
EXPLANATORY NOTE

(This note is not part of the Regulations.)

These Regulations make amendments to the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) (“the Order”) as a result of the adoption by the Council of the European Union of Council Regulation (EC) No. 1346/2000 of 29th May 2000 on insolvency proceedings (O.J. No. L160, 30.06.00, p. 1) (“the EC Regulation”) which came into force on 31st May 2002.

The EC Regulation aims to provide for the efficient and effective functioning of cross-border insolvency proceedings in the European Union.

These Regulations provide amendments to the Order to ensure that provisions of domestic law do not conflict with the EC Regulation and generally to provide for it.

The Regulations amend the Order by –

- (a) modifying the definition of “property” in the Order (regulation 4);
- (b) providing that companies in relation to which UK courts may open proceedings under the EC Regulation may take advantage of various procedures under the Order (regulations 7, 8 and 10);
- (c) allowing temporary administrators appointed by courts in other member States of the European Union and liquidators appointed in main proceedings to present winding up petitions and bankruptcy petitions (regulations 9 and 13);
- (d) clarifying the jurisdiction of the High Court (regulation 11); and
- (e) making it clear that the conditions which must be satisfied in order to enable a person to present a bankruptcy petition are subject to the EC Regulation (regulation 14).

The Regulations also contain other technical amendments (regulations 5, 6, 12, 15 and 16).