STATUTORY RULES OF NORTHERN IRELAND

2023 No. 15

The Insolvency (Amendment) Rules (Northern Ireland) 2023

PART 3

Miscellaneous amendments of the principal Rules

Amendment to the principal Rules

- **6.** The principal Rules are amended as follows.
- 7. In Rule 0.2 (interpretation)—
- (1) After the definition of "authorised deposit-taker" insert—
 - "authenticate" means to authenticate in accordance with Rule A1.34 (Authentication of applications, notices and statements)".
- (2) After the definition of "the court" insert—
 - ""debt", in relation to meetings in respect of a moratorium under Part 1A of the Order means (subject to Rule A1.50 (Liabilities in tort)) any of the following—
 - (a) any debt or liability to which the company is subject at the date of the meeting;
 - (b) any debt or liability to which the company may become subject after the date of the meeting by reason of any obligation incurred before that date;
 - (c) any interest provable as mentioned in Rule A1.68 (Interest);".
- (3) After the definition of "the hearing date" insert—
 - ""identification details" and similar references to information identifying persons or proceedings etc in Part 1A of the Order or Part A1 are to be interpreted in accordance with Rule A1.35 (Information required to identify persons and proceedings etc);".
- (4) After the definition of "the insolvent estate" insert—
 - ""IP number" means the identifying number or reference issued to the insolvency practitioner by a professional body recognised under Article 350 (Recognised professional bodies) of the Order;".
- (5) After the definition of "Master" insert—
 - ""office-holder" means a person who under the Order or these Rules holds an office in relation to insolvency proceedings and includes a nominee;".
- (6) After the definition of "sealed" insert—
 - ""standard contents" means—
 - (a) for a document to be delivered to the registrar, the standard contents set out in Chapter 14 of Part A1;
 - (b) for a document to be delivered to other persons, the standard contents set out in Chapter 15 of Part A1;".

Commencement Information

- II Rule 6 in operation at 13.3.2023, see rule 1
- Rule 7 in operation at 13.3.2023, see rule 1

Amendment to the heading before Parts 1 to 4

8. In the heading before Parts 1 to 4, for "1 to 4" substitute "A1 to 4".

Commencement Information

I3 Rule 8 in operation at 13.3.2023, see rule 1

Amendment of Part 1

- 9. In Rule 1.01 (Scope of this Part; interpretation)—
- (1) In paragraph (2)—
 - (a) for sub-paragraph (a) substitute—
 - "(a) Chapter 2 applies where the proposal for the voluntary arrangement is made by the directors of the company and the company is neither in liquidation nor in administration:".
 - (b) In sub-paragraph (e) omit "with or without a moratorium".
 - (c) Omit sub-paragraph (f).
- (2) Omit paragraph (4).
- **10.** In Rule 1.03 (Contents of proposal) in paragraph (2), after sub-paragraph (m) insert—
 - "(ma) whether a moratorium is, or has been, in force for the company under Part 1A of the Order and, if so, the date that moratorium came into force and, (if applicable), the date it ended;".
- 11. In Rule 1.05 (Statement of affairs)—
- (1) In paragraph (2) after "those already given in the directors' proposal)" insert "and, in addition, where paragraph (2B) applies the information specified in that paragraph".
 - (2) After paragraph (2) insert—
- "(2A) Paragraph (2B) applies if a moratorium under Part 1A of the Order is, or has been, in force for the company at any time within the period of 12 weeks ending with the day on which the statement of affairs is made up.
- (2B) Where this paragraph applies the statement of affairs must identify which of the debts owed by the company are—
 - (a) moratorium debts; and
 - (b) priority pre-moratorium debts;

within the meaning given by Article 148A(1).".

12. Omit chapter 9 of Part 1.

⁽¹⁾ Article 148A was inserted by paragraph 17 of Schedule 7 to the Corporate Insolvency and Governance Act 2020 (c. 12).

Commencement Information

- Rule 9 in operation at 13.3.2023, see rule 1
- I5 Rule 10 in operation at 13.3.2023, see rule 1
- I6 Rule 11 in operation at 13.3.2023, see rule 1
- I7 Rule 12 in operation at 13.3.2023, see rule 1

Amendment of Part 2

- 13. In Rule 2.006 (Service of application) before sub-paragraph (3)(a) insert—
 - "(za) if there is a moratorium in force for the company under Part 1A of the Order, the monitor;".
- 14. In Rule 2.012 (The hearing) after sub-paragraph (1)(c) insert—
 - "(ca) if there is a moratorium in force for the company under Part 1A of the Order, the monitor;".
- **15.** In Rule 2.028 (Notification and advertisement of administrator's appointment) before subparagraph (2)(a) insert—
 - "(za) if there is a moratorium in force for the company under Part 1A of the Order, to the monitor;".
 - **16.** In Rule 2.034 (Administrator's proposals)—
 - (1) In paragraph (2)—
 - (a) after sub-paragraph (e) insert—
 - "(ea) a statement as to whether a moratorium under Part 1A of the Order has been in force for the company at any time within the period of 2 years ending with the day on which it entered administration and, if so—
 - (i) the date on which it came into force;
 - (ii) the date on which it ended; and
 - (iii) particulars of the purposes for which it was entered into and whether, and to what extent, those purposes were achieved;" and
 - (b) in sub-paragraph (j) after "financial position of the company" insert "(as to which see paragraph (2ZA))".
 - (2) After paragraph (2) insert—
 - "(2ZA) For the purposes of paragraph (2)(j) if a moratorium has been in force at any time within the period of 12 weeks ending with the day on which the company entered administration then the details of the financial position of the company must identify which of the debts owed by the company are—
 - (a) moratorium debts; and
 - (b) priority pre-moratorium debts;

within the meaning given by Article 148A.".

- 17. In Rule 2.068 (Expenses of the administration), after paragraph (3) insert—
 - "(3A) Where paragraph 65A or paragraph 100(1) of Schedule B1 to the Order applies, the items specified in paragraph 65A or paragraph 100 (as the case may be) are payable in priority to the expenses in this Rule."
- 18. After Rule 2.068 insert—

"Priority of moratorium debts in subsequent administration

- **2.068ZA.** Where paragraph 65A(1) of Schedule B1 to the Order applies, the moratorium debts and priority pre-moratorium debts mentioned in paragraph 65A(2) of that Schedule are payable in the following order of priority—
 - (a) amounts payable in respect of goods or services supplied during the moratorium under a contract where, but for Article 197B(3) or (4)(2), the supplier would not have had to make that supply;
 - (b) wages or salary arising under a contract of employment, so far as relating to a period of employment before or during the moratorium;
 - (c) other debts or other liabilities apart from the monitor's remuneration or expenses;
 - (d) the monitor's remuneration or expenses.".
- **19.** In Rule 2.096 (Notice of proposed distribution)—
- (1) In paragraph (1), after "he shall" insert "(subject to paragraphs (5) and (6));".
- (2) For paragraph 2(b) substitute—
 - "(b) state which of the following classes of creditor will be included in the distribution—
 - (i) creditors in respect of a debt which is a moratorium debt or priority pre-moratorium debt within the meaning given by Article 148A;
 - (ii) preferential creditors;
 - (iii) unsecured creditors.".
- (3) For paragraph (5) substitute—
 - "(5) Paragraph (6) applies where the intended dividend is only for one or both of the following—
 - (a) preferential creditors; or
 - (b) creditors in respect of a debt which is a moratorium debt or priority premoratorium debt with the meaning given by Article 148A.".
- (4) After paragraph (5) insert—
 - "(6) Where this paragraph applies the administrator is only required to deliver a notice pursuant to paragraph (1) of this Rule to those creditors referred to in sub-paragraph (5) (a) and (b) for whom the dividend is intended and public advertisement of the intended dividend need only be done if the administrator thinks fit.".
- **20.** In Rule 2.099 (Notice of declaration of a dividend)—
- (1) In paragraph (1), after "he shall" insert "(subject to paragraphs (3) and (4))".
- (2) After paragraph (2) insert—
 - "(3) Paragraph (4) applies where the administrator declares a dividend which is only for one or both of the following—
 - (a) preferential creditors; or
 - (b) creditors in respect of a debt which is a moratorium debt or priority premoratorium debt within the meaning given by Article 148A.
 - (4) Where this paragraph applies the notice under paragraph (1) need only be delivered to those creditors referred to in sub-paragraph (3)(a) or (b) (as the case may be) who have proved for their debts."

Amendment of Part 4

- **21.** In Rule 4.002 (Winding up by the court: the various forms of petition) in paragraph (1) omit "paragraph (fa) end of moratorium without approval of voluntary arrangement;".
- **22.** In Rule 4.013 (Persons entitled to copy of petition) after "company" insert, "and, (if a moratorium under Part 1A of the Order is in force for the company), the monitor".
 - 23. In Rule 4.021 (Transmission and advertisement of order) for paragraph (4) substitute—
 - "(4) The official receiver shall forward a copy of the order to—
 - (i) the registrar (in compliance with Article 110(1)); and
 - (ii) if a moratorium under Part 1A of the Order was in force for the company at the time the petition for the winding up of the company was presented, the monitor.".
 - **24.** In Rule 4.027 (Appointment of provisional liquidator) before paragraph (2)(d)(i) insert— "(zi) a moratorium under Part 1A of the Order is in force for the company;".
 - **25.** In Rule 4.029 (Order of appointment) for paragraph (3) substitute—
 - "(3) The official receiver or other person appointed as provisional liquidator must as soon as reasonably practicable deliver a sealed copy of the order to either—
 - (a) the company; or
 - (b) the liquidator, if a liquidator was appointed for the company's voluntary winding-up.
 - (4) Where a moratorium under Part 1A of the Order is in force for the company the official receiver or other person appointed as provisional liquidator must as soon as reasonably practicable deliver a sealed copy of the order to the monitor.
 - (5) The official receiver or other person appointed as provisional liquidator must as soon as reasonably practicable deliver a copy of the order with form 4.16A to the registrar.".
 - **26.** In Rule 4.034 (Termination of appointment) at the end insert—
 - "(3) Notice of termination of the appointment of a provisional liquidator must be given by the provisional liquidator, unless the termination is on the making of a winding-up order or the court otherwise directs.
 - (4) The notice referred to in paragraph (3)—
 - (a) must be sent as soon as reasonably practicable to—
 - (i) the registrar; and
 - (ii) if a moratorium under Part 1A of the Order is in force for the company, the monitor:

- (b) must be gazetted as soon as reasonably practicable; and
- (c) may be advertised in such other manner as the provisional liquidator thinks fit.
- (5) The notice under paragraph (3) must state—
 - (a) that the appointment as provisional liquidator has been terminated;
 - (b) the date of that termination; and
 - (c) that the appointment terminated otherwise than on the making of a winding-up order.".
- 27. After Rule 4.113 (Appointment to be advertised and registered) insert—

"Additional requirements as to advertisement where moratorium under Part 1A of the Order in force

- **4.113A.**—(1) This Rule applies in the case of a voluntary winding up where, immediately before the company goes into liquidation, a moratorium under Part 1A of the Order is in force for that company.
- (2) Where this Rules applies the liquidator must, in addition to delivering a notice of the appointment in accordance with Article 95(1), deliver notice of the liquidator's appointment to the monitor.
- (3) Notice under this Rule must be given within the period of 14 days beginning with the day on which the liquidator is appointed.".
- 28. In Rule 4.228 (General Rule as to priority)—
- (1) After paragraph (1) insert—
 - "(1A) The costs of an application by the liquidator under Rule A1.27 are to be treated as an expense of the winding up unless the court orders otherwise."
- (2) In paragraph (3), after "as provided in" insert "paragraphs (5) and (6), Rule 4.228ZA, and".
- (3) After paragraph (4) insert—
 - "(5) This paragraph applies where—
 - (a) a moratorium has been in force for a company under Part 1A of the Order;
 - (b) proceedings for the winding up of the company are begun before the end of the period of 12 weeks beginning with the day after the end of the moratorium; and
 - (c) there are claims in respect of any prescribed fees or expenses of the official receiver which, in accordance with Article 148A(2), fall to be paid in preference to all other claims.
 - (6) Where paragraph (5) applies, then, in consequence of those claims of the official receiver falling to be paid in preference to all other claims by virtue of Article 148A(2), the order of priority referred to in paragraph (3) is modified as follows—
 - (a) sub-paragraph (a)(ii) is omitted in relation to any expenses chargeable or incurred by the official receiver;
 - (b) sub-paragraph (a)(iii) and (iv) are omitted; and
 - (c) sub-paragraphs (b) to (d) are omitted in relation to any expenses incurred by, or fee payable to, the official receiver.".
- 29. After Rule 4.228 (General Rule as to priority) insert—

"Priority of moratorium debts in subsequent winding up

- **4.228ZA.** Where Article 148A applies the moratorium debts and priority premoratorium debts mentioned in paragraph (2)(b) of that Article are payable in the following order of priority—
 - (a) amounts payable in respect of goods or services supplied during the moratorium under a contract where, but for Article 197B(3) or (4), the supplier would not have had to make that supply;
 - (b) wages or salary arising under a contract of employment;
 - (c) other debts or other liabilities apart from the monitor's remuneration or expenses;
 - (d) the monitor's remuneration or expenses.".
- **30.** In Rule 4.228A (Litigation expenses and property subject to a floating charge general provisions) in paragraph (1)(b), before (i) insert—
 - "(ai) a creditor in respect of a debt which is a moratorium debt or a priority premoratorium debt within the meaning given by Article 148A;".
- **31.** In Rule 4.228C (Litigation expenses and property subject to a floating charge request for approval or authorisation) for paragraph (4)(c) substitute—
 - "(c) notice to—
 - (i) each preferential creditor; and
 - (ii) each creditor of the kind described in Rule 4.228A(1)(b)(ai);

that approval or authorisation of the specified amount will be taken to be given where a majority in value of those creditors referred to in sub-paragraphs (i) and (ii) who respond within the specified time limit are in favour of it; or".

- **32.** In Rule 4.228D (Litigation expenses and property subject to a floating charge grant of approval or authorisation)—
 - (1) For paragraph (3), substitute—
 - "(3) Paragraph (3A) applies where the liquidator requires the approval or authorisation of—
 - (a) two or more—
 - (i) preferential creditors; or
 - (ii) creditors of the kind described in Rule 4.228A(1)(b)(ai); or
 - (b) one or more preferential creditors together with one or more creditors of the kind described in Rule 4.228A(1)(b)(ai).".
 - (2) After paragraph (3) insert—
 - "(3A) Where this paragraph applies approval or authorisation shall be taken to be given where a majority in value of those creditors referred to in sub-paragraphs 3(a)(i) or (ii) or paragraph (3)(b) (as the case may be) who respond within the specified time limit approve or authorise—
 - (a) the specified amount; or
 - (b) a different amount which the liquidator considers sufficient.".
 - (3) For paragraph (4) substitute—
 - "(4) Where a majority in value of—
 - (a) two or more—

- (i) preferential creditors; or
- (ii) creditors of the kind described in Rule 4.228A(1)(b)(ai); or
- (b) one or more preferential creditors together with one or more creditors of the kind described in Rule 4.228A(1)(b)(ai);

propose an amount other than that specified by the liquidator, they shall be taken to have approved or authorised an amount equal to the lowest of the amounts so proposed.".

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Commencement Information
       Rule 21 in operation at 13.3.2023, see rule 1
 I17
        Rule 22 in operation at 13.3.2023, see rule 1
 I18
        Rule 23 in operation at 13.3.2023, see rule 1
        Rule 24 in operation at 13.3.2023, see rule 1
 I19
 I20
        Rule 25 in operation at 13.3.2023, see rule 1
 I21
        Rule 26 in operation at 13.3.2023, see rule 1
 I22
        Rule 27 in operation at 13.3.2023, see rule 1
 I23
        Rule 28 in operation at 13.3.2023, see rule 1
 I24
        Rule 29 in operation at 13.3.2023, see rule 1
 125
        Rule 30 in operation at 13.3.2023, see rule 1
 I26
        Rule 31 in operation at 13.3.2023, see rule 1
 I27
        Rule 32 in operation at 13.3.2023, see rule 1
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Amendment of Part 7

- **33.** In Rule 7.01 (Heading and title of proceedings) in paragraph (1) for "Parts II to VII" substitute "Parts A1 to VII".
 - 34. In Rule 7.07 (Form and contents of application)—
 - (1) At the end of paragraph (1)(a) insert "or these Rules (as applicable)".
 - (2) After paragraph (3) insert—
 - "(4) In the case of an application under Part A1, the application must be authenticated by or on behalf of the applicant or the applicant's solicitor.".
 - **35.** In Rule 7.08 (Filing and service of application) for paragraph (3) substitute—
 - "(3) The applicant must serve a sealed copy of the application, endorsed with the date for the hearing on—
 - (a) the respondent named in the application (or on each respondent if more than one); and
 - (b) where an application is made under Part 1A of the Order relating to a regulated company within the meaning given by Article 13H, the appropriate regulator (within the meaning given by that Article),

unless the court directs or the Rules provide otherwise.".

- **36.** In Rule 7.12 (Use of reports), paragraph (1)(b)—
- (1) omit ", or" and substitute "," at the end of head (iv);
- (2) in head (v) after "Article 247(2)" omit the full stop and insert ", or"; and
- (3) after head (v) insert—
- "(vi) a monitor.".
- 37. In Rule 7.13B (Power to make a block transfer order), paragraph (2)—

- (1) omit ", or" at the end of sub-paragraph (c) and substitute ",";
- (2) the end of sub-paragraph (d) omit the full stop and insert ", or";
- (3) after sub-paragraph (d) insert—
 - "(e) a monitor in respect of a moratorium under Part 1A of the Order.".
- **38.** In Rule 7.13C (Application for a block transfer order), paragraph (2)—
- (1) before sub-paragraph (a) insert—
 - "(za) Article 13EE (moratorium under Part 1A of the Order);";
- (2) for sub-paragraph (e) substitute—
 - "(e) Article 20(5) (voluntary arrangement under Part II of the Order); and".
- (3) In paragraph (3)—
 - (a) before sub-paragraph (a) insert—
 - "(za) Article 13EE (moratorium under Part 1A of the Order);";
 - (b) For sub-paragraph (e) substitute—
 - "(e) Article 20(5) (voluntary arrangement under Part II of the Order); and".
- **39.** In Rule 7.20 (Orders enforcing compliance with the Order)—
- (1) In paragraph (1), before sub-paragraph (a) insert—
 - "(za) Article 13EB (Provision of information to monitor);".
- (2) In paragraph (2), before sub-paragraph (a) insert—
 - "(za) under Article 13EB, the monitor;".
- **40.** In Rule 7.27 (Right to inspect the file) in paragraph (2)(a), for "Parts II to VII" substitute "Parts A1 to VII".
 - 41. In Rule 7.36 (Applications for costs) in paragraph (2), for sub-paragraph (a) substitute—
 - "(a) in proceedings other than those relating to a debt relief order, on the responsible insolvency practitioner and—
 - (i) in a winding up by the court or bankruptcy, on the official receiver; or
 - (ii) in proceedings under Part 1A of the Order, on the company to which the moratorium relates; or".

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Commencement Information
        Rule 33 in operation at 13.3.2023, see rule 1
 128
 I29
        Rule 34 in operation at 13.3.2023, see rule 1
 I30
       Rule 35 in operation at 13.3.2023, see rule 1
 I31
       Rule 36 in operation at 13.3.2023, see rule 1
 I32
       Rule 37 in operation at 13.3.2023, see rule 1
 I33
       Rule 38 in operation at 13.3.2023, see rule 1
 I34
       Rule 39 in operation at 13.3.2023, see rule 1
 I35
       Rule 40 in operation at 13.3.2023, see rule 1
 I36
       Rule 41 in operation at 13.3.2023, see rule 1
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Amendment of Part 11

42. In Rule 11.06 (Notice of declaration)—

- (1) In paragraph (1), after "practitioner shall" insert "subject to paragraphs (6) and (7)".
- (2) After paragraph (5) insert—
 - "(6) Paragraph (7) applies where the responsible insolvency practitioner declares a dividend which is only for one or both of the following—
 - (a) preferential creditors, or
 - (b) creditors in respect of a debt which is a moratorium debt or priority premoratorium debt within the meaning given by Article 148A.
 - (7) Where this paragraph applies the notice under paragraph (1) need only be delivered to those creditors referred to in sub-paragraph (6)(a) or (b) (as the case may be) who have proved for their debts.".
- 43. In Rule 11.12 (Preferential creditors)—
- (1) At the end of the heading insert "or creditors in respect of a debt which is a moratorium debt or priority pre-moratorium debt within the meaning given by Article 148A".
 - (2) For paragraph (2) substitute—
 - "(2) Paragraph (3) applies where the intended dividend is only for one of both of the following—
 - (a) preferential creditors, or
 - (b) creditors in respect of a debt which is a moratorium debt, or a priority premoratorium debt within the meaning given by Article 148A.".
 - (3) After paragraph (2) insert—
 - "(3) Where this paragraph applies the responsible insolvency practitioner is only required to deliver a notice pursuant to paragraph (1) of Rule 11.02 to those creditors referred to in sub-paragraph (2)(a) or (b) to whom the dividend is intended."

Commencement Information

- **I37** Rule 42 in operation at 13.3.2023, see **rule 1**
- **I38** Rule 43 in operation at 13.3.2023, see rule 1

Amendment of Part 12

- 44. In Rule 12.02 (Costs) after paragraph (2) insert—
 - "(3) The costs of an application by the administrator under Rule A1.27 are to be treated as an expense of the administration unless the court orders otherwise."
- **45.** Rule 12.04 (Notices), after paragraph (1) insert—
 - "(1A) All applications and statements referred to in Part 1A of the Order or Part A1 must be in writing, unless it is otherwise provided, or the court allows the application or statement to be made in some other way.
 - (1B) The requirement that a notice, application or statement required or authorised by or under Part 1A of the Order or Part A1 must be in writing is satisfied if the notice, application or statement is in electronic form.
 - (1C) But paragraph (1B) does not apply in relation to the filing of a notice, application or statement with the court.
 - (1D) Where pursuant to paragraph (1B), a document is in electronic form, it must be capable of being—

- (a) read by the recipient in electronic form; and
- (b) reproduced by the recipient in hard-copy form.".
- **46.** In Rule 12.05 (Quorum at meeting of creditors or contributories) in paragraph (3) for "Parts II to VII" substitute "Parts A1 to VIII".
 - 47. In Rule 12.19 (Right to have list of creditors) before paragraph (1)(a) insert—
 - "(za) a moratorium under Part 1A of the Order,".

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Commencement Information

139 Rule 44 in operation at 13.3.2023, see rule 1

140 Rule 45 in operation at 13.3.2023, see rule 1

141 Rule 46 in operation at 13.3.2023, see rule 1

142 Rule 47 in operation at 13.3.2023, see rule 1
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Amendments to Schedule 2

- 48. In Schedule 2 to the principal Rules—
- (1) In the index to forms—
 - (a) omit the entries for Forms 1.05 to 1.19;
 - (b) immediately after the entry for Form 4.26 insert "Form 4.26A Proof of Debt For use with moratorium";
 - (c) immediately after the entry for Form 8.5 insert "Form 8.6 Insolvency (Northern Ireland) Order 1989 Proxy Moratorium".
- (2) Omit Forms 1.05 to 1.19.
- (3) For Forms 2.03B, 2.08B, 2.10B, 2.14B, 4.02, 4.18, 4,19 and 4.20 substitute the forms so numbered in Part A of the Schedule.
 - (4) After Form 4.26 insert Form 4.26A as set out in Part B of the Schedule.
 - (5) After Form 8.5 insert Form 8.6 as set out in Part B of the Schedule.

Commencement Information

I43 Rule 48 in operation at 13.3.2023, see rule 1

Changes to legislation:
There are currently no known outstanding effects for the The Insolvency (Amendment) Rules (Northern Ireland) 2023, PART 3.