
DRAFT STATUTORY INSTRUMENTS

2020 No.

**The Bank Recovery and Resolution
(Amendment) (EU Exit) Regulations 2020**

PART 5

Other Provision made under the European Communities Act 1972

CHAPTER 5

Amendments to priority of debts in insolvency

Further Amendment of Insolvency Legislation

Amendments of the Insolvent Partnerships Order (Northern Ireland) 1995

122.—(1) The Insolvent Partnerships Order (Northern Ireland) 1995 is modified in accordance with this regulation.

(2) Schedule 1 (modified provisions of Part 2 of, and Schedule A1 to, the Insolvency (Northern Ireland) Order 1989 (company voluntary arrangements) as applied by article 4)(1) applies as if in modified Article 17(4) (decisions of meetings), in sub-paragraph (d), for “or (3)” there were substituted “, (3) or (3A)”.

(3) Schedule 2 (modified provisions of Schedule B1 and Schedule 1 to the Insolvency (Northern Ireland) Order 1989 (administration) as applied by article 6)(2) applies as if in paragraph 35, in modified paragraph 74(1), in sub-paragraph (e), for “or (3)” there were substituted “, (3) or (3A)”.

(4) Paragraph 23 of Schedule 4 (provisions of the Insolvency (Northern Ireland) Order 1989 which apply with modifications for the purposes of article 8 to the winding up of an insolvent partnership on a creditor’s petition where concurrent petitions are presented against one or more members)(3) applies as if—

(a) in modified Article 149A (priority of debts in joint estate)—

(i) in paragraph (2), after sub-paragraph (bb) there were inserted—

“(bc) the quaternary non-preferential debts;”;

(ii) in sub-paragraph (5B)(b), for “Article 149B(1)(bc)” there were substituted “Article 149B(1)(bb)”;

(iii) after paragraph (5B) there were inserted—

“(5C) Where the joint estate is not sufficient for the payment of the quaternary non-preferential debts in accordance with sub-paragraph (bc) of paragraph (2), the responsible insolvency practitioner shall aggregate the value of those debts to the

(1) Schedule 1 was substituted by [S.R. 2003 No.550](#) and amended by [S.I. 2014/3486](#) and [S.I. 2018/1244](#).

(2) Schedule 2 was substituted by [S.R. 2006 No.515](#) and amended by [S.I. 2014/3486](#) and [S.I. 2018/1244](#); there are other amendments but none is relevant.

(3) Schedule 4 was amended by [S.I. 2014/3486](#) and [S.I. 2018/1244](#); there are other amendments but none is relevant.

extent that they have not been satisfied or are not capable of being satisfied, and that aggregate amount shall be a claim against the separate estate of each member of the partnership against whom an insolvency order has been made which—

- (a) shall be a debt provable by the responsible insolvency practitioner in each such estate, and
- (b) shall rank as a debt of the member in accordance with Article 149B(1)(bc).”;
- (iv) in paragraph (9), after “(5B),” there were inserted “(5C),”;
- (b) in modified Article 149B(1) (priority of debts in separate estate)—
 - (i) at the end of sub-paragraph (bb) there were inserted “(including any debt referred to in Article 149A(5B)(a))”;
 - (ii) after sub-paragraph (bb) there were inserted—
 - “(bba) the quaternary non-preferential debts;”;
 - (iii) for sub-paragraph (bc) there were substituted—
 - “(bc) the debt referred to in Article 149A(5C)(a);”;
- (c) in modified Article 149C (provisions generally applicable in distribution of joint and separate estates)—
 - (i) in paragraph (3), after “(5B)(a)” insert “, (5C)(a)”;
 - (ii) in paragraph (4), for “and tertiary non-preferential debts” substitute “, tertiary non-preferential debts and quaternary non-preferential debts”;
 - (iii) in sub-paragraph (8)(b), after “(5B),” insert “(5C),”.
- (5) Paragraph 21 of Schedule 7 (provisions of the Insolvency (Northern Ireland) Order 1989 which apply with modifications for the purposes of article 11 where a joint bankruptcy petition is presented by individual members without winding up the partnership as an unregistered company)(4) applies as if—
 - (a) in modified Article 300A (priority of debts in joint estate)—
 - (i) in paragraph (2), after sub-paragraph (bb) there were inserted—
 - “(bc) the quaternary non-preferential debts;”;
 - (ii) in paragraph (5B), for “Article 300B(1)(bc)” there were substituted “Article 300B(1)(bb)”;
 - (iii) after paragraph (5B) there were inserted—
 - “(5C) Where the joint estate is not sufficient for the payment of the quaternary non-preferential debts in accordance with sub-paragraph (bc) of paragraph (2), the responsible insolvency practitioner shall aggregate the value of those debts to the extent that they have not been satisfied or are not capable of being satisfied, and that aggregate amount shall be a claim against the separate estate of each member of the partnership against whom an insolvency order has been made which—
 - (a) shall be a debt provable by the responsible insolvency practitioner in each such estate, and
 - (b) shall rank as a debt of the member in accordance with Article 300B(1)(bc).”;
 - (iv) in paragraph (9) after “(5B),” there were inserted “(5C),”;
 - (b) in modified Article 300B(1) (priority of debts in separate estate)—

- (i) at the end of sub-paragraph (bb) there were inserted “(including any debt referred to in Article 300A(5B)(a))”;
 - (ii) after sub-paragraph (bb) there were inserted—
 - “(bba) the quaternary non-preferential debts;”;
 - (iii) for sub-paragraph (bc) there were substituted—
 - “(bc) the debt referred to in Article 300A(5C)(a);”;
- (c) in modified Article 300C (provisions generally applicable in distribution of joint and separate estates)—
- (i) in paragraph (3), after “(5B)(a)” there were inserted “, (5C)(a)”;
 - (ii) in paragraph (4), for “and tertiary non-preferential debts” there were substituted “, tertiary non-preferential debts and quaternary non-preferential debts”;
 - (iii) in sub-paragraph (8)(b), after “(5B),” there were inserted “(5C),”.