

Changes to legislation: There are currently no known outstanding effects for the Small Business, Enterprise and Employment Act 2015, Cross Heading: Company voluntary arrangements. (See end of Document for details)

SCHEDULES

SCHEDULE 9 **U.K.**

ABOLITION OF REQUIREMENTS TO HOLD MEETINGS; OPTED-OUT CREDITORS

PART 1 **U.K.**

COMPANY INSOLVENCY

Company voluntary arrangements

- 2 In section 2(2) (nominee's report on company's proposal), for paragraphs (aa) and (b) substitute—
- (b) whether, in his opinion, the proposal should be considered by a meeting of the company and by the company's creditors, and
 - (c) if in his opinion it should, the date on which, and time and place at which, he proposes a meeting of the company should be held.”

Commencement Information

- I1** Sch. 9 para. 2 in force at 26.5.2015 for specified purposes by S.I. 2015/1329, reg. 3(d)
- I2** Sch. 9 para. 2 in force at 6.4.2017 for E.W. in so far as not already in force by S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- I3** Sch. 9 para. 2 in force at 6.4.2019 for S. in so far as not already in force by S.I. 2019/816, reg. 4(c) (with reg. 5)

- 3 (1) Section 3 (summoning of meetings) is amended as follows.
- (2) In subsection (1)—
- (a) for the words from “that” to “summoned” substitute “ under section 2(2) that the proposal should be considered by a meeting of the company and by the company's creditors ”;
 - (b) for the words from “directs)” to the end substitute “directs)—
 - (a) summon a meeting of the company to consider the proposal for the time, date and place proposed in the report, and
 - (b) seek a decision from the company's creditors as to whether they approve the proposal.”
- (3) In subsection (2), for the words from “shall” to the end substitute “shall—
- (a) summon a meeting of the company to consider the proposal for such time, date and place as he thinks fit, and
 - (b) seek a decision from the company's creditors as to whether they approve the proposal.”
- (4) For subsection (3) substitute—

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“(3) A decision of the company's creditors as to whether they approve the proposal is to be made by a qualifying decision procedure.

(4) Notice of the qualifying decision procedure must be given to every creditor of the company of whose claim and address the person seeking the decision is aware.”

(5) For the heading substitute “ Consideration of proposal ”.

Commencement Information

I4 Sch. 9 para. 3 in force at 26.5.2015 for specified purposes by S.I. 2015/1329, reg. 3(d)

I5 Sch. 9 para. 3 in force at 6.4.2017 for E.W. in so far as not already in force by S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

I6 Sch. 9 para. 3 in force at 6.4.2019 for S. in so far as not already in force by S.I. 2019/816, reg. 4(c) (with reg. 5)

4 (1) Section 4 (decisions of meetings) is amended as follows.

(2) For subsection (1) substitute—

“(1) This section applies where, under section 3—

- (a) a meeting of the company is summoned to consider the proposed voluntary arrangement, and
- (b) the company's creditors are asked to decide whether to approve the proposed voluntary arrangement.

(1A) The company and its creditors may approve the proposed voluntary arrangement with or without modifications.”

(3) In subsection (3) for “A meeting so summoned shall not” substitute “ Neither the company nor its creditors may ”.

(4) In subsection (4)—

- (a) for “a meeting so summoned shall not” substitute “ neither the company nor its creditors may ”;
- (b) omit “the meeting may approve”;
- (c) after “such a proposal or modification” insert “ may be approved ”.

(5) In subsection (5) for “each of the meetings” substitute “ the meeting of the company and the qualifying decision procedure ”.

(6) In subsection (6) for “either” substitute “ the company ”.

(7) After subsection (6) insert—

“(6A) After the company's creditors have decided whether to approve the proposed voluntary arrangement the person who sought the decision must—

- (a) report the creditors' decision to the court, and
- (b) immediately after reporting to the court, give notice of the creditors' decision to such persons as may be prescribed.”

(8) In the heading, for “meetings” substitute “ the company and its creditors ”.

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- I7** Sch. 9 para. 4 in force at 26.5.2015 for specified purposes by S.I. 2015/1329, reg. 3(d)
- I8** Sch. 9 para. 4 in force at 6.4.2017 for E.W. in so far as not already in force by S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- I9** Sch. 9 para. 4 in force at 6.4.2019 for S. in so far as not already in force by S.I. 2019/816, reg. 4(c) (with reg. 5)

- 5 (1) Section 4A (approval of arrangement) is amended as follows.
- (2) In subsection (2)—
- (a) in paragraph (a) for “both meetings summoned under section 3” substitute “the meeting of the company summoned under section 3 and by the company's creditors pursuant to that section”;
 - (b) in paragraph (b) for “creditors' meeting summoned under” substitute “company's creditors pursuant to”.
- (3) In subsections (3), (4)(a) and (6)(a) for “creditors' meeting” substitute “company's creditors”.

Commencement Information

- I10** Sch. 9 para. 5 in force at 26.5.2015 for specified purposes by S.I. 2015/1329, reg. 3(d)
- I11** Sch. 9 para. 5 in force at 6.4.2017 for E.W. in so far as not already in force by S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- I12** Sch. 9 para. 5 in force at 6.4.2019 for S. in so far as not already in force by S.I. 2019/816, reg. 4(c) (with reg. 5)

- 6 (1) Section 5 (effect of approval) is amended as follows.
- (2) In subsection (2)—
- (a) in paragraph (a) for “creditors' meeting” substitute “time the creditors decided to approve the voluntary arrangement”;
 - (b) in paragraph (b)(i) for the words from “at that” to “it” substitute “in the qualifying decision procedure by which the creditors' decision to approve the voluntary arrangement was made”.
- (3) In subsection (4)(a) after “4(6)” insert “and (6A)”.

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- I13** Sch. 9 para. 6 in force at 26.5.2015 for specified purposes by S.I. 2015/1329, reg. 3(d)
- I14** Sch. 9 para. 6 in force at 6.4.2017 for E.W. in so far as not already in force by S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- I15** Sch. 9 para. 6 in force at 6.4.2019 for S. in so far as not already in force by S.I. 2019/816, reg. 4(c) (with reg. 5)

- 7 (1) Section 6 (challenge of decisions) is amended as follows.
- (2) In subsection (1)(b) for “either of the meetings” substitute “the meeting of the company, or in relation to the relevant qualifying decision procedure”.
- (3) After subsection (1) insert—

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“(1A) In this section—

- (a) the “relevant qualifying decision procedure” means the qualifying decision procedure in which the company's creditors decide whether to approve a voluntary arrangement;
- (b) references to a decision made in the relevant qualifying decision procedure include any other decision made in that qualifying decision procedure.”

(4) In subsection (2)—

- (a) in paragraph (a) for “either of the meetings” substitute “ the meeting of the company or in the relevant qualifying decision procedure ”;
- (b) in paragraph (aa) for “at the creditors' meeting” substitute “ in the relevant qualifying decision procedure ”.

(5) In subsection (3)(a) after “4(6)” insert “ and (6A) ”.

(6) In subsection (3)(b)—

- (a) for “creditors' meeting” substitute “ relevant qualifying decision procedure ”;
- (b) for “the meeting” substitute “ the relevant qualifying decision procedure ”.

(7) In subsection (4), for “one or both” substitute “ any ”.

(8) In subsection (4)(a), for “in question” substitute “ of the company, or in the relevant qualifying decision procedure, ”.

(9) In subsection (4)(b)—

- (a) for “further meetings” substitute “ a further company meeting ”;
- (b) for “, a further company or (as the case may be) creditors'” substitute “ and relating to the company meeting, a further company ”.

(10) In subsection (4), after paragraph (b) insert—

“(c) direct any person—

- (i) to seek a decision from the company's creditors (using a qualifying decision procedure) as to whether they approve any revised proposal the person who made the original proposal may make, or
- (ii) in a case falling within subsection (1)(b) and relating to the relevant qualifying decision procedure, to seek a decision from the company's creditors (using a qualifying decision procedure) as to whether they approve the original proposal.”

(11) In subsection (5) for “for the summoning of meetings to consider” substitute “ or (c) in relation to ”.

(12) In subsection (6)—

- (a) after “meeting” insert “ or relevant qualifying decision procedure ”;
- (b) in paragraph (a) after “(4)(b)” insert “ or (c) ”.

(13) In subsection (7)—

- (a) the words from “a decision” to the end become paragraph (a);
- (b) in that paragraph (a), after “at a” insert “ company ”;
- (c) after that paragraph (a) insert “, and

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- (b) a decision of the company's creditors made in the relevant qualifying decision procedure is not invalidated by any irregularity in relation to the relevant qualifying decision procedure.”

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- I16** Sch. 9 para. 7 in force at 26.5.2015 for specified purposes by S.I. 2015/1329, reg. 3(d)
I17 Sch. 9 para. 7 in force at 6.4.2017 for E.W. in so far as not already in force by S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
I18 Sch. 9 para. 7 in force at 6.4.2019 for S. in so far as not already in force by S.I. 2019/816, reg. 4(c) (with reg. 5)

- 8 In section 7(2)(a) for “given at one or both of the meetings summoned under” substitute “ of the voluntary arrangement by the company or its creditors (or both) pursuant to ”.

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- I19** Sch. 9 para. 8 in force at 26.5.2015 for specified purposes by S.I. 2015/1329, reg. 3(d)
I20 Sch. 9 para. 8 in force at 6.4.2017 for E.W. in so far as not already in force by S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
I21 Sch. 9 para. 8 in force at 6.4.2019 for S. in so far as not already in force by S.I. 2019/816, reg. 4(c) (with reg. 5)

- 9 (1) Schedule A1 (moratorium where directors propose voluntary arrangement) is amended as follows.
- (2) For paragraph 6(2)(c) substitute—
- “(c) the proposed voluntary arrangement should be considered by a meeting of the company and by the company's creditors.”
- (3) For paragraph 7(1)(e)(iii) substitute—
- “(iii) the proposed voluntary arrangement should be considered by a meeting of the company and by the company's creditors.”
- (4) For paragraph 8(2) to (4) substitute—
- “(2) A moratorium ends with the later of—
- (a) the day on which the company meeting summoned under paragraph 29 is first held, and
- (b) the day on which the company's creditors decide whether to approve the proposed voluntary arrangement,
- unless it is extended under paragraph 32; but this is subject to the rest of this paragraph.
- (3) In this paragraph the “initial period” means the period of 28 days beginning with the day on which the moratorium comes into force.
- (3A) If the company meeting has not first met before the end of the initial period the moratorium ends at the end of that period, unless before the end of that period it is extended under paragraph 32.

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- (3B) If the company's creditors have not decided whether to approve the proposed voluntary arrangement before the end of the initial period the moratorium ends at the end of that period, unless before the end of that period—
- (a) the moratorium is extended under paragraph 32, or
 - (b) a meeting of the company's creditors is summoned in accordance with section 246ZE.
- (3C) Where sub-paragraph (3B)(b) applies, the moratorium ends with the day on which the meeting of the company's creditors is first held, unless it is extended under paragraph 32.
- (4) The moratorium ends at the end of the initial period if the nominee has not before the end of that period—
- (a) summoned a meeting of the company, and
 - (b) sought a decision from the company's creditors,
- as required by paragraph 29(1).”
- (5) For paragraph 8(6)(c) substitute—
- “(c) a decision of one or both of—
- (i) the meeting of the company summoned under paragraph 29,
 - or
 - (ii) the company's creditors.”
- (6) For the heading before paragraph 29 substitute “Duty to summon company meeting and seek creditors' decision”.
- (7) In paragraph 29(1), for the words from “shall” to the end substitute “shall—
- (a) summon a meeting of the company to consider the proposed voluntary arrangement for such a time, date (within the period of time for the time being specified in paragraph 8(3)) and place as he thinks fit, and
 - (b) seek a decision from the company's creditors as to whether they approve the proposed voluntary arrangement.”
- (8) For paragraph 29(2) substitute—
- “(2) The decision of the company's creditors is to be made by a qualifying decision procedure.
- (3) Notice of the qualifying decision procedure must be given to every creditor of the company of whose claim the nominee is aware.”
- (9) In the heading before paragraph 30, for “meetings” substitute “ company meeting and qualifying decision procedure ”.
- (10) In paragraph 30(1) for “meetings summoned under paragraph 29” substitute “ company meeting summoned under paragraph 29 and the qualifying decision procedure instigated under that paragraph ”.
- (11) In paragraph 30(2) for “A meeting so summoned” substitute “ The company meeting summoned under paragraph 29 ”.
- (12) In paragraph 30(3) for “either” substitute “ the company ”.
- (13) After paragraph 30(3) insert—

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- “(4) After the company's creditors have decided whether to approve the proposed voluntary arrangement the nominee must—
- (a) report the decision to the court, and
 - (b) immediately after reporting to the court, give notice of the decision to such persons as may be prescribed.”
- (14) For paragraph 31(1) substitute—
- “(1) This paragraph applies where under paragraph 29—
- (a) a meeting of the company is summoned to consider the proposed voluntary arrangement, and
 - (b) the nominee seeks a decision from the company's creditors as to whether they approve the proposed voluntary arrangement.
- (1A) The company and its creditors may approve the proposed voluntary arrangement with or without modifications.”
- (15) In paragraph 31(4) for “A meeting summoned under paragraph 29 shall not” substitute “Neither the company nor its creditors may”.
- (16) In paragraph 31(5) for “a meeting so summoned shall not” substitute “neither the company nor its creditors may”.
- (17) In paragraph 31(6) for “The meeting may approve such a proposal or modification” substitute “Such a proposal or modification may be approved”.
- (18) In paragraph 31(7)—
- (a) for the words from “period” to “held” substitute “relevant period”;
 - (b) for “those meetings” substitute “the company and its creditors”.
- (19) In paragraph 31, after sub-paragraph (7) insert—
- “(7A) The “relevant period” is—
- (a) in relation to the company, the period of seven days ending with the company meeting summoned under paragraph 29 being held;
 - (b) in relation to the company's creditors, the period of 14 days ending with the end of the period mentioned in paragraph 8(3).
- (7B) Where under sub-paragraph (7) the nominee is given notice of proposed modifications, the nominee must seek a decision from the company's creditors (using a qualifying decision procedure) as to whether the proposed voluntary arrangement should be approved with those modifications.”
- (20) In paragraph 32(1), after “a” insert “company”.
- (21) In paragraph 32, after sub-paragraph (1) insert—
- “(1A) Subject to sub-paragraph (2) the company's creditors may, by a qualifying decision procedure, decide to extend (or further extend) the moratorium, with or without conditions.”
- (22) For paragraph 32(2) substitute—
- “(2) The moratorium may not be extended (or further extended) to a day later than the end of the period of two months beginning with the day after the last day of the period mentioned in paragraph 8(3).”

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- (23) In paragraph 32(3)—
- (a) for “At any meeting where” substitute “ Where ”;
 - (b) after “the meeting” insert “ of the company or (as the case may be) inform the company's creditors ”.
- (24) In paragraph 32(4)—
- (a) after “a meeting” insert “ of the company or informs the company's creditors, ”;
 - (b) after “resolve” insert “ , or (as the case may be) the creditors by a qualifying decision procedure shall decide, ”.
- (25) In paragraph 32(6) for “may resolve” substitute “ of the company may resolve, and the creditors by a qualifying decision procedure may decide, ”.
- (26) In paragraph 33(3) for “At any meeting where” substitute “ Where ”.
- (27) In paragraph 35, for sub-paragraphs (1) and (2) substitute—
- “(1) This paragraph applies where in accordance with paragraph 32 a meeting of the company resolves, or the company's creditors decide, that the moratorium be extended (or further extended).
- (1A) The meeting may resolve, and the company's creditors may by a qualifying decision procedure decide, that a committee be established to exercise the functions conferred on it by the meeting or (as the case may be) by the company's creditors.
- (2) The meeting may resolve that such a committee be established only if—
- (a) the nominee consents, and
 - (b) the meeting approves an estimate of the expenses to be incurred by the committee in the exercise of the proposed functions.
- (2A) A decision of the company's creditors that such a committee be established is to be taken as made only if—
- (a) the nominee consents, and
 - (b) the creditors by a qualifying decision procedure approve an estimate of the expenses to be incurred by the committee in the exercise of the proposed functions.”

(28) In paragraph 36(2)—

 - (a) in paragraph (a) for “both meetings summoned under paragraph 29” substitute “ the meeting of the company summoned under paragraph 29 and by the company's creditors ”;
 - (b) in paragraph (b) for “creditors' meeting summoned under that paragraph” substitute “ company's creditors ”.

(29) In paragraph 36(3), (4)(a) and (5)(a) for “creditors' meeting” substitute “ company's creditors ”.

(30) In paragraph 37(2)—

 - (a) in paragraph (a) for “creditors' meeting” substitute “ time the creditors decided to approve the voluntary arrangement ”;

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- (b) in paragraph (b)(i) for the words from “at that” to “it)” substitute “in the qualifying decision procedure by which the creditors' decision to approve the voluntary arrangement was made”.
- (31) In paragraph 37(5)(a)—
- (a) omit “of the meetings”;
 - (b) after “30(3)” insert “ and (4) ”.
- (32) In paragraph 38(1)—
- (a) in paragraph (a) for the words from “approved” to “effect” substitute “ which has taken effect under paragraph 37 ”;
 - (b) in paragraph (b) for “either of those meetings” substitute “ the meeting of the company summoned under paragraph 29, or in relation to the relevant qualifying decision procedure ”.
- (33) After paragraph 38(1) insert—
- “(1A) In this paragraph—
- (a) the “relevant qualifying decision procedure” means the qualifying decision procedure in which the creditors decided whether to approve the voluntary arrangement;
 - (b) references to a decision made in the relevant qualifying decision procedure include any other decision made in that qualifying decision procedure.”
- (34) In paragraph 38(2)—
- (a) in paragraph (a) for “either of the meetings” substitute “ the meeting of the company or in the relevant qualifying decision procedure ”;
 - (b) in paragraph (b) for “at the creditors' meeting” substitute “ in the relevant qualifying decision procedure ”.
- (35) In paragraph 38(3)(a) after “30(3)” insert “ and (4) ”.
- (36) In paragraph 38(3)(b)—
- (a) for “creditors' meeting” substitute “ relevant qualifying decision procedure ”;
 - (b) for “the meeting” substitute “ the relevant qualifying decision procedure ”.
- (37) In paragraph 38(4)(a)(ii) for “in question” substitute “ of the company, or in the relevant qualifying decision procedure, ”.
- (38) In paragraph 38(4)(b)—
- (a) for “further meetings” substitute “ a further company meeting ”;
 - (b) after “(1)(b)” insert “ and relating to the company meeting ”;
 - (c) omit “or (as the case may be) creditors”.
- (39) In paragraph 38(4), after paragraph (b) insert—
- “(c) direct any person—
- (i) to seek a decision from the company's creditors (using a qualifying decision procedure) as to whether they approve any revised proposal for a voluntary arrangement which the directors may make, or
 - (ii) in a case falling within sub-paragraph (1)(b) and relating to the relevant qualifying decision procedure, to seek a

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decision from the company's creditors (using a qualifying decision procedure) as to whether they approve the original proposal.”

- (40) In paragraph 38(5), after “(4)(b)(i)” insert “ or (c)(i) ”.
- (41) In paragraph 38(6) and (7)(a), after “(4)(b)” insert “ or (c) ”.
- (42) In paragraph 38(9)—
- (a) the words from “a decision” to the end become paragraph (a);
 - (b) in that paragraph (a), after “at a” insert “ company ”;
 - (c) after that paragraph (a) insert “, and
 - (b) a decision of the company's creditors made in the relevant qualifying decision procedure is not invalidated by any irregularity in relation to the relevant qualifying decision procedure.”
- (43) In paragraph 39(1) for the words from “approved” to the end substitute “ has taken effect under paragraph 37. ”
- (44) In paragraph 40(5)—
- (a) in paragraph (c), omit “creditors or”;
 - (b) after paragraph (c) insert—
 - “(ca) require a decision of the company's creditors to be sought (using a qualifying decision procedure) on such matters as the court may direct,”.
- (45) For paragraph 44(8) substitute—
- “(8) The appropriate regulator must be given notice of any qualifying decision procedure by which a decision of the company's creditors is sought for the purposes of this Schedule.
 - (8A) The appropriate regulator, or a person appointed by the appropriate regulator, may in the way provided for by the rules participate in (but not vote in) any qualifying decision procedure by which a decision of the company's creditors is sought for the purposes of this Schedule.”
- (46) Omit paragraph 44(9)(a).
- (47) In paragraph 44(17A)(b) for “sub-paragraph” substitute “ sub-paragraphs (8A) and ”.

Commencement Information

- I22** Sch. 9 para. 9 in force at 26.5.2015 for specified purposes by S.I. 2015/1329, reg. 3(d)
- I23** Sch. 9 para. 9 in force at 6.4.2017 for E.W. in so far as not already in force by S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- I24** Sch. 9 para. 9 in force at 6.4.2019 for S. in so far as not already in force by S.I. 2019/816, reg. 4(c) (with reg. 5)

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