

2006 No. 25

INSOLVENCY

**The Insolvency (Northern Ireland) Order 1989 (Prescribed Part)
Order (Northern Ireland) 2006**

Made - - - - - *2nd February 2006*

Coming into operation - *27th March 2006*

The Department of Enterprise, Trade and Investment(a), in exercise of the power conferred on it by Article 150A (2),(3) and (7) of the Insolvency (Northern Ireland) Order 1989(b) and every other power enabling it in that behalf, hereby makes the following Order:

Citation, Commencement and Interpretation

1.—(1) This Order may be cited as the Insolvency (Northern Ireland) Order 1989 (Prescribed Part) Order (Northern Ireland) 2006 and shall come into operation on 27 March 2006.

(2) In this order the “the 1989 Order” means the Insolvency (Northern Ireland) Order 1989.

Minimum value of the company’s net property

2. For the purposes of Article 150A(3)(a) of the 1989 Order the minimum value of the company’s net property shall be £10,000.

Calculation of prescribed part

3.—(1) The prescribed part of the company’s net property to be made available for the satisfaction of unsecured debts of the company pursuant to Article 150A of the 1989 Order shall be calculated as follows—

- (a) where the company’s net property does not exceed £10,000 in value, 50 per cent of that property;
- (b) subject to paragraph (2), where the company’s net property exceeds £10,000 in value the sum of—
 - (i) 50 per cent of the first £10,000 in value; and
 - (ii) 20 per cent of that part of the company’s net property which exceeds £10,000 in value.

(2) The value of the prescribed part of the company’s net property to be made available for the satisfaction of unsecured debts of the company pursuant to Article 150A shall not exceed £600,000.

(a) Formerly the Department of Economic Development; see S.I. 1999/283 (N.I. 1), Article 3(5)

(b) S.I. 1989/2405 (N.I. 19); Article 150A is inserted into the Order by Article 7(1) of the Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10))

Sealed with the Official Seal of the Department of Enterprise, Trade and Investment on 2 February
2006



Michael J Bohill
A senior officer of the
Department of Enterprise, Trade and Investment

EXPLANATORY NOTE

(This note is not part of the Order)

This Order sets out the method of calculation of the prescribed part referred to in Article 150A of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I.19)), which was inserted into that Order by Article 7(1) of the Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)). The prescribed part is a part of the insolvency estate of a company which, but for Article 150A, would have been available to the holders of debentures secured by floating charges. From the coming into operation of Article 150A and this Order, the amount of money reflecting the prescribed part as calculated by virtue of this Order will need to be set aside to satisfy the claims of unsecured creditors under the Article.