

EXPLANATORY MEMORANDUM TO
The Insolvency (Amendment) (2016 Act) (Consequential Amendments and
Revocation) Order (Northern Ireland) 2021]

S.R. 2021 No. 140

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department for the Economy ("the Department") to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under [section 11(2) of the Insolvency (Amendment) Act (Northern Ireland) 2016 ("the Act")] and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The purpose of this Order is to revoke a piece of subordinate legislation made in connection with deeds of arrangement and to amend provisions in other subordinate legislation which refer to deeds of arrangement, in consequence of the repeal by Article 11(1) of the Act of Chapter 1 of Part 8 of the Insolvency (Northern Ireland) Order 1989 ("the Insolvency Order") which provided for deeds of arrangement.

3. Background

- 3.1. Chapter 1 of Part 8 of the Insolvency Order re-enacted provision for a type of formal personal insolvency procedure known as a deed of arrangement. Chapter 2 of Part 8 provided for a new type of formal personal insolvency procedure known as an individual voluntary arrangement.
- 3.2. There have been no deeds of arrangement in Northern Ireland since the Insolvency Order came into operation on 1 October 1991, the procedure having been entirely superseded by individual voluntary arrangements. Accordingly Chapter 1 of Part 8 of the Insolvency Order has been repealed by section 11 of the Act.
- 3.3. As a consequence of the repeal of provision in primary legislation for deeds of arrangement the Deeds of Arrangement Regulations (Northern Ireland) 1996 require to be revoked and consequential amendments are required to various other pieces of subordinate legislation which refer to deeds of arrangement.

4. Consultation

- 4.1. No consultation has been undertaken for this Order as a full public consultation was carried out prior to the making of the Act.

5. Equality Impact

- 5.1. Formal equality screening has not been carried out as the proposed provisions will not have any differential impact on any of the section 75 groups. This was also been addressed fully at the making of the Act.

6. Regulatory Impact

- 6.1. A Regulatory Impact Assessment has not been prepared for this order as it will not impose any costs on business and will not impact on charities, social enterprise or voluntary bodies.

7. Financial Implications

- 7.1. None.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that this order is compatible with the Convention Rights as defined in the Human Rights Act 1998, that it does not discriminate against a person or any class of person on the ground of religious belief or political opinion and that it does not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Not applicable

10. Parity or Replicatory Measure

- 10.1. Revocations and amendments to secondary legislation consequent on the repeal of the GB Deeds of Arrangement Act 1914 by section 19 of, and schedule 6 to, the Deregulation Act 2015 are included at schedule 3 to the Deregulation Act 2015 (Insolvency) (Consequential Amendments and Transitional and Savings Provisions) Order 2015 (S.I. 2015/1641)

11. Additional Information

- 11.1. Not applicable