

SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 10: INSOLVENCY

Removing requirements to seek sanction

Section 120: Exercise of powers by liquidator: removal of need for sanction

716. This section amends Part 4 of and Schedule 4 to the Insolvency Act 1986. The amendment gives liquidators the ability to exercise any of the powers contained in Schedule 4 without the need to obtain sanction (approval) of either the court or a creditors' committee (or where there is none, the Secretary of State or a meeting of creditors).
717. Removing the requirement to obtain sanction brings the provisions for liquidations into line with administration, in that administrators do not need sanction for any of the acts, which if undertaken by a liquidator would require sanction.

Section 121: Exercise of powers by trustee in bankruptcy: removal of need for sanction

718. This section amends Part 9 and Schedule 5 to the Insolvency Act 1986. The amendment gives trustees in bankruptcy the ability to exercise any of the powers contained within Schedule 5 and section 314(2)) without the need to obtain sanction (approval) of either the court or a creditors' committee (or where there is none, the Secretary of State).
719. These amendments mirror, for bankruptcy, the amendments made to the liquidation regime by section 120 (see above).