

*These notes refer to the Insolvency (Amendment) Act (Northern Ireland) 2016 (c.2) which received Royal Assent on 29 January 2016*

# Insolvency (Amendment) Act (Northern Ireland) 2016

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### *Schedule 3: Minor and Consequential Amendments*

This Schedule makes amendments to the Solicitors (Northern Ireland) Order 1976, the Insolvency (Northern Ireland) Order 1989, the Pensions (Northern Ireland) Order 2005 and the Insolvency (Northern Ireland) Order 2005.

Articles 103(1), 186(1)(a), 242(1)(a) and 242(2)(a) of the Insolvency Order are amended to achieve greater standardisation of the wording used in these provisions which deal with the service of statutory demands on companies and individuals.

An amendment to Article 185 of the Insolvency Order in conjunction with the repeal of words in paragraph (2) of that Article by Schedule 4 results in an unregistered company's principal place of business in Northern Ireland being deemed to be its registered office for the purposes of winding up.

Paragraphs 14 and 15 repeal Articles 348(1A) and 348A of the Insolvency Order. These provisions allow individuals to be authorised to act solely as nominees or supervisors in voluntary arrangements. No body has ever been recognised for the purpose of authorising such persons and therefore these provisions have never been used. The introduction of a regime for the partial authorisation of insolvency practitioners contained in section 14 is an evolution of the idea embodied in Articles 348(1A) and 348A and therefore these provisions are no longer required. Schedule 3 also includes repeals to various provisions in the Insolvency Order consequent on the repeal of these two provisions.

Paragraph 16 repeals Article 361A(2) which provided for the charging of a fee by the Department for authorisation to act as an insolvency practitioner.

Paragraph 17 repeals references in Schedule A1 to the Insolvency Order to being authorised to act as nominee or as supervisor, such authorisation having been done away with through the repeals made by paragraphs 14 and 15.

Paragraph 18 puts right an error in paragraph 1A of Schedule B1 to the Insolvency Order by providing that the bar on companies with a principal

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place of business in GB entering administration unless that they also have a principal place of business in Northern Ireland applies to companies which are incorporated outside the United Kingdom, not companies incorporated outside Northern Ireland.

Paragraph 19 repairs the omission of words which should have been included at the beginning of paragraph (3) of Schedule 1 to the Insolvency Order.