

EXPLANATORY MEMORANDUM TO THE INSOLVENCY (MONETARY LIMITS) (AMENDMENT) ORDER (NORTHERN IRELAND) 2006

2006 No. 26

1. This explanatory memorandum has been prepared by the Department of Enterprise, Trade and Investment and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 Provision is included in seven of the Articles currently in the Insolvency (Northern Ireland) Order 1989 (S.I. 1989 No. 2405 (N.I. 19)) (“the 1989 Order”) for amounts referred to in those Articles to be specified by Order under Article 362(1)(b).

2.2 The amounts referred to in these seven Articles are specified in a schedule to the Insolvency (Monetary Limits) Order (Northern Ireland) 1991 (S.R. 1991 No. 386).

2.3 The Order to which this memorandum relates increases, the amounts specified in relation to six of the original seven Articles to bring them into line with the amounts currently specified in relation to the equivalent provisions applying in GB. The seventh Article is repealed by the Insolvency (Northern Ireland) Order 2005 (S.I. 2005 No. 1455 (N.I. 10)) (“the 2005 Order”).

2.4 An amount is also specified for the purposes of the new Article 286A inserted into the 1989 Order by Article 17 of the 2005 Order and the items to be disregarded in determining the value of a bankrupt’s interest in his own or his spouse’s dwelling house for the purposes of Article 286A are identified. Article 286A requires the court to dismiss any application by a trustee in bankruptcy for sale or possession or a charging order where the value of a bankrupt’s interest in his own or his spouse’s dwelling house is below a specified amount.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None

4. Legislative Background

This Order amends the Insolvency (Monetary Limits) Order (Northern Ireland) 1991.

5. Extent

This instrument applies to Northern Ireland only.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- 7.1 This Order replicates for Northern Ireland the provisions of the Insolvency Proceedings (Monetary Limits) (Amendment) Order 2004 (S.I. 2004/547).
- 7.2 The amounts previously specified in the Schedule to the Insolvency (Monetary Limits) Order (Northern Ireland) 1991 were the same as those specified by the Insolvency Proceedings (Monetary Limits) Order 1986 (S.I. 1986/1996) in relation to the equivalent provisions applying in GB.
- 7.3 The Insolvency Proceedings (Monetary Limits) (Amendment) Order 2004 effected a 100% increase in the amounts specified in the Insolvency Proceedings (Monetary Limits) Order 1986.
- 7.4 The Order to which this memorandum relates likewise provides for a 100% increase in amounts specified in the Insolvency (Monetary Limits) Order (Northern Ireland) 1991, thereby bringing them into line with the amounts specified in GB.

8. Impact

- 8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies. Likewise there will be no impact on the public sector.

9. Contact

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