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## EXPLANATORY NOTE

*(This note is not part of the Order)*

Article 2 of this Order brings the provisions in the Insolvency (Amendment) Act (Northern Ireland) 2016 (“the Act”) listed in that Article into operation on 1 April 2016. A reference in this Note to a section is to a section of the Act unless otherwise stated.

Section 7 allows liquidators to reach compromises over calls, debts and claims due to companies without having to seek sanction from the Court, creditors or company members.

Section 8 allows trustees in bankruptcy to refer to arbitration or to compromise debts and claims due to bankrupts without having to seek sanction from the Court, creditors or the Department of Enterprise, Trade and Investment.

Section 9 establishes criteria for deciding whether liabilities in tort are provable in bankruptcy, company liquidations and administrations. This section also lays down rules for determining the date up to which debts incurred by companies which have successively been in liquidation and administration or vice versa are to be treated as debts for the purposes of the Insolvency (Northern Ireland) Order 1989 (“the Insolvency Order”)

Section 10 repeals provisions in the Insolvency Order under which arrears due in respect of a type of employee holiday scheme (which no longer exists) were to be treated as wages or salary.

Section 11 repeals Chapter 1 of Part 8 of the Insolvency Order which dealt with deeds of arrangement.

Section 13 amends Article 280 of the Insolvency Order to facilitate banks offering accounts to undischarged bankrupts.

Section 14 amends Part 12 of the Insolvency Order to introduce a new regime for the full and partial authorisation of insolvency practitioners.

Sections 15 to 22 make provision relating to the regulation of insolvency practitioners and introduce Schedule 1 which makes supplementary provision in relation to regulations designating a body as a single regulator of insolvency practitioners.

Section 23 amends Article 363 of the Insolvency (Northern Ireland) Order 1989 to give the Department power to make regulations to give effect to Part 12 of that Order.

Section 24 amends Article 10(2) of the Insolvency (Northern Ireland) Order 2005<sup>(1)</sup> to make it possible for the Department to make orders enabling societies registered under the Credit Unions (Northern Ireland) Order 1985 as well as societies registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 to enter a company arrangement or administration.

Section 25 amends Article 24(7) of the Insolvency (Northern Ireland) Order 2005 to create a requirement for the Lord Chief Justice to be consulted about the making of orders creating a right of appeal to a court in respect of discretionary decisions to disqualify bankrupts from offices or positions.

The provisions in Schedule 2 which are commenced by Article 2 of this Order make transitional provisions in respect of sections 7, 8 9 and paragraph (5) of section 14.

The provisions in Schedule 3 which are commenced by Article 2 of this Order make minor and consequential amendments to the Solicitors (Northern Ireland) Order 1976<sup>(2)</sup> and to the Insolvency (Northern Ireland) Order 1989.

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(1) [S.I. 2005/1455 \(N.I. 10\)](#)

(2) [S.I. 1976/582 \(N.I. 12\)](#)

**Status:** *This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

Schedule 4 insofar as it is commenced by Article 2 of this Order makes various repeals to the Insolvency (Northern Ireland) Orders 1989 and 2002, the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985, the Licensing (Northern Ireland) Order 1996, and the Pensions (Northern Ireland) 2005.

Article 3 of this Order makes transitional provisions with respect to Articles 350O to 350R inserted into the Insolvency Order by section 18.