STATUTORY RULES OF NORTHERN IRELAND

2025 No. 177

INSOLVENCY

INSOLVENCY PRACTITIONERS

The Insolvency Practitioners (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2025

Made - - - -	*12th November 2025*
Coming into operation	*9th December 2025*

The Department for the Economy(**a**), makes the following Regulations in exercise of the powers conferred by Articles 349(3)(**b**), 363(1) and (2)(f) of the Insolvency (Northern Ireland) Order 1989(**c**).

In accordance with Article 363(3) of that Order, the Department has had regard to the regulatory objectives (as defined by Article 350C(3) of that Order).

Citation and commencement

1. These Regulations may be cited as the Insolvency Practitioners (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2025 and come into operation on 9th December 2025.

Interpretation

2. In these Regulations "the Department" means the Department for the Economy.

Amendments to the Insolvency Practitioners Regulations (Northern Ireland) 2006

3. The Insolvency Practitioners Regulations (Northern Ireland) 2006(**d**) are amended as set out in regulations 4 and 5.

4. In regulation 2 (interpretation: general), in paragraph (1) in the definition of "insolvency practitioner", insert "of the Order." after "Article 349A"(**e**).

5.—(1) Schedule 2 (requirements for security and related matters) is amended as follows.

(2) In paragraph 1 (interpretation), in the appropriate places, insert the following definitions—

(**a**) Formerly the Department of Enterprise, Trade and Investment; see section 1(3) of the Departments Act (Northern Ireland) 2016 (2016 c. 5 (N.I.)).
(**b**) In accordance with Article 2 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I.19)) "prescribed" in Article 349(3) means prescribed by regulations.
(**c**) S.I. 1989/2405 (N.I. 19). Article 363 was amended by section 23 of the Insolvency (Amendment) Act (Northern Ireland) 2016 (c.2 (N.I.)).
(**d**) S.R. 2006 No. 33, as amended by S.R. 2009 No. 401, S.I. 2013/472, S.I. 2018/1329, 2020 c.12 (N.I.), S.R. 2021 No. 140, and S.R. 2022 No. 241.
(**e**) 2016 c. 2 (NI), Article 349A was inserted by section 14 of the Insolvency (Amendment) Act (Northern Ireland) 2016.

""relevant losses" means the losses referred to in paragraph 3(1)(b);

"SPS indemnity period" has the meaning given in paragraph 3(3)(c).".

(3) In paragraph 3 (terms of the bond)—

(a) in sub-paragraph (1)(c), for "paragraphs 4 to 8" substitute "paragraphs 4 to 8ZD".

(b) in sub-paragraph (2)—

(i) for head (a) substitute—

"(a) that claims in respect of relevant losses will be paid up to an aggregate maximum sum for each case where the insolvency practitioner acts ("the specific penalty sum"), together with interest on relevant losses calculated at a rate above the Sterling Overnight Index Average;";

(ii) for head (b) substitute—

"(b) that claims in respect of relevant losses, together with interest, will be paid out of a further sum of £750,000 ("the general penalty sum") if—

(i) a specific penalty sum is not in force in relation to a case, or

(ii) any amounts payable under a specific penalty sum are insufficient to meet all claims arising out of a case;".

(c) in sub-paragraph (2)(e), for "losses of the kind mentioned in sub-paragraph (1)" substitute "relevant losses".

(d) after sub-paragraph (2)(e), insert—

"(f) for the payment of the following costs and expenses reasonably incurred or charged by the successor insolvency practitioner—

(i) the costs and expenses of investigating the suspected fraud or dishonesty;

(ii) the costs and expenses of making a claim under the bond, including costs incurred in providing documents or evidence or responding to requests for further information;

(iii) the costs and expenses of obtaining expert advice (including legal advice) in relation to a claim or potential claim under the bond;

(iv) the costs and expenses of administering the insolvent estate, which duplicate costs incurred or charged by an insolvency practitioner before the successor insolvency practitioner's appointment to act in the relevant case.".

(e) in sub-paragraph 3(a), at the end omit "and".

(f) in sub-paragraph (3)(b), at the end insert, ", provided the time limit satisfies the requirements of paragraph 8ZA (minimum run-off period); and".

(g) after sub-paragraph 3(b), insert—

"(c) for a limit on the surety's liability under the specific penalty sum by reference to a specified period of time ("the SPS indemnity period") during which the relevant losses may arise following the insolvency practitioner's appointment to act in a case, subject to paragraphs 8ZC (minimum SPS indemnity period) and 8ZD (notification of expiry).".

(4) After paragraph 8, insert —

"Minimum run-off period

8ZA.—(1) The terms of the bond must provide a minimum period of two years during which a claim may be made in respect of relevant losses in a case.

(2) This period must begin with the date on which the insolvency practitioner is released or discharged in that case.

(3) The reference to "released or discharged in that case" includes the insolvency practitioner being released or discharged from office in a subsequent capacity in that case.

(4) Where the insolvency practitioner holds office in a subsequent capacity in that case, the period must begin with the date of release or discharge from that office.

Interest period

8ZB. The interest referred to in paragraph 3(2)(a) is calculated from the date of the relevant loss to the date of payment of the claim for that loss.

Minimum SPS indemnity period

8ZC.—(1) The length of any SPS indemnity period must be no less than 6 years beginning with the date of the insolvency practitioner's appointment to act in a case, provided the SPS indemnity period can be extended for further periods with the consent of the surety.

(2) Where the surety is asked to give its consent, such consent must not be unreasonably withheld, but may be given subject to reasonable conditions, including payment of an additional premium.

Notification of expiry

8ZD.—(1) The surety must deliver a notice to the insolvency practitioner and their authorising body no less than 60 days before the date on which any security under a specific penalty sum is due to expire or otherwise cease to have effect for a reason other than the insolvency practitioner's release or discharge in a case.

(2) The notice must be in writing or in electronic form and contain the following information:

(a) the date the specific penalty sum is due to expire or otherwise cease to have effect;

(b) whether the surety is willing to agree to an extension or renewal of the specific penalty sum; and

(c) details of any conditions attached to the extension or renewal, such as the payment of an additional premium.

(3) The specific penalty sum will continue in force until such date as the surety has complied with this paragraph, unless otherwise agreed by the parties to the bond.".

Transitional and savings

6.—(1) Subject to paragraphs (2) to (3), the amendments made by these Regulations do not apply to a bond issued by the surety before 1st January 2027 as it relates to a case in respect of which an insolvency practitioner was appointed before 1st January 2027.

(2) Where the Department determines an application for approval of a form of a bond during the transitional period, the Department may treat the form of bond as complying with paragraph 3 of Schedule 2 to the Insolvency Practitioners Regulations (Northern Ireland) 2006 if the bond complies with the Insolvency Practitioners Regulations (Northern Ireland) 2006—

(a) as those Regulations had effect immediately before 9th December 2025, or

(b) with the amendments made by regulation 5.

(3) In this regulation—

(a) "appointed" includes appointment in a subsequent capacity if the insolvency practitioner was appointed in an initial capacity in that case before 1st January 2027;

(b) "transitional period" means the period beginning with 9th December 2025 and ending with 31st December 2026.

Sealed with the Official Seal of the Department for the Economy on 12 November 2025



Dr Caoimhe Archibald
Minister for the Economy

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Insolvency Practitioners Regulations (Northern Ireland) 2006 ("the 2006 Regulations").

Schedule 2 to the 2006 Regulations sets out requirements relating to the form of bond which an insolvency practitioner must keep in force whilst acting in respect of an insolvent. Claims may be made against such a bond in the event of losses caused or facilitated by the fraud or dishonesty of the insolvency practitioner.

Regulation 5(3)(b)(i) substitutes paragraph 3(2)(a) of Schedule 2 to the 2006 Regulations to require interest to be paid on losses caused or facilitated by the fraud or dishonesty of the insolvency practitioner. The rate of interest must be a rate above the Sterling Overnight Index Average (known as SONIA).

Regulation 5(3)(b)(ii) substitutes paragraph 3(2)(b) of Schedule 2 to the 2006 Regulations to:

increase the general penalty sum from £250,000 to £750,000;

extend the availability of the general penalty sum to cases where a specific penalty sum is not available.

Regulation 5(3)(d) inserts a new head (f) in paragraph 3(2) of Schedule 2 to the 2006 Regulations, which requires the bond to provide for payment of the following reasonable costs of the successor insolvency practitioner:

costs and expenses of investigating the fraud or dishonesty;

costs and expenses of making a claim under the bond;

costs and expenses of obtaining expert advice;

duplicate costs and expenses of administering the insolvent estate.

Regulation 5(3)(f) (which amends paragraph 3(3)(b) of Schedule 2 to the 2006 Regulations), together with the new paragraph 8ZA (which regulation 5(4) inserts into Schedule 2 to the 2006

Regulations), set a minimum run-off period of 2 years during which a claim may be made under the bond.

Regulation 5(3)(g) (which inserts a new head (c) into paragraph 3(3) of Schedule 2 to the 2006 Regulations), together with the new paragraph 8ZC (which regulation 5(4) inserts into Schedule 2 to the 2006 Regulations), make provision about minimum specific penalty sum indemnity periods. Where a bond limits the surety's liability under the specific penalty sum (SPS) by reference to a maximum period during which any losses must have arisen, this period must not be shorter than 6 years from the date of the insolvency practitioner's appointment in a case and must be extendable.

Regulation 5(4) (which inserts a new paragraph 8ZD into Schedule 2 to the 2006 Regulations) makes provision about notifications which the surety must give to the authorising body and the insolvency practitioner before a specific penalty sum expires (or otherwise ceases to have effect).

Regulation 6 sets out transitional and saving provisions for the changes made by these Regulations.

A regulatory impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen. An explanatory memorandum has been published alongside this instrument at www.legislation.gov.uk

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