



Small Business, Enterprise and Employment Act 2015

2015 CHAPTER 26

PART 10

INSOLVENCY

Administration

127 Extension of administrator's term of office

In paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986 (administrator's term of office may be extended for up to six months by consent) for “six months” substitute “one year”.

128 Administration: payments to unsecured creditors

- (1) Schedule B1 to the Insolvency Act 1986 (administration) is amended as follows.
- (2) In paragraph 65(3) (restrictions on distribution to unsecured creditors) for “unless” substitute “unless—
 - (a) the distribution is made by virtue of section 176A(2)(a), or
 - (b)”.
- (3) In paragraph 83 (power to move from administration to creditors' voluntary liquidation), in sub-paragraphs (1)(b) and (2)(b), after “any” insert “ which is not a distribution by virtue of section 176A(2)(a) ”.

129 Administration: sales to connected persons

- (1) Schedule B1 to the Insolvency Act 1986 (administration) is amended as follows.
- (2) Paragraph 60 (power of administrators) becomes sub-paragraph (1) of that paragraph.

Changes to legislation: There are currently no known outstanding effects for the Small Business, Enterprise and Employment Act 2015, Cross Heading: Administration. (See end of Document for details)

(3) After that sub-paragraph insert—

“(2) But the power to sell, hire out or otherwise dispose of property is subject to any regulations that may be made under paragraph 60A.”

(4) After paragraph 60 insert—

“60A

- (1) The Secretary of State may by regulations make provision for—
 - (a) prohibiting, or
 - (b) imposing requirements or conditions in relation to, the disposal, hiring out or sale of property of a company by the administrator to a connected person in circumstances specified in the regulations.
- (2) Regulations under this paragraph may in particular require the approval of, or provide for the imposition of requirements or conditions by—
 - (a) creditors of the company,
 - (b) the court, or
 - (c) a person of a description specified in the regulations.
- (3) In sub-paragraph (1), “connected person”, in relation to a company, means—
 - (a) a relevant person in relation to the company, or
 - (b) a company connected with the company.
- (4) For the purposes of sub-paragraph (3)—
 - (a) “relevant person”, in relation to a company, means—
 - (i) a director or other officer, or shadow director, of the company;
 - (ii) a non-employee associate of such a person;
 - (iii) a non-employee associate of the company;
 - (b) a company is connected with another if any relevant person of one is or has been a relevant person of the other.
- (5) In sub-paragraph (4), “non-employee associate” of a person means a person who is an associate of that person otherwise than by virtue of employing or being employed by that person.
- (6) Subsection (10) of section 435 (extended definition of company) applies for the purposes of sub-paragraphs (3) to (5) as it applies for the purposes of that section.
- (7) Regulations under this paragraph may—
 - (a) make different provision for different purposes;
 - (b) make incidental, consequential, supplemental and transitional provision.
- (8) Regulations under this paragraph are to be made by statutory instrument.
- (9) Regulations under this paragraph may not be made unless a draft of the statutory instrument containing the regulations has been laid before Parliament and approved by a resolution of each House of Parliament.

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- (10) This paragraph expires at the end of the period of 5 years beginning with the day on which it comes into force unless the power conferred by it is exercised during that period.”

130 Attachment of floating charges on administration (Scotland)

- (1) Paragraph 115 of Schedule B1 (administration) to the Insolvency Act 1986 is amended as follows.
- (2) After sub-paragraph (1) insert—
- “(1A) In Scotland, sub-paragraph (1B) applies in connection with the giving by the court of permission as provided for in paragraph 65(3)(b).
- (1B) On the giving by the court of such permission, any floating charge granted by the company shall, unless it has already so attached, attach to the property which is subject to the charge.”
- (3) In sub-paragraph (3), omit the words from “and” to the end.
- (4) After that sub-paragraph insert—
- “(4) Attachment of a floating charge under sub-paragraph (1B) or (3) has effect as if the charge is a fixed security over the property to which it has attached.”

Changes to legislation:

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