor of voluntary arrangement

20. In Article 20(2)(a) (supervisor of the voluntary arrangement), for "given at one or both of the meetings summoned under" substitute "of the voluntary arrangement by the company or its creditors (or both) pursuant to".

Administration

Administration

21. Schedule 1 to this Act amends Schedule B1 (administration).

Offences

22.—(1) Schedule 7 (offences) is amended as follows.

(2) In the entry for Schedule B1, paragraph 52(5), in column 2, for "arrange initial creditors' meeting" substitute "seek creditors' decision".

(3) In the entry for Schedule B1, paragraph 54(3), in column 2, for "at initial creditors' meeting" substitute "by creditors".

(4) In the entry for Schedule B1, paragraph 55(7), in column 2, for the words from "decision" to "consider" substitute "creditors' decision on".

(5) In the entry for Schedule B1, paragraph 57(2), in column 2, for "summon creditors' meeting" substitute "seek creditors' decision".

Receivers and managers

Report by administrative receiver

23.—(1) Article 58 (report by administrative receiver) is amended as follows.

(2) In paragraph (1), after "such creditors" insert ", other than opted-out creditors,".

(3) In paragraph (2)—

(a) in sub-paragraph (a), after "company" insert ", other than opted-out creditors";

(b) omit the words after sub-paragraph (b).

(4) Omit paragraph (3).

Committee of creditors

24. In Article 59(1) (committee of creditors), for the words from the beginning to "fit" substitute "Where an administrative receiver has sent or published a report as mentioned in Article 58(2) the company's unsecured creditors may, in accordance with the rules".

Winding up

Progress report to company

25. In Article 79 as substituted by section 3(1) of the Insolvency (Amendment) Act (Northern Ireland) 2016 (progress report to company), in paragraph (1), for "Articles 82 and 88" substitute "Article 82".

Final meeting prior to dissolution

26. For Article 80 (final meeting prior to dissolution) substitute—

"Final account prior to dissolution

80.—(1) As soon as the company's affairs are fully wound up, the liquidator must make up an account of the winding up, showing how it has been conducted and how the company's property has been disposed of.

(2) The liquidator must send a copy of the account to the members of the company before the end of the period of 14 days beginning with the day on which the account is made up.

(3) The liquidator must send a copy of the account to the registrar before the end of that period (but not before sending it to the members of the company).

(4) If the liquidator does not comply with paragraph (2), the liquidator is guilty of an offence.

(5) If the liquidator does not comply with paragraph (3), the liquidator is guilty of an offence and, for a continued contravention, is guilty of a continuing offence.".

Effect of company's insolvency

27.—(1) Article 81 (effect of company's insolvency) is amended as follows.

(2) After paragraph (1) insert—

"(1A) The liquidator must before the end of the period of 7 days beginning with the day after the day on which the liquidator formed that opinion—

(a) make out a statement in the prescribed form as to the affairs of the company, and

(b) send it to the company's creditors.".

(3) Omit paragraphs (2), (3), (5) and (6).

(4) After paragraph (4) insert—

"(4A) The company's creditors may in accordance with the rules nominate a person to be the liquidator in a creditors' voluntary winding up of the company (see Article 82).

(4B) The liquidator in the members' voluntary winding up must in accordance with the rules seek such a nomination from the company's creditors.".

(5) In paragraph (7), for the words from "contravenes this Article" to the end substitute "fails to—

(a) make out and send the statement required by paragraphs (1A) and (4), or

(b) verify the statement by affidavit as required by paragraph (4),

the liquidator is guilty of an offence.".

Conversion to creditors' voluntary winding up

28. For Article 82 (conversion to creditors' voluntary winding up) substitute—

"Conversion to creditors' voluntary winding up

82.—(1) The winding up becomes a creditors' voluntary winding up as from the day on which—

(a) the company's creditors under Article 81 nominate a person to be liquidator, or

(b) the procedure by which the company's creditors were to have made such a nomination concludes without a nomination having been made.

(2) As from that day, this Order has effect as if the directors' declaration under Article 75 had not been made.

(3) The liquidator in the creditors' voluntary winding up is to be the person nominated by the company's creditors under Article 81 or, where no person has been so nominated, the existing liquidator.

(4) In the case of the creditors nominating a person other than the existing liquidator, any director, member or creditor of the company may, within 7 days after the date on which the nomination was made by the creditors, apply to the High Court for an order either—

(a) directing that the existing liquidator is to be liquidator instead of or jointly with the person nominated by the creditors, or

(b) appointing some other person to be liquidator instead of the person nominated by the creditors.

(5) Where the holder of a qualifying floating charge in respect of the company's property (within the meaning of paragraph 15 of Schedule B1) makes an application under paragraph (4), the High Court must grant the application unless the Court thinks it right to refuse it because of the particular circumstances of the case.

(6) The "existing liquidator" is the person who is liquidator immediately before the winding up becomes a creditors' voluntary winding up.".

Application of Chapter 4

29. In Article 83(2) (application of Chapter 4), for "84 and 85" substitute "85 and 86".

Meeting of creditors

30.—(1) Omit Article 84 (meeting of creditors).

(2) In consequence of the amendments made by section 27(3) and subsection (1), omit section 4 of the Insolvency (Amendment) Act (Northern Ireland) 2016.

Directors' statement of affairs to creditors

31.—(1) Article 85 (directors to lay statement of affairs before creditors) is amended as follows.

(2) For paragraph (1) substitute—

"(1) The directors of the company must, before the end of the period of 7 days beginning with the day after the day on which the company passes a resolution for voluntary winding up—

(a) make out a statement in the prescribed form as to the affairs of the company, and

(b) send the statement to the company's creditors.".

(3) For paragraph (3) substitute—

"(3) If the directors without reasonable excuse contravene paragraph (1) or (2), they are guilty of an offence.".

Appointment of liquidator

32. For Article 86(1) (appointment of liquidator) substitute—

"(1) The company may nominate a person to be liquidator at the company meeting at which the resolution for voluntary winding up is passed.

(1A) The company's creditors may in accordance with the rules nominate a person to be liquidator.

(1B) The directors of the company must in accordance with the rules seek such a nomination from the company's creditors.".

Appointment of liquidation committee

33.—(1) Article 87 (appointment of liquidation committee) is amended as follows.

(2) In paragraph (1), for "The creditors at the meeting to be held under Article 84 or at any subsequent meeting may, if they think fit," substitute "The creditors may in accordance with the rules".

(3) In paragraph (3)—

(a) for "resolve", in both places that it occurs, substitute "decide";

(b) for "the persons mentioned in the resolution", in both places that it occurs, substitute "those persons".

Creditors' meeting where winding up converted under Article 82

34. Omit Article 88 (creditors' meeting where winding up converted under Article 82).

Progress report to company and creditors

35. In Article 91 as substituted by section 3(2) of the Insolvency (Amendment) Act (Northern Ireland) 2016 (progress report to company and creditors), in paragraph (1)(b)(i), after "creditors" insert ", other than opted-out creditors,".

Final meeting prior to dissolution

36. For Article 92 (final meeting prior to dissolution) substitute—

"Final account prior to dissolution

92.—(1) As soon as the company's affairs are fully wound up, the liquidator must make up an account of the winding up, showing how it has been conducted and how the company's property has been disposed of.

(2) The liquidator must, before the end of the period of 14 days beginning with the day on which the account is made up—

(a) send a copy of the account to the company's members,

(b) send a copy of the account to the company's creditors, other than opted-out creditors, and

(c) give the company's creditors, other than opted-out creditors, a notice explaining the effect of Article 147(2H) and how they may object to the liquidator's release.

(3) The liquidator must during the relevant period send to the registrar—

(a) a copy of the account, and

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

(5) If the liquidator does not comply with paragraph (2) the liquidator is guilty of an offence.

(6) If the liquidator does not comply with paragraph (3) the liquidator is guilty of an offence and, for a continued contravention, is guilty of a continuing offence.".

Powers of directors where no liquidator appointed or nominated by company

37. In Article 99(2) (restriction on exercise of powers where no liquidator appointed or nominated by company)—

(a) omit "Article 84 (creditors' meeting) and";

(b) after "Article 85 (statement of affairs)" insert "and Article 86(1B) (nomination of liquidator by creditors)".

Functions of official receiver in relation to office of liquidator

38.—(1) Article 116 (functions of official receiver in relation to office of liquidator) is amended as follows.

(2) In paragraph (4), for "summon separate meetings of" substitute "in accordance with the rules seek nominations from".

(3) For paragraphs (5) and (6) substitute—

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

(a) as soon as practicable within the period of 12 weeks from the day on which the winding-up order was made, to decide whether to exercise his power under paragraph (4),

(b) if in pursuance of sub-paragraph (a) he decides not to exercise that power, to give notice of his decision, before the end of that period, to the High Court and to the company's creditors and contributories, and

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

(6) A notice under paragraph (5)(b) to the company's creditors must contain an explanation of the creditors' power under paragraph (5)(c) to require the official receiver to seek nominations from the company's creditors and contributories.

(7) Where the creditors exercise their power under paragraph (5)(c) before the official receiver has performed the duty under paragraph (5)(a), the duties under paragraph (5)(a) and (b) no longer apply.

(8) Where the creditors exercise their power under paragraph (5)(c) after the official receiver has performed the duty under paragraph (5)(a) but before he has performed the duty under paragraph (5)(b), the duty under paragraph (5)(b) no longer applies.".

Appointment by Department

39.—(1) Article 117 (appointment by Department) is amended as follows.

(2) In paragraph (2)—

(a) for "meetings are held" substitute "nominations are sought from the company's creditors and contributories";

(b) omit "of those meetings".

(3) In paragraph (5), for the words from "shall" to the end substitute "must explain the procedure for establishing a liquidation committee under Article 120.".

Choice of liquidator at meetings of creditors and contributories

40.—(1) Article 118 (choice of liquidator at meetings of creditors and contributories) is amended as follows.

(2) In paragraph (1), for "separate meetings of the company's creditors and contributories are summoned" substitute "nominations are sought from the company's creditors and contributories".

(3) In paragraph (2), for "at their respective meetings may" substitute "may in accordance with the rules".

(4) In the heading, for "at meetings of" substitute "by".

Appointment of liquidator by High Court following administration or voluntary arrangement

41. In Article 119(3) (appointment of liquidator by High Court following administration or voluntary arrangement), for the words from "he" to the end substitute "Article 116(5)(a) and (b) do not apply.".

Liquidation committee

42. In Article 120 (liquidation committee), for paragraphs (1) to (3) substitute—

"(1) This Article applies where a winding up order has been made.

(2) If—

(a) the company's creditors decide that a liquidation committee should be established, and

(b) the company's contributories also so decide,

a liquidation committee is to be established in accordance with the rules.

(3) If only the company's creditors, or only the company's contributories, decide that a liquidation committee should be established, a liquidation committee is to be established in accordance with the rules unless the court decides otherwise.

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

(3B) The liquidator must seek a decision from the company's creditors and contributories 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 company's creditors.

(3C) Paragraph (3B) does not apply where the liquidator is the official receiver.".

Duty to summon final meeting

43.—(1) For Article 124 (duty to summon final meeting) substitute—

"Final account

124.—(1) This Article applies where a company is being wound up by the High Court and the liquidator is not the official receiver.

(2) If it appears to the liquidator that the winding up of the company is for practical purposes complete, the liquidator must make up an account of the winding up, showing how it has been conducted and how the company's property has been disposed of.

(3) The liquidator must—

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

(b) give the company's creditors, other than opted-out creditors, a notice explaining the effect of Article 148(4F) and how they may object to the liquidator's release.

(4) The liquidator must during the relevant period send to the High Court and the registrar—

(a) a copy of the account, and

(b) a statement of whether any of the company'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 liquidator's release.".

(2) In consequence of subsection (1), paragraph 102 of the Schedule to the Insolvency Amendment (EU 2015/848) Regulations 2017 is omitted.

Delegation of High Court's powers to liquidator

44. In Article 137(1) (delegation of High Court's powers to liquidator), for sub-paragraph (a) substitute—

"(a) the seeking of decisions on any matter from creditors and contributories,".

Liquidator's powers and duties in creditors' voluntary winding up

45.—(1) Article 141 (liquidator's powers and duties in creditors' voluntary winding up) is amended as follows.

(2) In paragraph (2), for the words from "during" to the end substitute "before—

(a) the company's creditors nominate a person under Article 86 to be liquidator, or

(b) the procedure by which the company's creditors were to have made such a nomination concludes without a nomination having been made.".

(3) Omit paragraph (4).

(4) In paragraph (5), for the words from the beginning to the end of sub-paragraph (b) substitute "If the directors fail to comply with—

(a) Article 85(1) or (2), or

(b) Article 86(1B),".

Liquidator's supplementary powers

46. In Article 143 (liquidator's supplementary powers), for paragraph (2) substitute—

"(2) The liquidator may seek a decision on any matter from the company's creditors or contributories; and must seek a decision on a matter—

(a) from the company's creditors, if requested to do so by one-tenth in value of the creditors;

(b) from the company's contributories, if requested to do so by one-tenth in value of the contributories.".

Removal of liquidator: voluntary winding up

47.—(1) Article 145 (removal etc of liquidator in voluntary winding up) is amended as follows.

(2) In paragraph (2)(b), for "general meeting of the company's creditors summoned" substitute "decision of the company's creditors made by a qualifying decision procedure instigated".

(3) For paragraph (3) substitute—

"(3) Where the liquidator in a members' voluntary winding up was appointed by the High Court under Article 94, a meeting such as is mentioned in paragraph (2)(a) shall be summoned only if—

(a) the liquidator thinks fit,

(b) the High Court so directs, or

(c) the meeting is requested in accordance with the rules by members representing not less than one-half of the total voting rights of all the members having at the date of the request a right to vote at the meeting.

(3A) Where the liquidator in a creditors' voluntary winding up was appointed by the High Court under Article 94, a qualifying decision procedure such as is mentioned in paragraph (2)(b) is to be instigated only if—

(a) the liquidator thinks fit,

(b) the High Court so directs, or

(c) it is requested in accordance with the rules by not less than one-half in value of the company's creditors.".

(4) For paragraph (6) substitute—

"(6) In the case of a members' voluntary winding up where the liquidator has produced an account of the winding up under Article 80 (final account), the liquidator vacates office as soon as the liquidator has complied with Article 80(3) (requirement to send final account to registrar).

(7) In the case of a creditors' voluntary winding up where the liquidator has produced an account of the winding up under Article 92 (final account), the liquidator vacates office as soon as the liquidator has complied with Article 92(3) (requirement to send final account etc to registrar).".

Removal of liquidator: winding up by the High Court

48.—(1) Article 146 (removal etc of liquidator in winding up by the High Court) is amended as follows.

(2) In paragraph (2), for "general meeting of the company's creditors summoned" substitute "decision of the company's creditors made by a qualifying decision procedure instigated".

(3) In paragraph (3)—

(a) in sub-paragraph (a), omit "a meeting of";

(b) for the words from "a general meeting" to "the meeting" substitute "a qualifying decision procedure such as is mentioned in paragraph (2) is to be instigated only if the liquidator thinks fit, the High Court so directs, or it".

(4) For paragraph (7) substitute—

"(7) Where the liquidator has produced an account of the winding up under Article 124 (final account), the liquidator vacates office as soon as the liquidator has complied with Article 124(4) (requirement to send account etc to registrar and the High Court).".

Release of liquidator: voluntary winding up

49.—(1) Article 147 (release of liquidator in voluntary winding up) is amended as follows.

(2) For paragraph (2) substitute—

"(2) A person who has ceased to be a liquidator has his release in accordance with paragraphs (2A) to (2H).

(2A) Where the person has been removed from office by a general meeting of the company, the person has his release with effect from the time at which notice is given to the registrar in accordance with the rules that the person has ceased to hold office.

(2B) Where the person has been removed from office by a decision of the company's creditors—

(a) if the company's creditors have decided against his release, the person has his release with effect from such time as the Department may, on the application of the person, determine, or

(b) if the company's creditors have not decided against his release, the person has his release with effect from the time at which notice is given to the registrar in accordance with the rules that the person has ceased to hold office.

(2C) Where the person has died, the person has his release with effect from the time at which notice is given to the registrar in accordance with the rules that the person has ceased to hold office.

(2D) Where the person has been removed from office by the High Court, the person has his release with effect from such time as the Department may, on the application of the person, determine.

(2E) Where the person has vacated office under Article 145(4), the person has his release with effect from such time as the Department may, on the application of the person, determine.

(2F) Where the person has resigned, the person has his release with effect from such time as may be prescribed.

(2G) Where the person has vacated office under Article 145(6), the person has his release with effect from the time at which he vacated office.

(2H) Where the person has vacated office under Article 145(7)—

(a) if any of the company's creditors objected to the person's release before the end of the period for so objecting prescribed by the rules, the person has his release with effect from such time as the Department may, on an application by the person, determine;

(b) otherwise, the person has his release with effect from the time at which the person vacated office.

(2I) Where the person is removed from office by a decision of the company's creditors, any decision of the company's creditors as to whether the person should have his release must be made by a qualifying decision procedure.".

Release of liquidator: winding up by the High Court

50.—(1) Article 148 (release of liquidator in winding up by the High Court) is amended as follows.

(2) In paragraph (2)(a), for "a general meeting of" substitute "the company's".

(3) For paragraph (4) substitute—

"(4) A person other than the official receiver who has ceased to be a liquidator has his release in accordance with paragraphs (4A) to (4F).

(4A) Where the person has been removed from office by a decision of the company's creditors—

(a) if the company's creditors have decided against his release, the person has his release with effect from such time as the Department may, on the application of the person, determine, or

(b) if the company's creditors have not decided against his release, the person has his release with effect from the time at which notice is

given to the High Court in accordance with the rules that the person has ceased to hold office.

(4B) Where the person has died, the person has his release with effect from the time at which notice is given to the High Court in accordance with the rules that the person has ceased to hold office.

(4C) Where the person has been removed from office by the High Court or by the Department, the person has his release with effect from such time as the Department may, on the application of the person, determine.

(4D) Where the person has vacated office under Article 146(5), the person has his release with effect from such time as the Department may, on the application of the person, determine.

(4E) Where the person has resigned, the person has his release with effect from such time as may be prescribed.

(4F) Where the person has vacated office under Article 146(7)—

(a) if any of the company's creditors objected to the person's release before the end of the period for so objecting prescribed by the rules, the person has his release with effect from such time as the Department may, on the application of the person, determine;

(b) otherwise, the person has his release with effect from the time at which the person vacated office.

(4G) Where the person is removed from office by a decision of the company's creditors, any decision of the company's creditors as to whether the person should have his release must be made by a qualifying decision procedure.".

(4) Before paragraph (5) insert—

"(4H) Where a winding-up order made by the High Court is rescinded, the person (whether the official receiver or another person) who is the liquidator of the company at the time the order is rescinded has his release with effect from such time as the Court may determine.".

Resolutions passed at adjourned meetings

51. Omit Article 163 (resolutions passed at adjourned meetings).

Meetings to ascertain wishes of creditors or contributories

52.—(1) Article 164 (meetings to ascertain wishes of creditors or contributories) is amended as follows.

(2) In paragraph (1)(b), for the words from "meetings" to the end substitute "qualifying decision procedures to be instigated or the deemed consent procedure to be used in accordance with any directions given by the Court, and appoint a person to report the result to the Court.".

(3) In the heading, for "Meetings" substitute "High Court's powers".

Dissolution: voluntary winding up

53.—(1) Article 166 (dissolution in voluntary winding up) is amended as follows.

(2) In paragraph (1)—

(a) omit "and return";

(b) after "or" insert "his final account and statement under".

(3) For paragraph (2) substitute—

"(2) The registrar on receiving—

(a) the account under Article 80, or

(b) the account and statement under Article 92,

must immediately register it or them; and on the expiration of 3 months from the registration of the account the company is deemed to be dissolved.".

Early dissolution

54. In Article 167 (early dissolution), in paragraph (2), after "creditors" insert ", other than opted-out creditors,".

Dissolution in other cases

55.—(1) Article 169 (dissolution otherwise than under Article 167) is amended as follows.

(2) For paragraph (1) substitute—

"(A1) This Article applies where the registrar receives—

(a) a final account and statement under Article 124(4), or

(b) a notice from the official receiver that the winding up of a company by the High Court is complete.

(1) The registrar on receiving—

(a) the account and statement, or

(b) the notice,

must immediately register them or it; and, subject to paragraphs (2) to (4), at the expiration of 3 months from the day of the registration of the account or notice (as the case may be), the company is dissolved.".

(3) In paragraph (4), for ", the determination of the appeal or the making of the order" substitute "or the determination of the appeal".

Misconduct in the course of winding up

56. In Article 172(2) (misconduct in course of winding up), for "at any meeting" substitute "in connection with any qualifying decision procedure or deemed consent procedure".

Protection of supplies of goods and services

57. In Article 197B(8) (protection of supplies of goods and services), in sub-paragraph (e)—

(a) for the words from "when the liquidator has" to "the company's creditors, or" substitute "—

(i) when the liquidator complies with Article 80(2), 92(2) or 124(3) (duties relating to final account), or";

(b) the words from "when the appointment" to "Companies Act 2006" become paragraph (ii) of that sub-paragraph.

Penalties for offences under the 1989 Order

58.—(1) Schedule 7 (punishment of offences under the 1989 Order) is amended as follows.

(2) For the entries for Article 80(4) and (6) substitute—

"80(4)	Liquidator failing to send to company members a copy of account of winding up.	Summary.	Level 3 on the standard scale.	-
80(5)	Liquidator failing to send to registrar a copy of account of winding up.	Summary.	Level 3 on the standard scale.	One-tenth of level 3 on the standard scale.".

(3) In the entry for Article 81(6)—

(a) in column 1, for "81(6)" substitute "81(7)";

(b) in column 2, for "Article 81" substitute "Article 81(1) to (4)".

(4) Omit the entry for Article 84(4).

(5) In the entry for Article 85(3), in column 2, for the words from "attend" to "meeting" substitute "send statement in prescribed form to creditors".

(6) For the entries for Article 92(4) and (6) substitute—

"92(5)	Liquidator failing to send to company members and creditors a copy of account of winding up.	Summary.	Level 3 on the standard scale.	-

92(6)	Liquidator failing to send to registrar a copy of account of winding up.	Summary.	Level 3 on the standard scale.	One-tenth of level 3 on the standard scale.".

Other provision

Definition of "the relevant date"

59. In Article 347(2) (definition of "the relevant date"), for "meetings to consider" substitute "consideration of".

Admissibility of evidence in statement of affairs etc

60. In Article 375(3)(a) (admissibility of evidence in statement of affairs etc)—

(a) omit "84(5),";

(b) for "85(3)(a)" substitute "85(3)".

Representation of corporations at meetings

61.—(1) Article 384 (representation of corporations at meetings) is amended as follows.

(2) For paragraph (1)(a) substitute—

"(a) in a qualifying decision procedure, held in pursuance of this Order or of rules made under it, by which a decision is sought from the creditors of a company, or".

(3) In the heading, after "corporations" insert "in decision procedures and".

Provision that may be included in company insolvency rules

62.—(1) Schedule 5 (provision that may be included in company insolvency rules) is amended as follows.

(2) After paragraph 9 insert—

"9A. Provision about how a company's creditors may nominate a person to be liquidator, including in the case of a voluntary winding up provision conferring functions on the directors of the company.".

(3) Paragraph 10 (provision about creditors committees etc) is amended as follows.

(4) In sub-paragraph (1)—

(a) after "as to the" insert "establishment,";

(b) for "established under" substitute "provided for by".

(5) In sub-paragraph (2)—

(a) in paragraph (a), in both places that it occurs, omit "a meeting of";

(b) in paragraph (b), for "a meeting of" substitute "seeking a decision from".

CHAPTER 3

FURTHER AMENDMENTS: INDIVIDUAL INSOLVENCY

Individual voluntary arrangements

Nominee's report on debtor's proposal

63.—(1) Article 230 (nominee's report on debtor's proposal) is amended as follows.

(2) In paragraph (1)—

(a) at the end of sub-paragraph (a), insert "and";

(b) in sub-paragraph (aa), for "a meeting of the debtor's creditors should be summoned to" substitute "the debtor's creditors should";

(c) at the end of sub-paragraph (aa), omit ", and";

(d) omit sub-paragraph (b).

(3) In paragraph (5), for "a meeting of the debtor's creditors should be summoned to" substitute "the debtor's creditors should".

(4) In paragraph (6), for "a meeting of the debtor's creditors to be summoned" substitute "the debtor's creditors".

Debtor's proposal and nominee's report

64.—(1) Article 230A (debtor's proposal and nominee's report) is amended as follows.

(2) In paragraph (3)—

(a) at the end of sub-paragraph (a), insert "and";

(b) in sub-paragraph (b), for "a meeting of the debtor's creditors should be summoned to" substitute "the debtor's creditors should";

(c) at the end of sub-paragraph (b), omit ", and";

(d) omit sub-paragraph (c).

Creditors' meeting

65.—(1) In the italic heading before Article 231, for "*meeting*" substitute "*decisions*".

(2) Article 231 (summoning of creditors' meeting) is amended as follows.

(3) For paragraphs (1) and (2) substitute—

"(1) This Article applies where it has been reported to the High Court under Article 230 or to the debtor's creditors under Article 230A that the debtor's creditors should consider the debtor's proposal.

(2) The nominee (or the nominee's replacement under Article 230(3) or 230A(4)) must seek a decision from the debtor's creditors as to whether

they approve the proposed voluntary arrangement, unless in the case of a report to which Article 230 applies the High Court otherwise directs.

(2A) The decision is to be made by a creditors' decision procedure.

(2B) Notice of the creditors' decision procedure must be given to every creditor of the debtor of whose claim and address the nominee (or the nominee's replacement) is aware.".

(4) In paragraph (3)(b), for "meeting" substitute "creditors' decision procedure".

(5) For the heading to the Article substitute "Consideration of debtor's proposal by creditors".

(6) In consequence of the amendments made by this section, omit—

(a) paragraph 8 of Schedule 3 to the Insolvency (Northern Ireland) Order 2002;

(b) section 5(2) of the Insolvency (Amendment) Act (Northern Ireland) 2016.

Decisions of creditors' meeting

66.—(1) Article 232 (decisions of creditors' meeting) is amended as follows.

(2) For paragraph (1) substitute—

"(1) This Article applies where under Article 231 the debtor's creditors are asked to decide whether to approve the proposed voluntary arrangement.".

(3) In paragraph (2)—

(a) for "meeting" substitute "creditors";

(b) after "with" insert "or without";

(c) for "do so" substitute "approve it with modifications".

(4) In paragraphs (5), (6) and (7), for "meeting" substitute "creditors".

(5) Omit paragraph (8).

(6) For the heading substitute "Approval of debtor's proposal".

Report of decisions to High Court

67.—(1) Article 233 (report of decisions to High Court) is amended as follows.

(2) For paragraph (1) substitute—

"(1) When pursuant to Article 231 the debtor's creditors have decided whether to approve the debtor's proposal (with or without modifications), the nominee (or the nominee's replacement under Article 230(3) or 230A(4)) must—

(a) report the creditors' decision to the High Court, and

(b) immediately after so reporting, give notice of the creditors' decision to such persons as may be prescribed.".

(3) In paragraph (2), for "meeting has" substitute "creditors have".

Effect of approval

68.—(1) Article 234 (effect of approval) is amended as follows.

(2) In paragraph (1), for "the meeting summoned under Article 231 approves" substitute "pursuant to Article 231 the debtor's creditors decide to approve".

(3) In paragraph (2)—

(a) in sub-paragraph (a), for "at the meeting" substitute "at the time the creditors decided to approve the proposal";

(b) in sub-paragraph (b)(i), for the words from "at the meeting" to "represented at it)" substitute "in the creditors' decision procedure by which the decision to approve the proposal was made";

(c) in sub-paragraph (b)(ii), for "it" substitute "that procedure".

(4) In paragraph (4)—

(a) for "preceding the expiration of the period of 28 days from" substitute "before the end of the period of 28 days beginning with";

(b) for "meeting" substitute "decision".

Additional effect on undischarged bankrupt

69.—(1) Article 235 (additional effect on undischarged bankrupt) is amended as follows.

(2) In paragraph (1)(a), for "the creditors' meeting summoned under Article 231 approves" substitute "pursuant to Article 231 the debtor's creditors decide to approve".

(3) In paragraph (3)(a), for "the decision of the creditors' meeting" substitute "the creditors' decision".

Challenge of meeting's decision

70.—(1) Article 236 (challenge of meeting's decision) is amended as follows.

(2) In paragraph (1)(a), for "a creditors' meeting summoned under" substitute "a decision of the debtor's creditors pursuant to".

(3) In paragraph (1)(b), for "at or in relation to such a meeting" substitute "in relation to a creditors' decision procedure instigated under that Article".

(4) In paragraph (2)(b)(i), for "at the creditors' meeting" substitute "in the creditors' decision procedure".

(5) In paragraph (2)(b)(ii), for "it" substitute "that procedure".

(6) In paragraph (3)(a)—

(a) for "the expiration of 28 days from" substitute "the end of the period of 28 days beginning with";

(b) for "meeting" substitute "decision".

(7) In paragraph (3)(b)—

(a) for "creditors' meeting" substitute "creditors' decision procedure";

(b) for "the meeting had taken place" substitute "a decision as to whether to approve the proposed voluntary arrangement had been made".

(8) In paragraph (4)(a), for "the meeting" substitute "a decision of the debtor's creditors".

(9) For paragraph (4)(b) substitute—

"(b) direct any person to seek a decision from the debtor's creditors (using a creditors' decision procedure) as to whether they approve—

(i) any revised proposal the debtor may make, or

(ii) in a case falling within paragraph (1)(b), the debtor's original proposal.".

(10) In paragraph (5)—

(a) for "for the summoning of a meeting to consider" substitute "in relation to";

(b) for "given at the previous meeting" substitute "previously given by the debtor's creditors".

(11) In paragraph (7), for "meeting", in each place that it occurs, substitute "decision".

(12) In paragraph (8), for the words from "an approval" to the end substitute "the approval of a voluntary arrangement by a decision of the debtor's creditors pursuant to Article 231 is not invalidated by any irregularity in relation to the creditors' decision procedure by which the decision was made.".

(13) In the heading, for "meeting's" substitute "creditors'".

Prosecution of delinquent debtors

71. In Article 236B(1) (prosecution of delinquent debtors), for "creditors' meeting summoned under" substitute "decision of the debtor's creditors pursuant to".

Arrangements coming to an end prematurely

72. In Article 236C (arrangements coming to an end prematurely), for "creditors' meeting summoned under" substitute "decision of the debtor's creditors pursuant to".

Implementation and supervision of approved voluntary arrangement

73. In Article 237(1) (implementation and supervision of approved voluntary arrangement), for "creditors' meeting summoned under" substitute "decision of the debtor's creditors pursuant to".

Bankruptcy

Definition of "bankrupt's estate"

74. In Article 11(4)(a) (definition of "bankrupt's estate"), for "a meeting summoned by the trustee of that estate under Article 304 has been held" substitute "the trustee of that estate has vacated office under Article 271(7)".

Default in connection with voluntary arrangement

75. In Article 250(1)(b)(ii) (default in connection with voluntary arrangement), for "at or in connection with a meeting summoned" substitute "in connection with a creditors' decision procedure instigated".

Powers of interim receiver

76. In Article 260(3)(c) (powers of interim receiver), for "summon a general meeting of" substitute "seek a decision on a matter from".

Appointment of trustee by Department

77. In Article 269(5) (appointment of trustee by Department), for sub-paragraphs (a) and (b) substitute "explain the procedure for establishing a creditors' committee under Article 274".

Trustee's vacation of office

78.—(1) Article 271 (trustee's vacation of office) is amended as follows.

(2) In paragraph (1), for "general meeting of the bankrupt's creditors summoned" substitute "decision of the bankrupt's creditors made by a creditors' decision procedure instigated".

(3) In paragraph (3)—

(a) for "general meeting of the bankrupt's creditors shall be summoned" substitute "creditors' decision procedure may be instigated";

(b) for "replacing" substitute "removing";

(c) in sub-paragraph (c)—

(i) omit "the meeting is requested by";

(ii) after "bankrupt's creditors" insert "so requests,".

(4) After paragraph (3) insert—

"(3A) Where the bankrupt's creditors decide to remove a trustee, they may in accordance with the rules appoint another person as trustee in his place.

(3B) Where the decision to remove a trustee is made under paragraph (3), the decision does not take effect until the bankrupt's creditors appoint another person as trustee in his place.".

(5) In paragraph (7), for the words from "a final meeting" to the end substitute "the trustee has given notice under Article 304(2).".

(6) After paragraph (7) insert—

"(7A) A notice under paragraph (7)—

(a) must not be given before the end of the period prescribed by the rules as the period within which the bankrupt's creditors may object to the trustee's release, and

(b) must state whether any of the bankrupt's creditors objected to the trustee's release.".

Release of trustee

79.—(1) Article 272 (release of trustee) is amended as follows.

(2) In paragraph (1)(a), omit "a general meeting of".

(3) For paragraph (3) substitute—

"(3) A person other than the official receiver who has ceased to be the trustee has his release in accordance with paragraphs (3A) to (3F).

(3A) Where the person has been removed from office by a decision of the bankrupt's creditors—

(a) if the creditors have decided against his release, the person has his release with effect from such time as the Department may, on an application by the person, determine, or

(b) if the creditors have not decided against his release, the person has his release with effect from the time at which notice is given to the High Court in accordance with the rules that the person has ceased to hold office.

(3B) Where the person has died, the person has his release with effect from the time at which notice is given to the High Court in accordance with the rules that the person has ceased to hold office.

(3C) Where the person has been removed from office by the High Court or by the Department, the person has his release with effect from such time as the Department may, on an application by the person, determine.

(3D) Where the person has vacated office under Article 271(5), the person has his release with effect from such time as the Department may, on an application by the person, determine.

(3E) Where the person has resigned, the person has his release with effect from such time as may be prescribed.

(3F) Where the person has vacated office under Article 271(7)—

(a) if any of the bankrupt's creditors objected to the person's release before the end of the period for so objecting prescribed by the rules, the person has his release with effect from such time as the Department may, on an application by that person, determine;

(b) otherwise, the person has his release with effect from the time at which the person vacated office.

(3G) Where the person is removed from office by a decision of the bankrupt's creditors, any decision of the bankrupt's creditors as to whether the person should have his release must be made by a creditors' decision procedure.".

Vacancy in office of trustee

80.—(1) Article 273 (vacancy in office of trustee) is amended as follows.

(2) For paragraph (3) substitute—

"(3) The official receiver may ask the bankrupt's creditors to appoint a person as trustee, and must do so if so requested by not less than one tenth in value of the bankrupt's creditors.

(3A) If the official receiver makes such a request, the bankrupt's creditors may in accordance with the rules appoint a person as trustee.".

(3) In paragraph (4), for the words from "summoned" to "vacancy" substitute "asked, and is not proposing to ask, the bankrupt's creditors to appoint a person as trustee".

(4) In paragraph (8), for "the holding of a final meeting summoned under Article 304" substitute "the vacation of office by the trustee under Article 271(7)".

Creditors' committee

81.—(1) Article 274 (creditors' committee) is amended as follows.

(2) In paragraph (1), for the words from "a general meeting" to "or otherwise)" substitute "a bankrupt's creditors".

(3) In paragraph (2)—

(a) for "A general meeting of the bankrupt's creditors" substitute "The bankrupt's creditors";

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

Trustee's powers

82. In Article 287 (powers of trustee)—

(a) in paragraph (8), for "summon a general meeting of" substitute "seek a decision on a matter from";

(b) in paragraph (9), for "summon such a meeting" substitute "seek a decision on a matter".

Final distribution

83. In Article 303 (final distribution), after paragraph (1) insert—

"(1A) A notice under paragraph (1)(b) need not be given to opted-out creditors.".

Final meeting

84.—(1) Article 304 (final meeting) is amended as follows.

(2) In paragraph (1)—

(a) omit the words from "Subject to" to "Article 305,";

(b) at the end (but on a new line), insert "but this is subject to Article 305.".

(3) For paragraph (2) substitute—

"(2) The trustee must give the bankrupt's creditors, other than opted-out creditors, notice that it appears to the trustee that the administration of the bankrupt's estate is for practical purposes complete.

(2A) The notice must—

(a) be accompanied by a report of the trustee's administration of the bankrupt's estate, and

(b) explain the effect of Article 272(3F) and how the creditors may object to the trustee's release.".

(4) Omit paragraphs (3) and (4).

(5) In the heading, for "meeting" substitute "report".

Bankrupt's home

85. In Article 305(2) (saving for bankrupt's home), for "summon a meeting under Article 304" substitute "give notice under Article 304(2)".

Offence of making false statements

86. In Article 327(3)(c) (offence of making false statements)—

(a) for "at any meeting of his creditors" substitute "in connection with any creditors' decision procedure or deemed consent procedure";

(b) for "at such a meeting" substitute "in connection with such a procedure".

Provision that may be included in individual insolvency rules

87.—(1) Schedule 6 (provision that may be included in individual insolvency rules) is amended as follows.

(2) After paragraph 10 insert—

"10A. Provision about how a bankrupt's creditors may appoint a person as trustee.".

(3) In paragraph 11 (creditors' committee)—

(a) after "as to the" insert "establishment,";

(b) for "established under" substitute "provided for by".

PART 5

ADMINISTRATION

Extension of administrator's term of office

88. In paragraph 77(2)(b) of Schedule B1 (administrator's term of office may be extended for up to 6 months by consent), for "6 months" substitute "1 year".

Administration: payments to unsecured creditors

89.—(1) Schedule B1 (administration) is amended as follows.

(2) In paragraph 66(3) (restrictions on distribution to unsecured creditors), for "unless" substitute "unless—

(a) the distribution is made by virtue of Article 150A(2)(a), or

(b)".

(3) In paragraph 84 (power to move from administration to creditors' voluntary liquidation), in sub-paragraph (1)(b), after "any)" insert "which is not a distribution by virtue of Article 150A(2)(a)".

PART 6

SMALL DEBTS

Creditors not required to prove small debts: company insolvency

90. In Schedule 5 (provision that may be included in company insolvency rules), after paragraph 13 insert—

"13A. Provision for a creditor who has not proved a small debt to be treated as having done so for purposes relating to the distribution of a company's property (and for provisions of, or contained in legislation made under, this Order to apply accordingly).".

Creditors not required to prove small debts: individual insolvency

91. In Schedule 6 (provision that may be included in individual insolvency rules), after paragraph 16 insert—

"16A. Provision for a creditor who has not proved a small debt to be treated as having done so for purposes relating to the distribution of a bankrupt's estate (and for provisions of, or contained in legislation made under, this Order to apply accordingly).".

PART 7

TRUSTEES IN BANKRUPTCY

Trustees in bankruptcy

92.—(1) Before Article 265 insert—

"First trustee in bankruptcy

264A.—(1) On the making of a bankruptcy order the official receiver becomes trustee of the bankrupt's estate, unless the High Court appoints another person under paragraph (2) or (3).

(2) If an insolvency practitioner's report has been submitted to the High Court under Article 248, the Court may on making the order appoint the person who made the report as trustee.

(3) If when the order is made there is a supervisor of a voluntary arrangement approved in relation to the bankrupt under Chapter 2 of Part 8, the High Court may on making the order appoint the supervisor of the arrangement as the trustee.

(4) Where a person becomes trustee of a bankrupt's estate under this Article, the person must give notice of that fact to the bankrupt's creditors (or, if the High Court so allows, advertise it in accordance with the Court's directions).

(5) A notice or advertisement given by a trustee appointed under paragraph (2) or (3) must explain the procedure for establishing a creditors' committee under Article 274.".

(2) Schedule 2 to this Act makes amendments in consequence of subsection (1).

PART 8

VOLUNTARY ARRANGEMENTS

Abolition of fast-track voluntary arrangements

93.—(1) Omit Articles 237A to 237G (fast-track voluntary arrangements) and the italic heading before Article 237A.

(2) In consequence of the repeal made by subsection (1), the repeals in subsections (3) to (5) have effect.

(3) In the 1989 Order—

(a) in Article 256 (High Court's power to annul bankruptcy order), in paragraph (4), omit "or 237D";

(b) in Schedule 2A (bankruptcy restrictions order and undertaking), in paragraph 11, omit ", 237D".

(4) In the Insolvency (Northern Ireland) Order 2005—

(a) omit Article 21(2) to (4) (orders to extend application of provisions of Articles 237B to 237G of the 1989 Order);

(b) in Schedule 7, omit paragraph 2 (fast-track voluntary arrangements) and the heading before it;

(c) in Schedule 8, omit paragraph 6(b).

(5) In the Insolvency (Amendment) Act (Northern Ireland) 2016, omit section 6.

(6) The repeals made by this section have no effect in relation to a case where a debtor has submitted the document and statement mentioned in Article 237B(1) to the official receiver before this section comes into operation.

PART 9

PROTECTION OF ESSENTIAL SUPPLIES

Corporate insolvency

Power to add to supplies protected under the 1989 Order

94.—(1) The Department may by regulations amend Article 197 (protection of essential supplies of electricity, gas, water, etc) so as to add to the supplies mentioned in paragraph (3) of that Article any of the following—

(a) a supply of electricity, gas, water or sewerage services or communication services by a specified description of person;

(b) a supply of a specified description of goods or services by a specified description of person where the supply is for the purpose of enabling or facilitating anything to be done by electronic means.

(2) In the heading to Article 197, after "Supplies of" insert "gas,".

(3) In this section "specified" means specified in the regulations.

Power to give further protection to essential supplies

95.—(1) The Department may by regulations make provision for insolvency-related terms of a contract for the supply of essential goods or services to a company to cease to have effect where—

(a) the company enters administration, or a voluntary arrangement under Part 2 of the 1989 Order takes effect in relation to it, and

(b) any conditions specified in the regulations are met.

(2) The regulations must include provision for securing that, where an insolvency-related term of a contract ceases to have effect under the regulations, the contract may be terminated by the supplier if—

(a) an insolvency office-holder consents to the termination,

(b) a court grants permission for the termination, or

(c) any charges in respect of the supply that are incurred after the company enters administration or the voluntary arrangement takes effect are not paid within the period of 28 days beginning with the day on which payment is due.

(3) The regulations must include provision for securing that, where an insolvency-related term of a contract ceases to have effect under the regulations, the supplier may terminate the supply unless an insolvency office-holder personally guarantees the payment of any charges in respect of the continuation of the supply.

(4) The regulations may provide for exceptions to the right of a supplier to terminate a supply under provision made by virtue of subsection (3).

(5) The regulations must (in addition to the provision mentioned in subsections (2) and (3)) include such other provision as the Department considers appropriate for securing that the interests of suppliers are protected.

(6) A "contract for the supply of essential goods or services" is a contract for a supply mentioned in Article 197(3).

(7) An "insolvency-related term" of a contract for the supply of essential goods or services to a company is a provision of the contract under which—

(a) the contract or the supply would terminate, or any other thing would take place, because the company enters administration or the voluntary arrangement takes effect,

(b) the supplier would be entitled to terminate the contract or the supply, or to do any other thing, because the company enters administration or the voluntary arrangement takes effect, or

(c) the supplier would be entitled to terminate the contract or the supply because of an event that occurred before the company enters administration or the voluntary arrangement takes effect.

(8) "Insolvency office-holder" means—

(a) in a case where a company enters administration, the administrator;

(b) in a case where a voluntary arrangement under Part 2 of the 1989 Order takes effect in relation to a company, the supervisor of the voluntary arrangement.

Individual insolvency

Protection of supplies of water, electricity, etc

96.—(1) Article 343 (protection of essential supplies of electricity, gas, water, etc) is amended as follows.

(2) Paragraph (4) is amended in accordance with subsections (3) to (5).

(3) After sub-paragraph (a) insert—

"(aza) a supply of electricity by a class of person within Class A (small supply) or Class B (resale) of Schedule 3 to the Electricity (Class Exemptions from the Requirement for a Licence) Order (Northern Ireland) 2013 (S.R. 2013/93);".

(4) After sub-paragraph (b) insert—

"(ba) a supply of water by a person who has an interest in the premises to which the supply is given;".

(5) After sub-paragraph (c) (and before the words "and in this paragraph") insert—

"(d) a supply of communications services by a person who carries on a business which includes giving such supplies;

(e) a supply of goods or services mentioned in paragraph (5) by a person who carries on a business which includes giving such supplies, where the supply is for the purpose of enabling or facilitating anything to be done by electronic means;".

(6) After paragraph (4) insert—

"(5) The goods and services referred to in paragraph (4)(e) are—

(a) point of sale terminals;

(b) computer hardware and software;

(c) information, advice and technical assistance in connection with the use of information technology;

(d) data storage and processing;

(e) website hosting.".

(7) In the heading to the Article, after "Supplies of" insert "gas,".

Further protection of essential supplies

97.—(1) After Article 343 insert—

"Further protection of essential supplies

343A.—(1) An insolvency-related term of a contract for the supply of essential goods or services to an individual ceases to have effect if—

(a) a voluntary arrangement proposed by the individual is approved under Chapter 2 of Part 8, and

(b) the supply is for the purpose of a business which is or has been carried on by the individual, by a firm or partnership of which the individual is or was a member, or by an agent or manager for the individual or for such a firm or partnership.

(2) An insolvency-related term of a contract does not cease to have effect by virtue of paragraph (1) to the extent that—

(a) it provides for the contract or the supply to terminate, or any other thing to take place, because the individual becomes subject to an insolvency procedure other than a voluntary arrangement;

(b) it entitles a supplier to terminate the contract or the supply, or do any other thing, because the individual becomes subject to an insolvency procedure other than a voluntary arrangement; or

(c) it entitles a supplier to terminate the contract or the supply because of an event that occurs, or may occur, after the voluntary arrangement proposed by the individual is approved.

(3) Where an insolvency-related term of a contract ceases to have effect under this Article the supplier may—

(a) terminate the contract, if the condition in paragraph (4) is met;

(b) terminate the supply, if the condition in paragraph (6) is met.

(4) The condition in this paragraph is that—

(a) the supervisor of the voluntary arrangement consents to the termination of the contract,

(b) the High Court grants permission for the termination of the contract, or

(c) any charges in respect of the supply that are incurred after the voluntary arrangement is approved are not paid within the period of 28 days beginning with the day on which payment is due.

(5) The High Court may grant permission under paragraph (4)(b) only if satisfied that the continuation of the contract would cause the supplier hardship.

(6) The condition in this paragraph is that—

(a) the supplier gives written notice to the supervisor of the voluntary arrangement that the supply will be terminated unless the supervisor personally guarantees the payment of any charges in respect of the continuation of the supply after the arrangement was approved, and

(b) the supervisor does not give that guarantee within the period of 14 days beginning with the day the notice is received.

(7) For the purposes of securing that the interests of suppliers are protected, where—

(a) an insolvency-related term of a contract (the "original term") ceases to have effect by virtue of paragraph (1), and

(b) a subsequent voluntary arrangement proposed by the individual is approved,

the contract is treated for the purposes of paragraphs (1) to (6) as if, immediately before the subsequent voluntary arrangement proposed by the individual is approved, it included an insolvency-related term identical to the original term.

(8) A contract for the supply of essential goods or services is a contract for a supply mentioned in Article 343(4).

(9) An insolvency-related term of a contract for the supply of essential goods or services to an individual is a provision of the contract under which—

(a) the contract or the supply would terminate, or any other thing would take place, because the voluntary arrangement proposed by the individual is approved,

(b) the supplier would be entitled to terminate the contract or the supply, or to do any other thing, because the voluntary arrangement proposed by the individual is approved, or

(c) the supplier would be entitled to terminate the contract or the supply because of an event that occurred before the voluntary arrangement proposed by the individual is approved.".

(2) Paragraph (1) of Article 343A (inserted by subsection (1)) does not have effect in relation to a contract entered into before the date on which that paragraph comes into operation.

Power to add to supplies protected under the 1989 Order

98.—(1) The Department may by regulations amend Article 343 (protection of essential supplies of electricity, gas, water, etc) so as to add to the supplies mentioned in paragraph (4) of that Article any of the following—

(a) a supply of electricity, gas, water or sewerage services or communication services by a specified description of person;

(b) a supply of a specified description of goods or services by a specified description of person where the supply is for the purpose of enabling or facilitating anything to be done by electronic means.

(2) In this section "specified" means specified in the regulations.

Power to give further protection to essential supplies

99.—(1) The Department may by regulations make provision for insolvency-related terms of a contract for the supply of essential goods or services to an individual to cease to have effect where—

(a) a voluntary arrangement proposed by the individual is approved under Chapter 2 of Part 8 of the 1989 Order, and

(b) any conditions specified in the regulations are met.

(2) The regulations must include a condition that ensures that an insolvency-related term of a contract for the supply of essential goods or services to an individual does not cease to have effect unless the supply is for the purpose of a business that is or has been carried on by the individual or with which the individual has or had another connection of a kind specified in the regulations.

(3) The regulations must include provision for securing that, where an insolvency-related term of a contract ceases to have effect under the regulations, the contract may be terminated by the supplier if—

(a) the supervisor of the voluntary arrangement consents to the termination,

(b) a court grants permission for the termination, or

(c) any charges in respect of the supply that are incurred after the voluntary arrangement proposed by the individual is approved are not paid within the period of 28 days beginning with the day on which payment is due.

(4) The regulations must include provision for securing that, where an insolvency-related term of a contract ceases to have effect under the regulations, the supplier may terminate the supply unless the supervisor of the voluntary arrangement personally guarantees the payment of any charges in respect of the continuation of the supply.

(5) The regulations may provide for exceptions to the right of the supplier to terminate a supply under provision made by virtue of subsection (4).

(6) The regulations must (in addition to the provision mentioned in subsections (3) and (4)) include such other provision as the Department considers appropriate for securing that the interests of suppliers are protected.

(7) A "contract for the supply of essential goods or services" is a contract for a supply mentioned in Article 343(4).

(8) An "insolvency-related term" of a contract for the supply of essential goods or services to an individual is a provision of the contract under which—

(a) the contract or supply would terminate, or any other thing would take place, because the voluntary arrangement proposed by the individual is approved,

(b) the supplier would be entitled to terminate the contract or the supply, or to do any other thing, because the voluntary arrangement proposed by the individual is approved, or

(c) the supplier would be entitled to terminate the contract or the supply because of an event that occurred before the voluntary arrangement proposed by the individual is approved.

Supplemental

Sections 94 to 99: supplemental

100.—(1) The power to make regulations under section 94 or 98 includes power to make incidental, supplementary, consequential, transitional or saving provision, including doing so by amending any statutory provision.

(2) The power to make regulations under section 95 or 99 includes—

(a) power to provide for a person to exercise a discretion in a matter;

(b) power to make incidental, supplementary, consequential, transitional or saving provision;

(c) power to make any provision that may be made by the regulations by amending the 1989 Order or any other statutory provision.

(3) Regulations under section 95 or 99 may not be made so as to have effect in relation to contracts entered into before the regulations come into operation.

(4) Regulations under section 94, 95, 98 or 99 may not be made unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.

PART 10

REMOTE ATTENDANCE AT MEETINGS AND USE OF WEBSITES

Remote attendance at meetings and use of websites

101.—(1) After Article 208ZG (inserted by section 7(1)) insert—

"Remote attendance at meetings

Remote attendance at meetings

208ZH.—(1) This Article applies to any meeting of the members of a company summoned by the office-holder under this Order or the rules, other

than a meeting of the members of the company in a members' voluntary winding up.

(2) Where the person summoning a meeting ("the convener") considers it appropriate, the meeting may be conducted and held in such a way that persons who are not present together at the same place may attend it.

(3) Where a meeting is conducted and held in the manner referred to in paragraph (2), a person attends the meeting if that person is able to exercise any rights which that person may have to speak and vote at the meeting.

(4) For the purposes of this Article—

(a) a person is able to exercise the right to speak at a meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting; and

(b) a person is able to exercise the right to vote at a meeting when—

(i) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

(ii) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(5) The convener of a meeting which is to be conducted and held in the manner referred to in paragraph (2) shall make whatever arrangements the convener considers appropriate to—

(a) enable those attending the meeting to exercise their rights to speak or vote; and

(b) ensure the identification of those attending the meeting and the security of any electronic means used to enable attendance.

(6) Where in the reasonable opinion of the convener—

(a) a meeting will be attended by persons who will not be present together at the same place, and

(b) it is unnecessary or inexpedient to specify a place for the meeting,

any requirement under this Order or the rules to specify a place for the meeting may be satisfied by specifying the arrangements the convener proposes to enable persons to exercise their rights to speak or vote.

(7) In making the arrangements referred to in paragraph (5) and in forming the opinion referred to in paragraph (6)(b), the convener must have regard to the legitimate interests of the members and others attending the meeting in the efficient despatch of the business of the meeting.

(8) If—

(a) the notice of a meeting does not specify a place for the meeting,

(b) the convener is requested in accordance with the rules to specify a place for the meeting, and

(c) that request is made by members representing not less than 10% of the total voting rights of all the members having at the date of the request a right to vote at the meeting,

it shall be the duty of the convener to specify a place for the meeting.

(9) In this Article, "the office-holder", in relation to a company, means—

(a) the monitor in relation to a moratorium under Part 1A;

(b) its liquidator, provisional liquidator, administrator, or administrative receiver; or

(c) where a voluntary arrangement in relation to the company is proposed or has taken effect under Part 2, the nominee or the supervisor of the voluntary arrangement.

Giving of notices etc by office-holders

Use of websites

208ZI.—(1) Where any provision of this Order or the rules requires the office-holder to give, deliver, furnish or send a notice or other document or information to any person, that requirement is satisfied by making the notice, document or information available on a website—

(a) in accordance with the rules; and

(b) in such circumstances as may be prescribed.

(2) In this Article, "the office-holder" means—

(a) the monitor in relation to a moratorium under Part 1A;

(b) the liquidator, provisional liquidator, administrator, or administrative receiver of a company; or

(c) where a voluntary arrangement in relation to a company is proposed or has taken effect under Part 2, the nominee or the supervisor of the voluntary arrangement.".

(2) After Article 345C (inserted by section 8(1)) insert—

"Giving of notices etc by office-holders

Use of websites

345D.—(1) This Article applies where—

(a) a bankruptcy order is made against an individual or an interim receiver of an individual's property is appointed, or

(b) a voluntary arrangement in relation to an individual is proposed or is approved under Chapter 2 of Part 8,

and "the office-holder" means the official receiver, the trustee in bankruptcy, the interim receiver, the nominee or the supervisor of the voluntary arrangement, as the case may be.

(2) Where any provision of this Order or the rules requires the office-holder to give, deliver, furnish or send a notice or other document

or information to any person, that requirement is satisfied by making the notice, document or information available on a website—

(a) in accordance with the rules; and

(b) in such circumstances as may be prescribed.".

(3) In consequence of the amendments made by subsections (1) and (2), omit—

(a) section 1 of the Insolvency (Amendment) Act (Northern Ireland) 2016 (and Articles 208ZA, 208ZB, 345A and 345B as inserted by that section);

(b) paragraphs 20 and 21 of Schedule 7 to the Corporate Insolvency and Governance Act 2020.

(4) In any enactment, instrument or other document passed or made before the date on which this Act is passed, any reference to Article 208ZA, 208ZB or 345B as inserted by section 1 of the Insolvency (Amendment) Act (Northern Ireland) 2016 is to be read, in relation to any time after that date, as or as including (so far as the context permits) a reference to Article 208ZH, 208ZI or 345D as inserted by this section.

PART 11

OTHER AMENDMENTS RELATING TO INSOLVENCY

Miscellaneous provision about insolvency law

102. Schedule 3 to this Act—

(a) makes provision about the administration and winding up of companies and bankruptcy, and

(b) contains other minor amendments relating to insolvency.

Notice of proposed resolution for voluntary winding up

103.—(1) Article 70 (circumstances in which company may be wound up voluntarily) is amended as follows.

(2) For paragraph (1A) substitute—

"(1ZA) Before a company passes a resolution for voluntary winding up, it must comply with paragraphs (1ZB) to (1A).

(1ZB) Where the company is required by section 291 or 293 of the Companies Act 2006 to send or submit a copy of the resolution to members of the company, the company must at the same time give written notice of the resolution to the Enforcement of Judgments Office.

(1ZC) Where the company is required by Chapter 3 of Part 13 of the Companies Act 2006 to give notice of a meeting at which the resolution is intended to be moved, the company must at the same time give written notice of the resolution to the Enforcement of Judgments Office.

(1A) The company must also give written notice of the resolution to the holder of any qualifying floating charge to which Article 59A applies.".

(3) After paragraph (2) add—

"(3) If a company fails to comply with paragraph (1ZB) or (1ZC), the company and every officer of it who is in default are guilty of an offence.".

(4) In Schedule 7 (punishment of offences under the Order), at the appropriate place insert—

"70(3)	Company failing to give notice to Enforcement of Judgments Office of proposed resolution for voluntary winding up.	Summary.	Level 3 on the standard scale. - ".

Notice of result of resolution to wind up voluntarily

104.—(1) Article 71 (notice of resolution to wind up voluntarily) is amended as follows.

(2) In paragraph (1), for the words from "give notice" to the end substitute "give notice that the resolution has been passed—

(a) by advertisement in the Belfast Gazette, and

(b) in writing to the Enforcement of Judgments Office.".

(3) After paragraph (1) insert—

"(1A) Where a company has given notice under Article 70(1ZB) or (1ZC) of a resolution for voluntary winding up and—

(a) in a case within Article 70(1ZB), the resolution lapses, or

(b) in a case within Article 70(1ZC), the resolution is not passed at the proposed meeting or it becomes apparent that the resolution will not be passed,

the company must, within 14 days of that event, give written notice of it to the Enforcement of Judgments Office.".

(4) In the heading to that Article, after "Notice of" insert "result of".

(5) In Schedule 7 (punishment of offences under the Order), in the entry relating to Article 71(2), for "in Belfast Gazette of resolution for voluntary winding up" substitute "as required by Article 71(1) or (1A)".

Presentation of bankruptcy petition: conditions to be satisfied

105. In Article 239 (conditions to be satisfied in respect of debtor), omit paragraph (2)(b).

Orders relating to recognised professional bodies to be subject to negative resolution

106.—(1) In Article 350 (recognised professional bodies), after paragraph (5) insert—

"(5A) An order under this Article is subject to negative resolution.".

(2) In Article 350L (revocation of recognition at instigation of Department), after paragraph (5) insert—

"(5A) A revocation order or partial revocation order is subject to negative resolution.".

(3) In Article 350N (revocation of recognition at request of body), after paragraph (4) insert—

"(4A) An order under this Article is subject to negative resolution.".

PART 12

INSOLVENT PARTNERSHIPS

Amendments of the 1995 Order

107.—(1) This Part amends the Insolvent Partnerships Order (Northern Ireland) 1995, which makes provision about insolvent partnerships (including applying with modifications the Insolvency (Northern Ireland) Order 1989 and the Company Directors Disqualification (Northern Ireland) Order 2002).

(2) In this Part "the 1995 Order" means the Insolvent Partnerships Order (Northern Ireland) 1995.

(3) The amendments made by this Part are without prejudice to any power conferred by any statutory provision to amend, modify or revoke the 1995 Order.

(4) The amendments made by this Part do not apply in relation to any case in which a winding-up or bankruptcy order was made in relation to a partnership or an insolvent member of a partnership before this Part came into operation.

(5) Where winding-up or bankruptcy proceedings were pending in relation to a partnership or an insolvent member of a partnership immediately before this Part came into operation, either—

(a) those proceedings shall be continued, after the coming into operation of this Part, in accordance with this Part, or

(b) if the court so directs, they shall be continued under the law as it would have effect without the amendments made by this Part.

(6) For the purpose of subsection (5), winding-up or bankruptcy proceedings are pending if a statutory or written demand has been served or a winding-up or bankruptcy petition has been presented.

Voluntary arrangements of insolvent partnerships

108. In Article 4 of the 1995 Order, in paragraph (3)—

(a) in sub-paragraph (a), after "2 to 7" insert "and 8A";

(b) in sub-paragraph (b), after "Articles 197 to 197B" insert ", 208ZE, 208ZF and 208ZJ";

(c) at the end of sub-paragraph (e), omit "and";

(d) at the end of sub-paragraph (f) insert ", and

(g) Part 15.".

Voluntary arrangements of members of insolvent partnership

109. In Article 5 of the 1995 Order, after paragraph (2) insert—

"(3) Where Part 2 of the Order applies to a corporate member of an insolvent partnership by virtue of paragraph (1), Articles 208ZE and 208ZF of the Order, insofar as they relate to company voluntary arrangements, apply in relation to that corporate member, with the modification that any reference to creditors of the company includes a reference to the creditors of the partnership.

(4) Where Chapter 2 of Part 8 of the Order applies to an individual member of an insolvent partnership by virtue of paragraph (1), Articles 345A and 345B of the Order, insofar as they relate to individual voluntary arrangements, apply in relation to that individual member, with the modification that any reference to creditors of the individual includes a reference to the creditors of the partnership.".

Administration in relation to insolvent partnerships

110. In Article 6 of the 1995 Order, in paragraph (3)—

(a) in sub-paragraph (a), after "2 to 7" insert "and 8A";

(b) at the end of sub-paragraph (e), omit "and";

(c) at the end of sub-paragraph (f) insert ", and

(g) Part 15.".

Creditors' winding-up: no concurrent petition against member

111.—(1) In Article 7 of the 1995 Order, in paragraph (1)—

(a) omit from "of a liquidator" to "Article 38 of the EC Regulation),";

(b) for "in relation to a member" substitute "in relation to the partnership or a member of the partnership".

(2) In consequence of subsection (1)(a), omit Article 3 of the Insolvent Partnerships (Amendment) Order (Northern Ireland) 2003 (SR 2003/144).

Creditors' winding-up: concurrent petition against member or members

112.—(1) Article 8 of the 1995 Order is amended as follows.

(2) In paragraph (1), omit from ", of a liquidator" to "Article 38 of the EC Regulation)".

(3) In paragraph (5)—

(a) in sub-paragraph (a), for "8" substitute "8A";

(b) in sub-paragraph (d), for "XIV" substitute "15".

(4) In paragraph (7)—

(a) in sub-paragraph (a), after "2," insert "2B,";

(b) in sub-paragraph (a), for "and 11" substitute ", 11 and 11A";

(c) in sub-paragraph (c), for "XIV" substitute "15".

Members' winding-up: concurrent petitions against all members

113.—(1) Article 10 of the 1995 Order is amended as follows.

(2) In paragraph (1)(a), for "it is" substitute "they are".

(3) In paragraph (3)—

(a) in sub-paragraph (a), for "8" substitute "8A";

(b) in sub-paragraph (d), for "XIV" substitute "15".

(4) In paragraph (5)—

(a) for sub-paragraph (a) substitute—

"(a) Articles 2, 2B, 3, 4, 9, 10, 11 and 11A in Part I,";

(b) in sub-paragraph (c), for "XIV" substitute "15".

Individual members presenting joint petition: no winding-up of partnership

114. In Article 11 of the 1995 Order, in paragraph (2)—

(a) for sub-paragraph (a) substitute—

"(a) Articles 2, 2B, 3, 4, 9, 10, 11 and 11A in Part I,";

(b) in sub-paragraph (c), for "XIV" substitute "15".

Application of the Company Directors Disqualification (Northern Ireland) Order 2002

115. For Article 16 of the 1995 Order substitute—

"16.—(1) Where—

(a) an insolvent partnership is wound up as an unregistered company under Part 6 of the Order,

(b) an insolvent partnership enters administration, or

(c) the business of an insolvent partnership is wound up as mentioned in Article 11 (without the partnership being wound up as an unregistered company),

the following provisions of the Company Directors Disqualification (Northern Ireland) Order 2002 ("the 2002 Order") apply, certain of those provisions being modified in such manner that, after modification, they are as set out in Schedule 8.

(2) The provisions are—

(a) Articles 9 to 10A, 11A to 11C, 12, 14, 17A to 20 and 22 to 23A and Schedule 1, and

(b) Articles 3 and 4 in so far as they have effect for the purposes of the provisions listed in sub-paragraph (a) (and Article 21 in so far as it has effect for the purposes of Articles 3(1)(a) and 4(1)(a)).

(3) Any expression that is—

(a) defined for the purposes of this Order, and

(b) used in the provisions of the 2002 Order as applied by this Article,

has the same meaning in those provisions as it does in this Order.".

Supplemental and transitional provision

116. In Article 19(4) of the 1995 Order, after "under" insert "section 367 of the Financial Services and Markets Act 2000 or".

Amendments to the Schedules to the 1995 Order

117. Schedule 4 to this Act contains amendments to Schedules 1 to 10 to the 1995 Order.

PART 13

GENERAL

Interpretation

118. In this Act—

"the Department" means the Department for the Economy;

"statutory provision" has the meaning given by section 1(f) of the Interpretation Act (Northern Ireland) 1954.

Power to make consequential amendments, repeals and revocations

119.—(1) The Department may by order make such provision as the Department considers appropriate in consequence of this Act (including the repeal, revocation, amendment or modification of any statutory provision).

(2) An order containing consequential provisions under subsection (1) may include transitional, transitory or saving provision in connection with those provisions.

(3) An order under subsection (1) that repeals, revokes or amends Northern Ireland legislation or an Act of Parliament may not be made unless a draft of the order has been laid before, and approved by, the Assembly.

(4) Any other order under subsection (1) is subject to negative resolution.

Commencement

120.—(1) Part 9 and this Part come into operation on the day after the day on which this Act receives Royal Assent.

(2) The other provisions of this Act come into operation on such day or days as the Department may by order appoint.

(3) An order under subsection (2) may contain such transitional or saving provisions as the Department considers appropriate.

Short title

121. This Act may be cited as the Insolvency (Amendment) Act (Northern Ireland) 2026.

SCHEDULES

SCHEDULE 1

Section 21

AMENDMENTS TO SCHEDULE B1 TO THE 1989 ORDER

1. Schedule B1 (administration) is amended as follows.

2. In paragraph 1(1), omit the definitions of "correspondence" and "creditors' meeting".

3. In paragraph 50(4)(b), after "company" insert ", other than an opted-out creditor,".

4. Omit paragraph 51 and the heading before it.

5. For the heading before paragraph 52 substitute "*Consideration of administrator's proposals by creditors*".

6. In paragraph 52, for sub-paragraphs (1) to (3) substitute—

"(1) The administrator must seek a decision from the company's creditors as to whether they approve the proposals set out in the statement made under paragraph 50(1).

(2) The initial decision date for that decision must be within the period of 10 weeks beginning with the day on which the company enters administration.

(3) The "initial decision date" for that decision—

(a) if the decision is initially sought using the deemed consent procedure, is the date on which a decision will be made if the creditors by that procedure approve the proposals, and

(b) if the decision is initially sought using a qualifying decision procedure, is the date on or before which a decision will be made if it is made by that qualifying decision procedure (assuming that date does not change after the procedure is instigated).".

7. In paragraph 53(2), for the words from "summon" to "requested" substitute "seek a decision from the company's creditors as to whether they approve the proposals set out in the statement made under paragraph 50(1) if requested to do so".

8. For paragraph 53(3) substitute—

"(3) Where a decision is sought by virtue of sub-paragraph (2) the initial decision date (as defined in paragraph 52(3)) must be within the prescribed period.".

9. For the heading before paragraph 54 substitute "*Creditors' decision*".

10. In paragraph 54, for sub-paragraph (1) substitute—

"(1) The company's creditors may approve the administrator's proposals—

(a) without modification, or

(b) with modification to which the administrator consents.".

11. In paragraph 54(2)—

(a) for "After the conclusion of an initial creditors' meeting the" substitute "The";

(b) after "taken" insert "by the company's creditors".

12. In paragraph 55(1)(a), for "at an initial creditors' meeting" substitute "by the company's creditors".

13. Omit paragraph 55(2)(a).

14. In paragraph 55(2)(b)—

(a) omit "with the notice of the meeting sent";

(b) after "creditor" insert "who is not an opted-out creditor".

15. For paragraph 55(2)(d) substitute—

"(d) seek a decision from the company's creditors as to whether they approve the proposed revision.".

16. For paragraph 55(5) substitute—

"(5) The company's creditors may approve the proposed revision—

(a) without modification, or

(b) with modification to which the administrator consents.".

17. In paragraph 55(6)—

(a) for "After the conclusion of a creditors' meeting the" substitute "The";

(b) after "taken" insert "by the company's creditors".

18. For paragraph 56(1) substitute—

"(1) This paragraph applies where an administrator—

(a) reports to the High Court under paragraph 54 that a company's creditors have failed to approve the administrator's proposals, or

(b) reports to the Court under paragraph 55 that a company's creditors have failed to approve a revision of the administrator's proposals.".

19. In the heading before paragraph 57, for "*meetings*" substitute "*decisions*".

20. In paragraph 57(1), for "summon a creditors' meeting"—

(a) in the first place that it occurs, substitute "seek a decision from the company's creditors on a matter";

(b) in the second place that it occurs, substitute "do so".

21. In paragraph 57(2), for "summon a creditors' meeting" substitute "seek a decision from the company's creditors on a matter".

22. In paragraph 58(1), for "A creditors' meeting may" substitute "The company's creditors may, in accordance with the rules,".

23. Omit paragraph 59 and the heading before it.

24. In paragraph 63, for the words from "may" to the end substitute "may—

(a) call a meeting of members of the company;

(b) seek a decision on any matter from the company's creditors.".

25. For paragraph 75(4)(c) substitute—

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

26. For paragraph 79(1)(b) substitute—

"(b) if the company has unsecured debts, the unsecured creditors of the company.".

27. For paragraph 79(2)(b)(ii) substitute—

"(ii) the preferential creditors of the company.".

28. After paragraph 79(2) insert—

"(2A) Whether the company's unsecured creditors or preferential creditors consent is to be determined by the administrator seeking a decision from those creditors as to whether they consent.".

29. Omit paragraph 79(3).

30. In paragraph 80(2)(c), for "a creditors' meeting requires him to" substitute "the company's creditors decide that he must".

31. In paragraph 81(4), after "company" insert ", other than an opted-out creditor,".

32. In paragraph 84(4)(b), after "creditor" insert ", other than an opted-out creditor,".

33. In paragraph 84(7)(d), omit "84,".

34. In paragraph 85(5)(b), after "creditor" insert ", other than an opted-out creditor,".

35. In the heading before paragraph 98, for "*meeting*" substitute "*decision*".

36. For paragraph 98(2) and (3) 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.".

37. In paragraph 109(1), omit ", 51(1)(b)".

38. For paragraph 109(2)(b) substitute—

"(b) if the company has unsecured debts, the unsecured creditors of the company.".

39. For paragraph 109(3)(b)(ii) substitute—

"(ii) the preferential creditors of the company.".

40. After paragraph 109(3) insert—

"(3A) Whether the company's unsecured creditors or preferential creditors consent is to be determined by the administrator seeking a decision from those creditors as to whether they consent.".

41. Omit paragraph 109(4).

SCHEDULE 2

Section 92

TRUSTEES IN BANKRUPTCY: CONSEQUENTIAL AMENDMENTS

1. In Article 259(3) (interim receiver to have powers and duties conferred by Article 260), for "of a receiver and manager under" substitute "given by".

2.—(1) Article 260 (receivership pending appointment of trustee) is amended as follows.

(2) For the heading substitute "Powers of interim receiver".

(3) In paragraph (1)—

(a) for the words from the beginning to "official receiver" substitute "An interim receiver appointed under Article 259";

(b) for "bankrupt's estate" substitute "debtor's property".

(4) In paragraph (2)—

(a) for "the official" substitute "an interim";

(b) for "bankrupt's estate" substitute "debtor's property";

(c) for "the estate", in both places that it occurs, substitute "the property".

(5) In paragraph (3)—

(a) for "The official" substitute "An interim";

(b) for "of the estate" substitute "of the debtor's property";

(c) in sub-paragraph (a), for the words from "any" to the end substitute "the debtor's property,";

(d) for sub-paragraph (b) substitute—

"(b) is not required to do anything that involves his incurring expenditure, except in pursuance of directions given by—

(i) the Department, where the official receiver is the interim receiver, or

(ii) the High Court, in any other case,";

(e) in sub-paragraph (c), for "bankrupt's" substitute "debtor's".

(6) In paragraph (4)—

(a) for sub-paragraph (a) substitute—

"(a) an interim receiver acting as receiver or manager of the debtor's property under this Article seizes or disposes of any property which is not the debtor's property, and";

(b) for "official" (in sub-paragraph (b) and in the words following that sub-paragraph) substitute "interim";

(c) for "bankruptcy" substitute "interim receivership".

(7) Omit paragraph (5).

3. Omit Article 264(1) to (3) (bankrupt's duty to deliver possession of estate to official receiver).

4.—(1) Article 265 (power to make appointments) is amended as follows.

(2) For the heading substitute "Appointment of trustees: general provision".

(3) For paragraph (1) substitute—

"(1) This Article applies to any appointment of a person (other than the official receiver) as trustee of a bankrupt's estate.".

(4) Omit paragraph (6).

5. Omit Articles 266 to 268 (meeting of creditors to appoint first trustee).

6. In Article 269(3) (application for appointment despite previous refusal), omit "under Article 268 or".

7. Omit Article 270 (special cases).

8. In Article 271(3) (general meeting to replace trustee)—

(a) for "Article 266(3) or 268(4)" substitute "Article 264A(1)";

(b) for "Article 270(4)" substitute "Article 264A(3)".

9.—(1) Schedule 6 (provision that may be included in individual insolvency rules) is amended as follows.

(2) Omit paragraph 8 and the heading before it.

(3) In paragraph 28, omit ", of the official receiver while acting as a receiver or manager under Article 260".

SCHEDULE 3

Section 102

MISCELLANEOUS AMENDMENTS OF INSOLVENCY LAW

PART 1

ADMINISTRATION OF COMPANIES

1. Schedule B1 to the 1989 Order (administration) is amended in accordance with paragraphs 2 to 5.

Appointment of administrators

2. After paragraph 26 (but before the italic heading before paragraph 27) insert—

"26A.—(1) Paragraph 26(a) does not prevent the appointment of an administrator of a company if the petition for the winding up of the company was presented after the person proposing to make the appointment filed the notice of intention to appoint with the High Court under paragraph 28.

(2) But sub-paragraph (1) does not apply if the petition was presented under a provision mentioned in paragraph 43(4).".

3. In paragraph 27(2) (requirement for company or directors to give notice of intention to appoint administrator to prescribed persons), for "proposes to make an appointment under paragraph 23" substitute "gives notice of intention to appoint under sub-paragraph (1)".

Release of administrator

4. In paragraph 99 (vacation of office of administrator: discharge from liability), for sub-paragraphs (2) and (3) substitute—

"(1A) The discharge provided by sub-paragraph (1) takes effect in accordance with sub-paragraphs (2) to (2C).

(2) In the case of an administrator who dies, the discharge takes effect on the filing with the High Court of notice of his or her death.

(2A) In the case of an administrator who was appointed under paragraph 15 or 23 and who has not made a statement under paragraph 53(1)(b), the discharge takes effect at a time appointed—

(a) by resolution of the creditors' committee, or

(b) if there is no such committee, by resolution of the creditors.

(2B) In the case of an administrator who was appointed under paragraph 15 or 23 and who has made a statement under paragraph 53(1)(b), the discharge takes effect at a time decided by the relevant creditors (as to which, see sub-paragraphs (3) and (3A)).

(2C) In any case, the discharge takes effect at such time as may be specified by the Court.

(3) For the purposes of sub-paragraph (2B), the "relevant creditors" are the secured creditors of the company, unless sub-paragraph (3A) applies.

(3A) If the administrator has made a distribution to preferential creditors, or thinks that a distribution may be made to preferential creditors, the "relevant creditors" are—

(a) the secured creditors of the company, and

(b) the preferential creditors of the company.".

5.—(1) Paragraph 99 (as amended by paragraph 4 above) is further amended as follows.

(2) In sub-paragraph (2A)(b), for "resolution" substitute "decision".

(3) After sub-paragraph (3A) insert—

"(3B) In a case where the administrator is removed from office, a decision of the creditors for the purposes of sub-paragraph (2A)(b), or of the preferential creditors for the purposes of sub-paragraph (2B), must be made by a qualifying decision procedure.".

PART 2

WINDING UP OF COMPANIES

Removal of power of Court to order payment into bank of money due to company

6. In Part 5 of the 1989 Order (winding up of companies), omit Article 129 (payment into bank of money due to company).

PART 3

DISQUALIFICATION OF UNFIT DIRECTORS OF INSOLVENT COMPANIES

Application for making of disqualification order: power to require information

7.—(1) The Company Directors Disqualification (Northern Ireland) Order 2002 is amended as follows.

(2) In Article 10 (disqualification order or undertaking; and reporting provisions), for paragraphs (5) and (5A) (power of Department or official receiver to require information) substitute—

"(5) Where a company or overseas company ("C") has at any time become insolvent, the Department or the official receiver may require any person ("A")—

(a) to furnish the Department or, as the case may be, the official receiver with such relevant information, and

(b) to produce and permit inspection of such relevant records,

as the Department or the official receiver may reasonably require for the purpose of determining whether to exercise, or of exercising, any function under this Article.

(5A) Where a company or overseas company ("C") has been dissolved without becoming insolvent, the Department or the official receiver may require any person ("A")—

(a) to furnish the Department or, as the case may be, the official receiver with such relevant information, and

(b) to produce and permit inspection of such relevant records,

as the Department or the official receiver may reasonably require for the purpose of determining whether to exercise, or of exercising, any function under this Article.

(5B) "Relevant information" is information with respect to the conduct of A, or another person, as a director of company C.

(5C) "Relevant records" are books, papers and other records that are considered by the Department or (as the case may be) the official receiver to be relevant to the conduct of A, or another person, as a director of company C.

(5D) For the purposes of paragraphs (5B) and (5C) it does not matter whether company C became insolvent, or was dissolved, while A or (as the case may be) the other person was a director or subsequently.".

(3) In Article 10(6), for "and (2)" substitute ", (2) and (2A)".

(4) In Article 11B(3), for "and (5A)" substitute "to (5D)".

(5) In Article 11C(4), for "and (5A)" substitute "to (5D)".

(6) In consequence of the amendment made by paragraph (2), omit section 3(3)(b) of the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021.

Enforcement of Article 10(5) of the 2002 Order

8.—(1) In the Insolvent Companies (Reports on Conduct of Directors) Rules (Northern Ireland) 2003 (SR 2003/357), rule 7 is amended as follows.

(2) In the heading to the rule, for "10(5)" substitute "10(5) or (5A)".

(3) In paragraph (1), for "10(5) (power to call on liquidators, former liquidators and others to provide information)" substitute "10(5) or (5A) (power to require information etc to be provided)".

(4) For paragraph (3) substitute—

"(3) The Insolvency Rules (Northern Ireland) 1991 apply to applications under this rule, with any necessary modifications.".

(5) The amendments made by this paragraph to rule 7 are without prejudice to any power conferred by any statutory provision to amend, modify or repeal that rule.

Amendment of Article 24 of the 2002 Order

9.—(1) In Article 24 of the Company Directors Disqualification (Northern Ireland) Order 2002 (interaction with the 1989 Order), in paragraphs (1) and (2)—

(a) for "to 19C" substitute "to 20";

(b) for "and 23" substitute "and 22 to 23A".

(2) In consequence of sub-paragraph (1), paragraph 9(15)(b) of Schedule 8 to the Small Business, Enterprise and Employment Act 2015 (director's disqualification in Northern Ireland) is omitted.

PART 4

BANKRUPTCY

10. Part 9 of the 1989 Order (bankruptcy) is amended in accordance with paragraphs 11 to 13.

Appointment of insolvency practitioner as interim receiver

11.—(1) Article 259 (power to appoint interim receiver) is amended as follows.

(2) In paragraph (1), after "the official receiver" insert "or an insolvency practitioner".

(3) In paragraph (2), for ", instead of the official receiver," substitute ", another insolvency practitioner or the official receiver".

12.—(1) Article 341 (power to appoint special manager) is amended as follows.

(2) In paragraph (1)(c), for "the official receiver has been appointed interim receiver" substitute "an interim receiver has been appointed".

(3) In paragraph (2), for "official receiver", in both places that it occurs, substitute "interim receiver".

Statement of affairs

13.—(1) Article 261 (statement of affairs) is amended as follows.

(2) For paragraph (1) substitute—

> "(1) Where a bankruptcy order has been made otherwise than on a debtor's petition, the official receiver may at any time before the discharge of the bankrupt require the bankrupt to submit to the official receiver a statement of affairs.".

(3) After paragraph (2) insert—

> "(2A) Where a bankrupt is required under paragraph (1) to submit a statement of affairs to the official receiver, the bankrupt must do so (subject to paragraph (3)) before the end of the period of 21 days beginning on the day on which the prescribed notice of the requirement is given to the bankrupt by the official receiver.".

(4) In paragraph (3), for sub-paragraphs (a) and (b) substitute—

> "(a) release a bankrupt from an obligation imposed on the bankrupt under paragraph (1), or
>
> (b) either when giving the notice mentioned in paragraph (2A) or subsequently, extend the period mentioned in that paragraph,".

(5) In paragraph (4)(a), for "the obligation imposed by" substitute "an obligation imposed under".

PART 5

OTHER MINOR AMENDMENTS OF THE 1989 ORDER AND OTHER ENACTMENTS

Regulations that are not subject to negative resolution

14.—(1) Article 2 (general interpretation of the 1989 Order) is amended as follows.

(2) In paragraph (2), in the definition of "regulations", for the words from "(except in" to "Schedule B1)" substitute "(except in the provisions mentioned in paragraph (2B))".

(3) After paragraph (2A) insert—

> "(2B) The provisions referred to in the definition of "regulations" in paragraph (2) (which confer power to make regulations that are not subject to negative resolution) are—
>
> Part 1A;
>
> Article 148A(6);
>
> Article 197C;
>
> Article 208ZG;
>
> Article 345C;
>
> Article 359(5);
>
> Article 375(3)(b)(ii);
>
> paragraph 61A of Schedule B1.".

(4) In consequence of sub-paragraphs (2) and (3), omit—

(a) paragraph 19 of Schedule 4 to the Youth Justice and Criminal Evidence Act 1999;

(b) sections 9(6) and 18(2) of, and paragraph 3 of Schedule 7 to, the Corporate Insolvency and Governance Act 2020.

Companies in relation to which a voluntary arrangement may be made

15. In Article 14(6) (certain companies in relation to which an arrangement may not be made), for "outside Northern Ireland" substitute "outside the United Kingdom".

Application for winding up

16.—(1) In Article 104 (application for winding up), for paragraph (1) substitute—

> "(1) An application to the High Court for the winding up of a company may only be made by petition presented by any or all of the persons mentioned in paragraph (1A), together or separately; but this is subject to the following provisions of this Article.

(1A) The persons are—

(a) the company;

(b) the directors;

(c) any creditor or creditors (including any contingent or prospective creditor or creditors);

(d) any contributory or contributories;

(e) the chief clerk or a collection officer in the exercise of the power mentioned in section 35(4A) and (4B) of the Criminal Justice Act (Northern Ireland) 1945 (enforcement of fines imposed on companies);

(f) a clerk of petty sessions or a collection officer in the exercise of the power mentioned in Article 92A(1) and (1A) of the Magistrates' Courts (Northern Ireland) Order 1981 (enforcement of fines imposed on companies).".

(2) In consequence of sub-paragraph (1), omit—

(a) paragraph 16 of Schedule 2 to the Criminal Justice (Northern Ireland) Order 1994;

(b) regulation 9 of the Insolvency (Northern Ireland) Order 1989 (Amendment No. 2) Regulations (Northern Ireland) 2002.

Holders of office to be qualified insolvency practitioners

17. In Article 194 (holders of office to be qualified insolvency practitioners), in paragraph (2), for "so qualified" substitute "qualified to act as an insolvency practitioner in relation to the company".

Adjudicators in England and Wales: consequential amendments

18.—(1) Article 349 (persons not qualified to act as insolvency practitioners) is amended as follows.

(2) In paragraph (3)(a), after "security" insert "for the proper performance of the practitioner's functions".

(3) For paragraph (4)(a) (bankrupts, etc) substitute—

"(a) any of the following is the case—

(i) the person has been adjudged bankrupt under this Order,

(ii) the person has been made bankrupt under the 1986 Act, or

(iii) sequestration of the person's estate has been awarded,

and (in each case) the person has not been discharged,".

(4) For paragraph (4)(c) (mental capacity, etc) substitute—

"(c) he lacks capacity (within the meaning of the Mental Capacity (Northern Ireland) Act 2016) to act as an insolvency practitioner,

(d) he is a patient within the meaning of section 329(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 or has had a

guardian appointed to him under the Adults with Incapacity (Scotland) Act 2000 (asp 4), or

(e) he lacks capacity (within the meaning of the Mental Capacity Act 2005) to act as an insolvency practitioner.".

(5) Until the coming into force of the repeal, by the Mental Capacity (Northern Ireland) Act 2016, of Part 8 of the Mental Health (Northern Ireland) Order 1986, Article 349(4)(c) (as inserted by sub-paragraph (4)) has effect as if it read "he is a patient within the meaning of Part 8 of the Mental Health (Northern Ireland) Order 1986,".

19. In Article 24 of the Insolvency (Northern Ireland) Order 2005 (power to make orders in relation to disqualification provisions), for paragraph (9)(a) (definition of "bankrupt" in Northern Ireland and England and Wales) substitute—

"(a) who has been adjudged bankrupt by the High Court,

(aa) who has been made bankrupt in England and Wales (under Part 9 of the Insolvency Act 1986),".

20. In Article 15 of the Company Directors Disqualification (Northern Ireland) Order 2002 (undischarged bankrupts), in paragraph (1B)(b) (meaning of "the court" for the purposes of granting leave in England and Wales or Scotland), for paragraph (i) substitute—

"(i) the court by which the bankruptcy order was made or (if the order was not made by a court) the court to which a debtor may appeal against a refusal to make a bankruptcy order, or".

Removal of reference to repealed provision

21. In Article 362(1)(b) (power to specify amounts for the purposes of certain provisions), omit the reference to Article 332(2)(a).

Penalties and proceedings for certain offences under the 1989 Order

22. In Article 373(4) (disapplication of section 20(2) of the 1954 Act to certain offences under the 1989 Order)—

(a) after "172(1)" insert "and (2)";

(b) after "174(1)" insert "and (2)".

23. In Article 374(2) (time limit for summary proceedings)—

(a) omit "84(4)";

(b) after "172(1)" insert "and (2)";

(c) after "174(1)" insert "and (2)".

24.—(1) Schedule 7 (punishment of offences) is amended as follows.

(2) After the entry for Article 172(1) insert—

"172(2)	Officer of company	1. On indictment. 2. Summary.	7 years or a fine, or both.	- ".

	accounting for property by fictitious losses or expenses.		6 months or the statutory maximum, or both.

(3) In the entry for Article 174(1), after "affairs" insert "in the course of winding up".

(4) After the entry for Article 174(1) insert—

"174(2)	Officer of company making material omission from statement relating to company's affairs prior to winding up.	1. On indictment. 2. Summary.	7 years or a fine, or both. 6 months or the statutory maximum, or both. -".

Administration

25. Schedule B1 (administration) is amended as follows.

26. In paragraph 13 (administration application), for sub-paragraph (1)(d) and (e) substitute—

"(d) the chief clerk or a collection officer in the exercise of the power mentioned in section 35(4A) and (4B) of the Criminal Justice Act (Northern Ireland) 1945 (enforcement of fines imposed on companies),

(e) a clerk of petty sessions or a collection officer in the exercise of the power mentioned in Article 92A(1) and (1A) of the Magistrates' Courts (Northern Ireland) Order 1981 (enforcement of fines imposed on companies), or".

27. In paragraph 44(5) (moratorium on other legal process), for "execution" substitute "application to enforce judgment".

28. In paragraph 65A(1) (administration after moratorium), after "any moratorium" insert "for the company".

29. Omit—

(a) paragraph 74(2)(d) and the "or" immediately before it;

(b) paragraph 75(6)(ba).

Amendment consequential on Small Business, Enterprise and Employment Act 2015

30. In Schedule 5 (provision that may be included in company insolvency rules), in paragraph 26, for "Article 10(4)" substitute "Article 10A".

SCHEDULE 4

Section 117

INSOLVENT PARTNERSHIPS: AMENDMENTS TO SCHEDULES TO THE 1995 ORDER

PART 1

AMENDMENTS TO SCHEDULE 1

1. This Part of this Schedule amends Schedule 1 to the 1995 Order, which sets out modified Articles 14 to 20B of the Insolvency (Northern Ireland) Order 1989 ("the 1989 Order").

Amendments in consequence of repeal of Article 348A by paragraph 15 of Schedule 3 to the Insolvency (Amendment) Act (Northern Ireland) 2016

2. In Part 1 of Schedule 1—

(a) in modified Article 14(2), omit "or authorised to act as nominee,";

(b) in modified Article 15(5), omit ", or authorised to act as nominee,";

(c) in modified Article 17(2), omit ", or authorised to act as nominee,";

(d) in modified Article 20(5), omit "or authorised to act as supervisor,".

Other amendments to modified Articles of the 1989 Order

3. Paragraphs 4 to 10 make further amendments to the modified Articles of the 1989 Order that are set out in Part 1 of Schedule 1.

4. In modified Article 15(2), for sub-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.".

5.—(1) For modified Article 16 substitute—

"*Summoning of meetings*

16.—(1) Where the nominee under Article 14 is not the liquidator, administrator or trustee of the insolvent partnership, and it has been reported to the High Court under Article 15(2) that the proposal should be considered by a meeting of the members of the partnership and by the partnership's creditors, the person making the report must (unless the Court otherwise directs)—

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

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

(2) Where the nominee is the liquidator, administrator or trustee of the insolvent partnership, the nominee must—

(a) summon a meeting of the members of the partnership, for such time, date and place as the nominee thinks fit, for the purpose of considering the proposal, and

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

(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.".

6.—(1) Modified Article 17 is amended as follows.

(2) For paragraph (1) substitute—

"(1) This Article applies where under Article 16—

(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.

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

(3) In paragraph (3), for "A meeting so summoned shall not" substitute "Neither the members of the partnership nor its creditors may".

(4) In paragraph (4), for "A meeting so summoned shall not" substitute "Neither the members of the partnership nor its creditors may,".

(5) In paragraph (5), for "each of the meetings" substitute "the meeting of the members of the partnership and the qualifying decision procedure".

(6) In paragraph (6), for "either meeting" substitute "the meeting of the members of the partnership".

(7) After paragraph (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 High 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 given.".

(8) For the Article heading substitute "Decisions of the members of the partnership and its creditors.".

7.—(1) Modified Article 17A is amended as follows.

(2) For paragraph (2) substitute—

"(2) The decision has effect if, in accordance with the rules—

(a) it has been taken by the meeting of the members of the partnership summoned under Article 16 and by the partnership's creditors pursuant to that Article, or

(b) (subject to any order made under paragraph (6)) it has been taken by the partnership's creditors pursuant to that Article.".

(3) In paragraphs (3), (4)(a) and (6)(a), for "creditors' meeting" substitute "partnership's creditors".

(4) In paragraph (5), for "the Financial Services Authority is entitled to be heard on the application" substitute "the following persons are entitled to be heard on the application—

(a) where the partnership is a PRA-regulated partnership, the Prudential Regulation Authority and the Financial Conduct Authority;

(b) in any other case, the Financial Conduct Authority.".

(5) After paragraph (7) add—

"(8) In this Article a "PRA-regulated partnership" is a partnership that—

(a) is, or has been, a PRA-authorised person (within the meaning of the Financial Services and Markets Act 2000),

(b) is, or has been, an appointed representative within the meaning given by section 39 of that Act, whose principal (or one of whose principals) is, or was, a PRA-authorised person, or

(c) is carrying on, or has carried on, a PRA-regulated activity (within the meaning of that Act) in contravention of the general prohibition under section 19 of that Act.".

8.—(1) Modified Article 18 is amended as follows.

(2) In paragraph (2)(a), for "at the creditors' meeting, and" substitute "—

(i) at the time the creditors decided to approve the voluntary arrangement, or

(ii) where the decision has effect as a result of an order of the High Court under Article 17A(6)(a), at the time the meeting of the members of the partnership decided to approve the voluntary arrangement, and".

(3) In paragraph (2)(b)(i), for the words from "at that" to "it)" substitute "in the qualifying decision procedure by which the creditors decided on whether to approve the arrangement".

(4) In paragraph (2)(b)(ii), for "it" substitute "that procedure".

(5) For paragraph (4)(a) substitute—

"(a) at any time before the end of the period of 28 days beginning with the day on which the reporting requirement in Article 17 is met, or".

(6) After paragraph (4) add—

"(5) For the purposes of paragraph (4)(a), the day on which the reporting requirement is met is—

(a) if the reports required by Article 17(6) and (6A) are made to the High Court on the same day, that day;

(b) if those reports are made on different days, the later of them.".

9.—(1) Modified Article 19 is amended as follows.

(2) In paragraph (1)(b), for "either of the meetings" substitute "the meeting of the members of the partnership, or in relation to the relevant qualifying decision procedure".

(3) After paragraph (1) insert—

"(1A) In this Article—

(a) the "relevant qualifying decision procedure" means the qualifying decision procedure in which the partnership's creditors decide whether to approve a voluntary arrangement;

(b) references to a decision made in the relevant qualifying decision procedure include any other decision made in that qualifying decision procedure.".

(4) In paragraph (2)—

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

(b) in sub-paragraph (b), for "at the creditors' meeting" substitute "in the relevant qualifying decision procedure".

(5) For paragraph (3)(a) substitute—

"(a) after the end of the period of 28 days beginning with the day on which the reporting requirement in Article 17 is met, or".

(6) In paragraph (3)(b)—

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

(b) for "the meeting" substitute "the relevant qualifying decision procedure".

(7) After paragraph (3) insert—

"(3A) For the purposes of paragraph (3)(a), the day on which the reporting requirement is met is—

(a) if the reports required by Article 17(6) and (6A) are made to the High Court on the same day, that day;

(b) if those reports are made on different days, the later of them.".

(8) In paragraph (4), for "one or both" substitute "any".

(9) In paragraph (4)(a), for "in question" substitute "of the members of the partnership, or in the relevant qualifying decision procedure,".

(10) In paragraph (4)(b)—

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

(b) 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".

(11) In paragraph (4), after sub-paragraph (b) add—

"(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 paragraph (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.".

(12) In paragraph (5), for "for the summoning of meetings to consider" substitute "or (c) in relation to".

(13) In paragraph (6)—

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

(b) in sub-paragraph (a), after "(4)(b)" insert "or (c)".

(14) For paragraph (7) substitute—

"(7) Except in pursuance of the preceding provisions of this Article—

(a) a decision taken at a meeting of the members of the partnership summoned under Article 16 is not invalidated by any irregularity at or in relation to the meeting, 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.".

10. In modified Article 20, in paragraph (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".

PART 2

AMENDMENTS TO SCHEDULE 2

11.—(1) This Part of this Schedule amends Schedule 2 to the 1995 Order, which sets out modified provisions of Schedules B1 and 1 to the 1989 Order.

(2) References in this Part to a numbered paragraph are to that paragraph of Schedule 2 to the 1995 Order, except where otherwise stated.

12.—(1) For paragraph 1 substitute—

"1. Paragraphs 2 to 56 set out modified provisions of Schedule B1 to the Order; and paragraph 57 sets out modified Schedule 1 to the Order.".

(2) In consequence of the amendment made by sub-paragraph (1)—

(a) before paragraph 2 insert—

"Modifications of Schedule B1"; and

(b) before paragraph 57 insert—

"Modified Schedule 1".

13. In modified paragraph 1(1) of Schedule B1 (set out in paragraph 2), omit the definitions of "correspondence" and "creditors' meeting".

14. In modified paragraph 14(1) of Schedule B1 (set out in paragraph 8), for "applicable" substitute "application".

15. After paragraph 12 insert—

"12A. Paragraph 26A is modified to read as follows—

"26A.—(1) Paragraph 26(a) does not prevent the appointment of an administrator of a partnership if the petition for the winding up of the partnership was presented after the person proposing to make the appointment filed the notice of intention to appoint with the High Court under paragraph 28.

(2) But sub-paragraph (1) does not apply if the petition was presented under a provision mentioned in paragraph 43(5).".".

16. In modified paragraph 41 of Schedule B1 (set out in paragraph 21), omit sub-paragraphs (2) and (3).

17. After paragraph 21 insert—

"21A. Omit paragraph 42.".

18. In modified paragraph 43(5)(b) of Schedule B1 (set out in paragraph 22), for "Financial Services Authority" substitute "Financial Conduct Authority or Prudential Regulation Authority".

19. In modified paragraph 44(5) of Schedule B1 (set out in paragraph 23), after "legal proceedings" insert ", application to enforce judgment".

20. In modified paragraph 50(4)(b) of Schedule B1 (set out in paragraph 27), after "partnership" insert ", other than an opted-out creditor,".

21.—(1) Modified paragraph 53 of Schedule B1 (set out in paragraph 28) is amended as follows.

(2) In sub-paragraph (2), 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 50(1) if requested to do so".

(3) For sub-paragraph (3) substitute—

> "(3) Where a decision is sought by virtue of sub-paragraph (2) the initial decision date (as defined in paragraph 52(3)) must be within the prescribed period.".

22. In modified paragraph 56 of Schedule B1 (set out in paragraph 29), for sub-paragraph (1) substitute—

> "(1) This paragraph applies where an administrator—
>
> (a) reports to the High Court under paragraph 54 that a partnership's creditors have failed to approve the administrator's proposals, or
>
> (b) reports to the Court under paragraph 55 that a partnership's creditors have failed to approve a revision of the administrator's proposals.".

23.—(1) Modified paragraph 75 of Schedule B1 (set out in paragraph 36) is amended as follows.

(2) In sub-paragraph (2), for "effectively" substitute "efficiently".

(3) For sub-paragraph (4)(c) substitute—

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

24. In modified paragraph 81(4) of Schedule B1 (set out in paragraph 37), after "partnership" insert ", other than an opted-out creditor,".

25. In modified paragraph 83(1)(b) of Schedule B1 (set out in paragraph 38), for "Financial Services Authority" substitute "Financial Conduct Authority or Prudential Regulation Authority".

26. In modified paragraph 85(4) of Schedule B1 (set out in paragraph 40), after "creditor" insert ", other than an opted-out creditor,".

27. In modified paragraph 88(2)(a) of Schedule B1 (set out in paragraph 41), for "or", in the first place that it occurs, substitute "to".

28. In modified paragraph 98 of Schedule B1 (set out in paragraph 50), for sub-paragraphs (2) and (3) 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.".

29. In modified paragraph 99 of Schedule B1 (set out in paragraph 51), for sub-paragraphs (2) and (3) substitute—

"(1A) The discharge provided by sub-paragraph (1) takes effect in accordance with sub-paragraphs (2) to (2C).

(2) In the case of an administrator who dies, the discharge takes effect on the filing with the High Court of notice of his or her death.

(2A) In the case of an administrator who was appointed under paragraph 23 and who has not made a statement under paragraph 53(1)(b), the discharge takes effect at a time appointed—

(a) by resolution of the creditors' committee, or

(b) if there is no such committee, by resolution of the creditors.

(2B) In the case of an administrator who was appointed under paragraph 23 and who has made a statement under paragraph 53(1)(b), the discharge takes effect at a time decided by the relevant creditors (as to which, see sub-paragraphs (3) and (3A)).

(2C) In any case, the discharge takes effect at such time as may be specified by the Court.

(3) For the purposes of sub-paragraph (2B), the "relevant creditors" are the secured creditors of the partnership, unless sub-paragraph (3A) applies.

(3A) If the administrator has made a distribution to preferential creditors, or thinks that a distribution may be made to preferential creditors, the "relevant creditors" are—

(a) the secured creditors of the partnership, and

(b) the preferential creditors of the partnership.".

30.—(1) Modified paragraph 99 of Schedule B1 (as amended by paragraph 29 above) is further amended as follows.

(2) In sub-paragraph (2A)(b), for "resolution" substitute "decision".

(3) After sub-paragraph (3A) insert—

"(3B) In a case where the administrator is removed from office, a decision of the creditors for the purposes of sub-paragraph (2A)(b), or of the preferential creditors for the purposes of sub-paragraph (2B), must be made by a qualifying decision procedure.".

31. In paragraph 3 of modified Schedule 1 (set out in paragraph 57), at the beginning, insert "Without prejudice to Article 28 or 30 of the Property (Northern Ireland) Order 1997,".

PART 3

AMENDMENTS TO SCHEDULE 3

32.—(1) This Part of this Schedule amends Schedule 3 to the 1995 Order, which sets out certain modified provisions of the 1989 Order.

(2) References in this Part to a numbered paragraph are to that paragraph of Schedule 3 to the 1995 Order, except where otherwise stated.

33. In paragraph 1—

(a) after "in Part I," insert "Articles 116, 117, 142, 143, 146 and 148 are modified in accordance with Part 2,";

(b) after "113", insert ", 118, 120, 164".

34.—(1) Modified Article 185 (set out in paragraph 3) is amended as follows.

(2) In paragraph (3A), for "EC Regulation" (in both places) substitute "EU Regulation".

(3) In paragraph (5), omit "and the Companies Order".

(4) In paragraph (6), for "62" substitute "63".

35. After paragraph 8 insert—

"Article 116: Functions of official receiver in relation to office of responsible insolvency practitioner

8A. Article 116 has effect as if, in each place that it occurs, "and contributories" were omitted.

Article 117: Appointment of responsible insolvency practitioner by Department

8B. Article 117 has effect as if—

(a) in paragraph (2), "and contributories" were omitted;

(b) after paragraph (3), there were inserted—

"(3A) If, on an application under paragraph (1) or a reference made in pursuance of a decision under paragraph (2), no appointment is made, the official receiver continues to be responsible insolvency practitioner of the partnership, but without prejudice to his power to make a further application or reference.".

Article 118: Rules applicable to decision-making

8C. Article 118 is modified so as to read as follows—

"118.—(1) This Article applies where an insolvency order is made in respect of an insolvent partnership by virtue of Article 7 of the Insolvent Partnerships Order (Northern Ireland) 1995.

(2) 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.".

Article 120: Liquidation committee

8D. Article 120 is modified so as to read as follows—

"120.—(1) This Article applies where an insolvency order is made in respect of an insolvent partnership by virtue of Article 7 of the Insolvent Partnerships Order (Northern Ireland) 1995.

(2) If the creditors of the partnership 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 Order.

(4) The responsible insolvency practitioner must seek a decision from the creditors of the partnership 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.

(5) Paragraph (4) does not apply where the responsible insolvency practitioner is the official receiver.

(6) The liquidation committee is not to be able or required to carry out its functions at any time when the official receiver is the responsible insolvency practitioner; but at any such time its functions are vested in the Department except to the extent that the rules otherwise provide.

(7) Where there is for the time being no liquidation committee, and the responsible insolvency practitioner is a person other than the official receiver, the functions of such a committee are vested in the Department except to the extent that the rules otherwise provide.".

Article 142: Liquidator's powers on winding up

8E. Article 142(1) has effect as if for "Parts 1 to 3" there were substituted "Parts 1 and 2".

Article 143: Liquidator's supplementary powers

8F. Article 143 has effect as if for paragraph (2) there were substituted—

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

Article 146: Removal, etc (winding up by the High Court)

8G. Article 146 has effect as if—

(a) in paragraph (3)(a), "or contributories" were omitted;

(b) in paragraph (6), for "in the prescribed circumstances" there were substituted "with the leave of the High Court (or, if appointed by the Department, with the leave of the Court or the Department)".

Article 148: Release (winding up by the High Court)

8H. Article 148 has effect as if—

(a) in paragraph (2)(a), "or contributories" were omitted;

(b) in paragraph (4E), for "with effect from such time as may be prescribed." there were substituted "—

(a) if he was appointed by the Department, with effect from such time as may be directed by the High Court or as the Department may, on the application of the person, determine, or

(b) in any other case, with effect from such time as may be directed by the Court.".

Article 164: High Court's powers to ascertain wishes of creditors

8I. Article 164 is modified so as to read as follows—

"164.—(1) The High Court may—

(a) as to all matters relating to the winding up of an insolvent partnership, have regard to the wishes of the creditors (as proved to it by any sufficient evidence), and

(b) if it thinks fit, for the purposes of ascertaining those wishes, direct qualifying decision procedures to be instigated or the deemed consent procedure to be used in accordance with any directions given by the Court, and appoint a person to report the result to the Court.

(2) In having regard to the wishes of the creditors, the Court must have regard to the value of each creditor's debt.".".

36.—(1) Modified Schedule 2 (set out in paragraph 10) is amended as follows.

(2) Omit the headings for Parts 1 and 2.

(3) At the beginning of paragraph 7 of modified Schedule 2, insert "Without prejudice to Article 28 or 30 of the Property (Northern Ireland) Order 1997,".

PART 4

AMENDMENTS TO SCHEDULE 4

37.—(1) This Part of this Schedule amends Schedule 4 to the 1995 Order, which sets out certain modified provisions of the 1989 Order.

(2) References in this Part to a numbered paragraph are to that paragraph of Schedule 4 to the 1995 Order, except where otherwise stated.

38.—(1) Paragraph 1 is amended as follows.

(2) In sub-paragraph (1), after "in Part I," insert "Article 142 is modified in accordance with Part 2,".

(3) In sub-paragraph (2)—

(a) after "160," insert "164,";

(b) after "198," insert "208ZE, 208ZF,";

(c) for "and 327" substitute ", 327, 345A and 345B".

39.—(1) Modified Article 185 (set out in paragraph 3) is amended as follows.

(2) In paragraph (3A), for "EC Regulation" (in both places) substitute "EU Regulation".

(3) In paragraph (5), omit "and the Companies Order".

(4) In paragraph (6), for "62" substitute "63".

40. In modified Article 11(4)(a) (set out in paragraph 5), for "a meeting summoned by the trustee of that estate under Article 124 has been held" substitute "the trustee of that estate has vacated office under Article 146(6)".

41. In modified Article 241(3) (set out in paragraph 6(3)), for "£750" substitute "£5,000".

42.—(1) In modified Article 104(2) (set out in paragraph 8), omit the words from "a liquidator" to "the EC Regulation) or".

(2) In consequence of sub-paragraph (1), omit Article 5(2) of the Insolvent Partnerships (Amendment) Order (Northern Ireland) 2003 (SR 2003/144).

43.—(1) Modified Article 116 (set out in paragraph 12) is amended as follows.

(2) In paragraph (1), omit "and of Article 116A".

(3) In paragraph (4), for "summon a combined meeting of" substitute "in accordance with the rules seek nominations from".

(4) After paragraph (4) 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 paragraph (4),

(b) if in pursuance of sub-paragraph (a) he decides not to exercise that power, to give notice of his decision, before the end of that period, to the High Court and to the creditors of the partnership and 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 paragraph (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.

(6) A notice under paragraph (5)(b) to the creditors must contain an explanation of the creditors' power under paragraph (5)(c) to require the

official receiver to seek nominations from the creditors of the partnership and of any insolvent member.

(7) Where the creditors exercise their power under paragraph (5)(c) before the official receiver has performed the duty under paragraph (5)(a), the duties under paragraph (5)(a) and (b) no longer apply.

(8) Where the creditors exercise their power under paragraph (5)(c) after the official receiver has performed the duty under paragraph (5)(a) but before he has performed the duty under paragraph (5)(b), the duty under paragraph (5)(b) no longer applies.

(9) Where—

(a) a person has been chosen in accordance with paragraph (4) to be the responsible insolvency practitioner of an insolvent partnership, and

(b) an insolvency order is subsequently made against another insolvent member by virtue of Article 8 of the Insolvent Partnerships Order (Northern Ireland) 1995,

that practitioner is also to be the responsible insolvency practitioner of that other member.".

44. Modified Article 116A (set out in paragraph 12) is omitted.

45. In modified Article 117(3) (set out in paragraph 13)—

(a) for "a meeting is held in pursuance of a decision under Article 116A(1)(a)" substitute "a nomination is sought from the creditors of the partnership and of any insolvent member";

(b) for "as a result of that meeting" substitute "by the creditors".

46.—(1) Modified Article 117A (set out in paragraph 13) is amended as follows.

(2) In paragraph (5), for the words from "shall" to the end substitute "must explain the procedure for establishing a liquidation committee under Article 120.".

(3) For paragraph (6) substitute—

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

(a) if a liquidation committee has been established under Article 120, state whether he proposes to appoint additional members of the committee under Article 120A(3), or

(b) if such a committee has not been established, explain the procedure for establishing one.".

47.—(1) Modified Article 118 (set out in paragraph 14) is amended as follows.

(2) For paragraphs (2) to (4) substitute—

"(2) Subject to paragraph (4), the rules relating to decision making on the winding up of a company are to apply (with the necessary modifications) to—

(a) decisions sought from creditors of the partnership,

(b) decisions sought from creditors of any corporate members against which an insolvency order has been made, and

(c) decisions sought from creditors of any insolvent member where the decision is one to be made with creditors of the partnership.

(3) Subject to paragraph (4), 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 (unless paragraph (2)(c) applies).

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

(3) In the heading to that Article, for "meetings of creditors" substitute "decision-making".

48.—(1) Modified Article 119 (set out in paragraph 15) is amended as follows.

(2) In paragraph (4), for the words from "he has no duty" to the end substitute "Article 116(5)(a) and (b) do not apply.".

(3) After paragraph (4) insert—

"(5) Where—

(a) a person has been appointed under this Article to be the responsible insolvency practitioner of an insolvent partnership, and

(b) an insolvency order is subsequently made against another insolvent member by virtue of Article 8 of the Insolvent Partnerships Order (Northern Ireland) 1995,

that practitioner is also to be the responsible insolvency practitioner of that other member.".

49. For modified Article 120 (set out in paragraph 16) substitute—

"Liquidation committee

120.—(1) This Article 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 (Northern Ireland) 1995.

(2) If the creditors of the partnership and the creditors of any insolvent members (together as if they were a single set of creditors) 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 Order.

(4) The responsible insolvency practitioner must seek a decision from the creditors of the partnership and the creditors of any insolvent members (together as if they were a single set of creditors) 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.

(5) Paragraph (4) does not apply where the responsible insolvency practitioner is the official receiver.".

50.—(1) Modified Article 120A (set out in paragraph 16) is amended as follows.

(2) In paragraph (3), for "Article 116A(5)" substitute "Article 116(9)".

(3) In paragraphs (3), (4), (5), (6) and (7), for "creditors' committee" substitute "liquidation committee".

51. For modified Article 124 (set out in paragraph 18) substitute—

"Final account

124.—(1) This Article 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 (Northern Ireland) 1995 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 Article 148(4E) and how they may object to the liquidator's release.

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

(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 practitioner's release.".

52. After paragraph 19 insert—

"Article 142: Liquidator's powers on winding up

19A. Article 142(1) has effect as if for "Parts 1 to 3" there were substituted "Parts 1 and 2".".

53. For modified Article 143(2) and (3) (set out in paragraph 20) 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.".

54.—(1) Modified Article 146 (set out in paragraph 21) is amended as follows.

(2) For paragraph (2) substitute—

"(2) Subject to paragraph (3), the responsible insolvency practitioner may be removed from office only by—

(a) an order of the High Court, or

(b) a decision, made by a creditors' decision procedure instigated specially for that purpose in accordance with the rules, of the creditors of the partnership and the creditors of any insolvent member against whom an insolvency order has been made.".

(3) After paragraph (3) insert—

"(3A) The provisional liquidator may be removed from office only by an order of the High Court.".

(4) For paragraph (6) substitute—

"(6) A responsible insolvency practitioner who, under Article 124, has produced an account of the winding-up of the partnership or of any corporate member, or an account of the administration of an individual member's estate, vacates office in relation to the partnership, that corporate member or that individual member's estate immediately upon complying with the requirements of Article 124(4) in relation to the partnership, the corporate member or (as the case may be) the estate.".

55.—(1) Modified Article 148 (set out in paragraph 22) is amended as follows.

(2) In paragraph (2)(a), for "a combined general meeting of" substitute "the".

(3) For paragraph (4) substitute—

"(4) A person other than the official receiver who has ceased to be a responsible insolvency practitioner has his release in accordance with paragraphs (4A) to (4E).

(4A) Where the person has died, the person has his release with effect from the time at which notice is given to the High Court in accordance with the rules that the person has ceased to hold office.

(4B) Where the person has been removed from office by the High Court or by the Department, the person has his release with effect from such time as the Department may, on the application of the person, determine.

(4C) Where the person has vacated office under Article 146(4), the person has his release with effect from such time as the Department may, on the application of the person, determine.

(4D) Where the person has resigned—

(a) if the person was appointed by the Department, the person has his release with effect from such time as may be directed by the High Court or as the Department may, on an application by the person, determine;

(b) if the person was appointed otherwise than by the Department, the person has his release with effect from such time as may be directed by the High Court.

(4E) Where the person has vacated office under Article 146(6)—

(a) 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, the person has his release with effect from such time as the Department may, on the application of the person, determine;

(b) otherwise, the person has his release with effect from the time at which the person vacated office.".

56. In modified Article 149(1) (set out in paragraph 23), for "partnerships" (where it appears after the words "an insolvent") substitute "partnership".

57.—(1) Modified Article 149A (set out in paragraph 23) is amended as follows.

(2) In paragraph (3), for "interest" substitute "interests".

(3) In paragraph (7)(b), for "Article 149B(1)(b)" substitute "Article 149B(1)(d)".

(4) In paragraph (9), after "referred to in" insert "sub-paragraph (a) of".

58. In modified Article 149C(8) (set out in paragraph 23), for "the Insolvency Regulations (Northern Ireland) 1991 or the Insolvency (Fees) Order (Northern Ireland) 1991" substitute "the Insolvency Regulations (Northern Ireland) 1996 or the Insolvency (Fees) Order (Northern Ireland) 2006".

59. After paragraph 24 insert—

"Article 164: High Court's powers to ascertain wishes of creditors

24A. Article 164 is modified so as to read as follows—

"164.—(1) The High Court may—

(a) as to all matters relating to the winding up of an insolvent partnership, have regard to the wishes of the creditors (as proved to it by any sufficient evidence), and

(b) if it thinks fit, for the purposes of ascertaining those wishes, direct qualifying decision procedures to be instigated or the deemed consent procedure to be used in accordance with any directions given by the Court, and appoint a person to report the result to the Court.

(2) In having regard to the wishes of the creditors, the Court must have regard to the value of each creditor's debt.".".

60.—(1) Modified Article 194 (set out in paragraph 26) is amended as follows.

(2) In paragraph (1), for "provision" substitute "provisional".

(3) In paragraph (5), for "anyone" substitute "any one".

61. After paragraph 27 insert—

"Article 208ZE: Decisions by creditors: general

27ZA. Article 208ZE and Article 345A are modified so as to read as follows—

"208ZE.—(1) This Article applies where, for the purposes of this Order, a person ("P") seeks a decision about any matter from—

(a) the creditors of a partnership,

(b) the creditors of a corporate member against which an insolvency order has been made,

(c) the creditors of an individual member against whom an insolvency order has been made, or

(d) the creditors of a partnership and of any insolvent members (together as if they were a single set of creditors).

(2) The decision may be made by any relevant decision procedure P thinks fit, except that it may not be made by a creditors' meeting unless paragraph (3) applies.

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

(4) If paragraph (3) applies, P must summon a creditors' meeting.

(5) Paragraph (2) is subject to any provision of this Order, the rules or any other legislation, or any order of the High Court—

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

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

(6) Article 208ZF provides that in certain cases the deemed consent procedure may be used instead of a relevant decision procedure.

(7) For the purposes of paragraph (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 paragraph (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 Article 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 paragraph (8), references in this Article to creditors include creditors of a particular class.

(11) In this Order—

"relevant decision procedure" means—

(a) in the case of a decision sought only from the creditors of an individual member against whom an insolvency order has been made, creditors' decision procedure, and

(b) in any other case mentioned in paragraph (1), qualifying decision procedure;

"qualifying decision procedure" means a procedure prescribed or authorised under paragraph 8A of Schedule 5;

"creditors' decision procedure" means a procedure prescribed or authorised under paragraph 9A of Schedule 6.".

Article 208ZF: Deemed consent procedure

27ZB. Article 208ZF and Article 345B are modified so as to read as follows—

"208ZF.—(1) The deemed consent procedure may be used instead of a relevant decision procedure where any of the following are to make a decision about any matter—

(a) the creditors of a partnership,

(b) the creditors of a corporate member against which an insolvency order has been made,

(c) the creditors of an individual member against whom an insolvency order has been made, or

(d) the creditors of a partnership and of any insolvent members (together as if they were a single set of creditors),

unless paragraph (2) applies.

(2) This paragraph applies where—

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

(b) the High Court orders that a decision about the matter is to be made by a relevant decision procedure.

(3) If the rules provide for the creditors of a partnership, the creditors of a corporate member against which an insolvency order has been made, the creditors of an individual member against whom an insolvency order has been made or the creditors of a partnership and 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 relevant decision procedure.

(4) 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 paragraphs (5) and (6), and

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

(5) 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.

(6) 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 relevant decision procedure.

(7) For the purposes of paragraph (5) the "appropriate number" of relevant creditors is 10% in value of those creditors.

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

(9) In this Article references to creditors include creditors of a particular class.".".

62. In paragraph 27A (modification of Article 256A), for "356A" substitute "256A".

63.—(1) Modified Schedule 2 (set out in paragraph 29) is amended as follows.

(2) Omit the headings for Parts 1 and 2.

(3) At the beginning of paragraph 7 of modified Schedule 2, insert "Without prejudice to Article 28 or 30 of the Property (Northern Ireland) Order 1997,".

PART 5

AMENDMENTS TO SCHEDULE 5

64. Schedule 5 to the 1995 Order is amended as follows.

65.—(1) Modified Article 185 is amended as follows.

(2) In paragraph (3A), for "EC Regulation" (in both places) substitute "EU Regulation".

(3) In paragraph (5), omit "and the Companies Order".

(4) In paragraph (6)—

(a) for "62" substitute "63";

(b) for "to (4)" substitute "and (3)".

PART 6

AMENDMENTS TO SCHEDULE 6

66. Schedule 6 to the 1995 Order is amended as follows.

67.—(1) Modified Article 185 (set out in paragraph 3 of that Schedule) is amended as follows.

(2) In paragraph (3A), for "EC Regulation" (in both places) substitute "EU Regulation".

(3) In paragraph (5), omit "and the Companies Order".

(4) In paragraph (6)—

(a) for "62" substitute "63";

(b) for "to (4)" substitute "and (3)".

PART 7

AMENDMENTS TO SCHEDULE 7

68.—(1) This Part of this Schedule amends Schedule 7 to the 1995 Order, which sets out certain modified provisions of the 1989 Order.

(2) References in this Part to a numbered paragraph are to that paragraph of Schedule 7 to the 1995 Order, except where otherwise stated.

69. In paragraph 1(2)—

(a) before "257" insert "256A,";

(b) for "265 to 274" substitute "265, 269, 271 to 274";

(c) after "285," insert "286A,".

70. In modified Article 11(4)(a) (set out in paragraph 2), for "a meeting summoned by the trustee of that estate under Article 304 has been held" substitute "the trustee of that estate has vacated office under Article 271(6)".

71. For modified Article 239 (set out in paragraph 4) substitute—

> **"239.**—(1) A joint bankruptcy petition may be presented to the High Court by virtue of Article 11 of the Insolvent Partnerships Order (Northern Ireland) 1995 only if—
>
> (a) the centre of the partnership's main interests is in Northern Ireland,
>
> (b) the centre of the partnership's main interests is in a member State of the European Union other than Denmark and the partnership has an establishment in Northern Ireland, or

(c) the test in paragraph (2) is met.

(2) The test is that the partnership has carried on business in Northern Ireland at any time in the period of three years ending with the day on which the petition is presented.

(3) The reference in paragraph (2) to the partnership carrying on business includes the carrying on of business by an agent or manager for the partnership.

(4) In this Article—

(a) references to the centre of the partnership's main interests have the same meaning as in Article 3 of the EU Regulation;

(b) "establishment" has the same meaning as in Article 2(10) of the EU Regulation.".

72.—(1) Modified Article 265 (set out in paragraph 10) is amended as follows.

(2) For paragraph (1) substitute—

"(1) This Article applies to any appointment of a person (other than the official receiver) as both trustee of the estates of the members of an insolvent partnership and trustee of the partnership.".

(3) Omit paragraph (5).

(4) For the heading to paragraph 10 substitute "Article 265: Appointment of trustees: general provision".

73. Omit paragraphs 11 and 12 (which set out modified Articles 266 and 268).

74.—(1) Modified Article 269 (set out in paragraph 13) is amended as follows.

(2) In paragraph (3), omit " under Article 268 or".

(3) For paragraphs (6) and (7) substitute—

"(6) In that notice or advertisement the trustee must explain the procedure for establishing a creditors' committee under Article 274, except in a case where such a committee has already been formed, in which case the notice or advertisement must state whether the trustee proposes to appoint additional members of the committee under Article 274A(3).".

75. Omit paragraph 14 (which sets out modified Article 270).

76.—(1) Modified Article 271 (set out in paragraph 15) is amended as follows.

(2) At the end of paragraph (1), add "or by a decision of the creditors of the members and of the partnership made by a creditors' decision procedure instigated specially for that purpose in accordance with the rules.".

(3) After paragraph (1) insert—

"(1A) Where the official receiver is trustee or a trustee is appointed by the Department or by the High Court, a creditors' decision procedure may be instigated for the purpose of removing the trustee only if—

(a) the trustee thinks fit,

(b) the High Court so directs, or

(c) one of the creditors of the members or the partnership so requests, with the concurrence of not less than one-quarter, in value, of the creditors (including the creditor making the request).

(1B) Where the creditors of the members and the partnership decide to remove a trustee, they may in accordance with the rules appoint another person as trustee in his place.

(1C) Where the decision to remove a trustee is made under paragraph (1A), the decision does not take effect until the creditors of the members and the partnership appoint another person as trustee in his place.".

(4) For paragraph (6) substitute—

"(6) A trustee who, under Article 304, has produced an account of the winding up of a partnership business and administration of the partnership property, or an account of the administration of a member's estate, vacates office in relation to the partnership, or that member's estate, immediately upon complying with the requirements of Article 304(3) in relation to the partnership or (as the case may be) the estate.".

77.—(1) Modified Article 272 (set out in paragraph 16) is amended as follows.

(2) In paragraph (1)(a), for "a combined general meeting of creditors of the members and of the partnership" substitute "the creditors of the members and the partnership".

(3) For paragraph (3) substitute—

"(3) A person other than the official receiver who has ceased to be the trustee of the estate of any member or of the partnership has his release in accordance with paragraphs (3A) to (3E).

(3A) Where the person has died, the person has his release with effect from the time at which notice is given to the High Court in accordance with the rules that the person has ceased to hold office.

(3B) Where the person has been removed from office by the High Court or by the Department, the person has his release with effect from such time as the Department may, on an application by the person, determine.

(3C) Where the person has vacated office under Article 271(3), the person has his release with effect from such time as the Department may, on an application by the person, determine.

(3D) Where the person has resigned—

(a) if the person was appointed by the Department, the person has his release with effect from such time as may be directed by the High Court or as the Department may, on an application by the person, determine;

(b) if the person was appointed otherwise than by the Department, the person has his release with effect from such time as may be directed by the High Court.

(3E) Where the person has vacated office under Article 271(6)—

(a) 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, the person has his release with effect from such time as the Department may, on an application by that person, determine;

(b) otherwise, the person has his release with effect from the time at which the person vacated office.".

78. In modified Article 273(5) (set out in paragraph 17), for "holding of a final meeting summoned under Article 304" substitute "vacation of office by the trustee under Article 271(6)".

79.—(1) Modified Article 274 (set out in paragraph 18) is amended as follows.

(2) In paragraph (1), for the words from "a combined" to "may" substitute "the creditors of the members and of the partnership may, in accordance with the rules,".

(3) In paragraph (2)—

(a) omit "A combined general meeting of";

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

80. In modified Article 274A(3) (set out in paragraph 18), omit "266(8) or".

81. In modified Article 300A(6) (set out in paragraph 21), omit "postponed".

82.—(1) Modified Article 300C (set out in paragraph 21) is amended as follows.

(2) In paragraph (3), omit "or (as the case may be) in accordance with the Rules".

(3) In paragraph (8), for "the Insolvency Regulations (Northern Ireland) 1991 or the Insolvency (Fees) Order (Northern Ireland) 1991" substitute "the Insolvency Regulations (Northern Ireland) 1996 or the Insolvency (Fees) Order (Northern Ireland) 2006".

83. For paragraph 22 substitute—

"Article 304: Final account

22. Article 304 is modified so as to read as follows—

"304.—(1) This Article 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;

but this is subject to Article 305.

(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 Article 272(3E) and how they may object to the trustee's release.

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

(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.".".

PART 8

AMENDMENTS TO SCHEDULE 8

84. This Part of this Schedule amends Schedule 8 to the 1995 Order, which sets out modified provisions of the Company Directors Disqualification (Northern Ireland) Order 2002 that apply for the purposes of Article 16 of the 1995 Order.

85. For modified Article 9 substitute—

"Disqualification for unfitness

Duty of High Court to disqualify unfit officers of insolvent partnership

9.—(1) The High Court must make a disqualification order against a person ("P") in any case where, on an application under this Article, it is satisfied—

(a) that P is or has been an officer of a partnership which has at any time become insolvent (whether while P was an officer or subsequently), and

(b) that P's conduct as an officer of that partnership (either taken alone or taken together with P's conduct as an officer of one or more relevant entities or relevant overseas entities) makes P unfit to be concerned in the management of a company.

(1A) Paragraphs (1B) to (1E) apply for the purposes of paragraph (1).

(1B) "Relevant entity" means—

(a) any partnership (other than the one mentioned in paragraph (1)(a));

(b) any limited liability partnership;

(c) any company.

(1C) "Relevant overseas entity" means—

(a) any overseas partnership;

(b) any overseas limited liability partnership;

(c) any overseas company.

(1D) "Officer" means—

(a) in relation to a partnership or an overseas partnership, an officer;

(b) in relation to a limited liability partnership or an overseas limited liability partnership, a member;

(c) in relation to a company or an overseas company, a director (including a shadow director).

(1E) For those purposes—

(a) the reference to P's conduct as an officer of the partnership mentioned in paragraph (1)(a) includes a reference to P's conduct in relation to any matter connected with or arising out of the partnership's insolvency, and

(b) the reference to P's conduct as an officer of any relevant entity or relevant overseas entity includes, where that entity has become insolvent, a reference to P's conduct in relation to any matter connected with or arising out of the insolvency.

(2) Article 9A makes further provision concerning the interpretation of this Article.

(3) Under this Article the minimum period of disqualification is 2 years and the maximum period is 15 years.

Interpretation of Article 9

9A.—(1) In Article 9—

"limited liability partnership" means a limited liability partnership formed under the Limited Liability Partnerships Act 2000;

"overseas limited liability partnership" means—

(a) an "oversea limited liability partnership" as defined in section 14(3) of the Limited Liability Partnerships Act 2000, or

(b) any other entity which is incorporated or otherwise established under the law of a country or territory outside the United Kingdom and is similar in nature to a limited liability partnership;

"overseas partnership" means any entity which is established under the law of a country or territory outside Northern Ireland (whether or

not as a legal person under that law) and is similar in nature to a partnership under the law of Northern Ireland.

(2) The partnership mentioned in Article 9(1)(a) or a relevant entity becomes insolvent if—

(a) a relevant insolvency event occurs in relation to it (see paragraph (4)),

(b) it enters administration, or

(c) in the case of a limited liability partnership or a company, an administrative receiver is appointed.

(3) A relevant overseas entity becomes insolvent if it enters into insolvency proceedings of any description (including interim proceedings) in any jurisdiction.

(4) A "relevant insolvency event" occurs—

(a) in relation to a partnership, when the High Court—

(i) makes an order for the partnership to be wound up at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up, or

(ii) makes an order for the business of the partnership to be wound up (without the partnership being wound up as an unregistered company) at a time when the assets of the business are insufficient for the payment of its debts and other liabilities and the expenses of the winding up;

(b) in relation to a limited liability partnership, when the High Court makes an order for it to be wound up at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up;

(c) in relation to a company, when the company goes into liquidation at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up.".

86. For modified Article 10 substitute—

"Disqualification orders under Article 9: applications and acceptance of undertakings

10.—(1) If it appears to the Department that it is expedient in the public interest that a disqualification order under Article 9 should be made against any person, an application for the making of such an order against that person may be made—

(a) by the Department, or

(b) if the Department so directs in the case of a person who is or has been—

(i) an officer of a partnership which is being, or has been, wound up by the High Court, or

(ii) an officer of a partnership the business of which is being, or has been, wound up by the High Court (without the partnership being wound up as an unregistered company),

by the official receiver.

(2) Except with the leave of the High Court, an application for the making under Article 9 of a disqualification order against any person may not be made after the expiration of 3 years from the day on which the partnership of which that person is or has been an officer became insolvent.

(3) If it appears to the Department that the conditions mentioned in Article 9(1) are satisfied as respects any person who has offered to give the Department a disqualification undertaking, the Department may accept the undertaking if it appears to the Department that it is expedient in the public interest that the Department should do so (instead of applying, or proceeding with an application, for a disqualification order).

(5) The Department or the official receiver may require any person ("A")—

(a) to furnish the Department or, as the case may be, the official receiver with such relevant information, and

(b) to produce and permit inspection of such relevant records,

as the Department or the official receiver may reasonably require for the purpose of determining whether to exercise, or of exercising, any function under this Article.

(5A) In paragraph (5)(a), "relevant information" is information with respect to the conduct of A, or another person, as an officer of the partnership mentioned in Article 9(1)(a) or a relevant entity or relevant overseas entity that has become insolvent.

(5B) In paragraph (5)(b), "relevant records" are books, papers and other records that are considered by the Department or (as the case may be) the official receiver to be relevant to the conduct of A, or another person, as an officer of the partnership mentioned in Article 9(1)(a) or a relevant entity or relevant overseas entity that has become insolvent.

(5C) For the purposes of paragraphs (5A) and (5B), it does not matter whether the partnership, relevant entity or relevant overseas entity became insolvent while A or (as the case may be) the other person was an officer or subsequently.

(6) Article 9(1B) to (1E) and Article 9A(2) to (4) apply for the purposes of this Article as they apply for the purposes of Article 9(1).".

87. After modified Article 10 (substituted by paragraph 86 above) insert—

"Office-holder's report on conduct of officers of the partnership

10A.—(1) The office-holder in respect of a partnership which is insolvent must prepare a report (a "conduct report") about the conduct of each person who was an officer of the partnership—

(a) on the insolvency date, or

(b) at any time during the period of 3 years ending with that date.

(2) For the purposes of this Article a partnership is insolvent if—

(a) the partnership is in liquidation and at the time it went into liquidation its assets were insufficient for the payment of its debts and other liabilities and the expenses of the winding up, or

(b) the partnership enters administration,

and paragraph (1E) of Article 9 applies for the purposes of this Article as it applies for the purposes of Article 9(1).

(3) A conduct report must, in relation to each person, describe any conduct of the person which may assist the Department in deciding whether to exercise the power under Article 10(1) or (3) in relation to the person.

(4) The office-holder must send the conduct report to the Department before the end of—

(a) the period of 3 months beginning with the insolvency date, or

(b) such other longer period as the Department considers appropriate in the particular circumstances.

(5) If new information comes to the attention of an office-holder, the office-holder must send that information to the Department as soon as reasonably practicable.

(6) "New information" is information which an office-holder considers should have been included in a conduct report prepared in relation to the partnership, or would have been so included had it been available before the report was sent.

(7) If there is more than one office-holder in respect of a partnership at any particular time (because the partnership is insolvent by virtue of falling within both sub-paragraphs of paragraph (2) at that time), paragraph (1) applies only to the first of the office-holders to be appointed.

(9) The "office-holder" in respect of a partnership which is insolvent is—

(a) in the case of a partnership being wound up by the High Court, the official receiver;

(b) in the case of a partnership in administration, the administrator.

(10) The "insolvency date"—

(a) in the case of a partnership being wound up by the High Court, means the date on which the Court makes the winding-up order (see Article 105 of the Insolvency (Northern Ireland) Order 1989);

(b) in the case of a partnership which has entered administration, means the date the partnership did so.".

88. Omit modified Article 11.

89. After modified Article 10A (substituted by paragraph 87 above) insert—

"Persons instructing unfit officers

Persons instructing unfit officers

11A.—(1) The High Court may make a disqualification order against a person ("P") if, on an application under Article 11B, it is satisfied—

(a) either—

(i) that a disqualification order under Article 9 has been made against a person who is or has been an officer of a partnership, or

(ii) that the Department has accepted a disqualification undertaking from such a person under Article 10(3), and

(b) that P exercised the requisite amount of influence over the person.

That person is referred to in this Article as "the main transgressor".

(2) For the purposes of this Article, P exercised the requisite amount of influence over the main transgressor if any of the conduct—

(a) for which the main transgressor is subject to the order made under Article 9, or

(b) in relation to which the undertaking was accepted from the main transgressor under Article 10(3),

was the result of the main transgressor acting in accordance with P's directions or instructions.

(3) But P does not exercise the requisite amount of influence over the main transgressor by reason only that the main transgressor acts on advice given by P in a professional capacity.

(4) Under this Article the minimum period of disqualification is 2 years and the maximum period is 15 years.

Application for order under Article 11A

11B.—(1) If it appears to the Department that it is expedient in the public interest that a disqualification order should be made against a person under Article 11A, the Department may—

(a) make an application to the court for such an order, or

(b) in a case where an application for an order under Article 9 against the main transgressor has been made by the official receiver, direct the official receiver to make such an application.

(2) Except with the leave of the High Court, an application for a disqualification order under Article 11A must not be made after the end of the period of 3 years beginning with the day on which the partnership in question became insolvent (within the meaning given by paragraphs (2) and (4) of Article 9A).

(3) Paragraph (5) of Article 10 applies for the purposes of this Article as it applies for the purposes of that Article.

Disqualification undertaking instead of an order under Article 11A

11C.—(1) If it appears to the Department that it is expedient in the public interest to do so, the Department may accept a disqualification undertaking from a person ("P") if—

(a) any of the following is the case—

(i) a disqualification order under Article 9 has been made against a person who is or has been an officer of a partnership,

(ii) the Department has accepted a disqualification undertaking from such a person under Article 10(3), or

(iii) it appears to the Department that such an undertaking could be accepted from such a person (if one were offered), and

(b) it appears to the Department that P exercised the requisite amount of influence over the person.

That person is referred to in this Article as "the main transgressor".

(2) For the purposes of this Article, P exercised the requisite amount of influence over the main transgressor if any of the conduct—

(a) for which the main transgressor is subject to the disqualification order made under Article 9,

(b) in relation to which the disqualification undertaking was accepted from the main transgressor under Article 10(3), or

(c) which led the Department to the conclusion set out in paragraph (1)(a)(iii),

was the result of the main transgressor acting in accordance with P's directions or instructions.

(3) But P does not exercise the requisite amount of influence over the main transgressor by reason only that the main transgressor acts on advice given by P in a professional capacity.

(4) Paragraph (5) of Article 10 applies for the purposes of this Article as it applies for the purposes of that Article.

Further provision about disqualification undertakings

Variation etc of disqualification undertaking

12.—(1) The High Court may, on the application of a person who is subject to a disqualification undertaking—

(a) reduce the period for which the undertaking is to be in force, or

(b) provide for it to cease to be in force.

(2) On the hearing of an application under paragraph (1), the Department must appear and call the attention of the Court to any matters which seem to the Department to be relevant, and may give evidence or call witnesses.".

90. Omit modified Article 13.

91. After modified Article 12 (inserted by paragraph 89 above) insert—

"Participation in wrongful trading

14.—(1) Where the High Court makes a declaration under Article 177 or 178 of the Insolvency (Northern Ireland) Order 1989 that a person is liable to make a contribution to a partnership's assets, then, whether or not an application for such an order is made by any person, the Court may, if it thinks fit, also make a disqualification order against the person to whom the declaration relates.

(2) The maximum period of disqualification under this Article is 15 years.

(3) In this Article "partnership" includes overseas partnership within the meaning given by Article 9A(1).

Determining unfitness etc: matters to be taken into account

17A.—(1) This Article applies where the High Court must determine—

(a) whether a person's conduct as an officer of a partnership (either taken alone or taken together with that person's conduct as an officer of one or more relevant entities or relevant overseas entities) makes the person unfit to be concerned in the management of a company;

(b) where the court is required to make an order under Article 9, what the period of disqualification should be.

(2) This Article also applies where the Department must determine—

(a) whether a person's conduct as an officer of a partnership (either taken alone or taken together with that person's conduct as an officer of one or more relevant entities or relevant overseas entities) makes the person unfit to be concerned in the management of a company;

(b) whether to exercise any discretion the Department has to accept a disqualification undertaking under Article 10.

(3) In making any such determination in relation to a person, the High Court or the Department must have regard in particular to the matters set out in paragraphs 1 to 7 of Schedule 1.

(4) Article 9(1B) to (1E) and Article 9A(1) apply for the purposes of this Article as they apply for the purposes of Article 9(1).".

92. After modified Article 19 insert—

"Compensation orders and undertakings

Compensation orders and undertakings

19A.—(1) The High Court may make a compensation order against a person on the application of the Department if the Court is satisfied that the conditions mentioned in paragraph (3) are met.

(2) If it appears to the Department that the conditions mentioned in paragraph (3) are met in respect of a person who has offered to give the Department a compensation undertaking, the Department may accept the undertaking instead of applying for, or proceeding with an application for, a compensation order.

(3) The conditions are that—

(a) the person is subject to a disqualification order or disqualification undertaking under this Order, and

(b) conduct for which the person is subject to the order or undertaking has caused loss to one or more creditors of an insolvent partnership of which the person has at any time been an officer.

(4) An "insolvent partnership" is a partnership that is or has been insolvent; and a partnership becomes insolvent if—

(a) the partnership goes into liquidation at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up, or

(b) the partnership enters administration.

(5) The Department may apply for a compensation order at any time before the end of the period of 2 years beginning with the date on which the disqualification order referred to in paragraph (3)(a) was made, or the disqualification undertaking referred to in that paragraph was accepted.

(6) In the case of a person subject to a disqualification order under Article 11A, or a disqualification undertaking under Article 11C, the reference in paragraph (3)(b) to conduct is a reference to the conduct of the main transgressor in relation to which the person has exercised the requisite amount of influence.

Amounts payable under compensation orders and undertakings

19B.—(1) A compensation order is an order requiring the person against whom it is made to pay an amount specified in the order—

(a) to the Department for the benefit of—

(i) a creditor or creditors specified in the order;

(ii) a class or classes of creditor so specified;

(b) as a contribution to the assets of a partnership so specified.

(2) A compensation undertaking is an undertaking to pay an amount specified in the undertaking—

(a) to the Department for the benefit of—

(i) a creditor or creditors specified in the undertaking;

(ii) a class or classes of creditor so specified;

(b) as a contribution to the assets of a partnership so specified.

(3) When specifying an amount the High Court (in the case of an order) and the Department (in the case of an undertaking) must in particular have regard to—

(a) the amount of the loss caused;

(b) the nature of the conduct mentioned in Article 19A(3)(b);

(c) whether the person has made any other financial contribution in recompense for the conduct (whether under a statutory provision or otherwise).

(4) An amount payable by virtue of paragraph (2) under a compensation undertaking is recoverable as if payable under a court order.

(5) An amount payable under a compensation order or compensation undertaking is provable as a bankruptcy debt.

Supplementary provisions

Application for disqualification order

20.—(1) A person intending to apply for the making of a disqualification order by the High Court must give not less than 10 days' notice of that person's intention to the person against whom the order is sought; and on the hearing of the application the last-mentioned person may appear and himself or herself give evidence or call witnesses.

(3) On the hearing of an application made by a person falling within paragraph (4) the applicant must appear and call the attention of the High Court to any matters which seem to be relevant, and may give evidence or call witnesses.

(4) The following fall within this paragraph—

(a) the Department;

(b) the official receiver.".

93. After modified Article 21 insert—

"Register of disqualification orders and undertakings

22.—(1) Where—

(a) a disqualification order is made, or

(b) any action is taken by a court in consequence of which such an order or a disqualification undertaking is varied or ceases to be in force, or

(c) leave is granted by the High Court for a person subject to such an order to do any thing which otherwise the order prohibits the person from doing, or

(d) leave is granted by the High Court for a person subject to such an undertaking to do anything which otherwise the undertaking prohibits that person from doing,

the clerk of the court must furnish to the Department and to the Secretary of State such particulars as may be prescribed and regulations may prescribe the time within which, and the form and manner in which, such particulars are to be furnished.

(2) The Department must, from the particulars so furnished, continue to maintain the register of disqualification orders and of cases in which leave has been granted as mentioned in paragraph (1)(c).

(3) The Department must include in the register such particulars as it considers appropriate of—

(a) disqualification undertakings accepted by it under Article 10 or 11C;

(c) cases in which leave has been granted as mentioned in paragraph (1)(d).

(4) When an order or undertaking of which entry is made in the register ceases to be in force, the Department must delete the entry from the register and all particulars relating to it which have been furnished to the Department under this Article or any previous corresponding provision and, in the case of a disqualification undertaking, any other particulars the Department has included in the register.

(5) The register must be open to inspection on payment of such fee as may be prescribed.

(6) The Department may furnish to the Secretary of State such particulars as the Department considers appropriate of disqualification undertakings accepted by it under Article 10.

(7) Regulations under this Article may extend the preceding provisions of this Article, to such extent and with such modifications as may be specified in the regulations, to disqualification orders made and disqualification undertakings accepted under the Company Directors Disqualification Act 1986 as applied by Article 16 of the Insolvent Partnerships Order 1994.

Admissibility in evidence of statements

23.—(1) In any proceedings (whether or not under this Order), any statement made in pursuance of a requirement imposed by or under Articles 9 to 10A, 11A to 11C, 12, 14 or 19 to 19C or Schedule 1 or by or under rules made for the purposes of this Order under the Insolvency (Northern Ireland) Order 1989, may be used in evidence against any person making or concurring in making the statement.

(2) However, in criminal proceedings in which any such person is charged with an offence to which this paragraph applies—

(a) no evidence relating to the statement may be adduced, and

(b) no question relating to it may be asked,

by or on behalf of the prosecution, unless evidence relating to it is adduced, or a question relating to it is asked, in the proceedings by or on behalf of that person.

(3) Paragraph (2) applies to any offence other than—

(a) an offence which is—

(i) created by rules made for the purposes of this Order under the Insolvency (Northern Ireland) Order 1989, and

(ii) designated for the purposes of this paragraph by such rules or by regulations;

(b) an offence which is—

(i) created by regulations made under any such rules, and

(ii) designated for the purposes of this paragraph by such regulations; or

(c) an offence under Article 10 of the Perjury (Northern Ireland) Order 1979 (false statements made otherwise than on oath).

(4) Regulations under paragraph (3)(a)(ii) must after being made be laid before the Assembly.

Legal professional privilege

23A. In proceedings against a person for an offence under Article 18 nothing in this Order is to be taken to require any person to disclose any information that he is entitled to refuse to disclose on grounds of legal professional privilege.".

94. For modified Schedule 1 substitute—

"SCHEDULE 1

Article 17A

DETERMINING UNFITNESS ETC: MATTERS TO BE TAKEN INTO ACCOUNT

Matters to be taken into account

1. The extent to which the person was responsible for the causes of any material contravention, by the partnership mentioned in Article 9(1)(a), a relevant entity or a relevant overseas entity, of any applicable legislative or other requirement.

2. The extent to which the person was responsible for the causes of the partnership mentioned in Article 9(1)(a) becoming insolvent.

3. Where applicable, the extent to which the person was responsible for the causes of a relevant entity or relevant overseas entity becoming insolvent.

4. The nature and extent of any loss or harm caused, or any potential loss or harm which could have been caused, by the person's conduct as an officer of the partnership mentioned in Article 9(1)(a), a relevant entity or a relevant overseas entity.

5. Any misfeasance or breach of any fiduciary or other duty by the person in relation to the partnership mentioned in Article 9(1)(a) or a relevant entity or relevant overseas entity.

6. Any material breach of any legislative or other obligation of the person which applies as a result of being an officer of the partnership mentioned in Article 9(1)(a) or a relevant entity or relevant overseas entity.

7. The frequency of conduct of the person which falls within paragraphs 1 to 3, 5 or 6.

Interpretation

8. Article 9(1B) to (1E) and Article 9A(1) to (4) apply for the purposes of this Schedule as they apply for the purposes of Article 9(1).".

PART 9

AMENDMENT TO SCHEDULE 10

95.—(1) Schedule 10 to the 1995 Order (subordinate legislation applied by Article 18 to that Order) is amended as follows.

(2) After the entry referring to the Insolvency (Monetary Limits) Order (Northern Ireland) 1991 insert—

> "The Preferential Payments (Monetary Limits) Order (Northern Ireland) 1991".

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