

## EXPLANATORY NOTE

*(This note is not part of these Regulations)*

These Regulations amend the Insolvency Act 1986 to clarify that it is only companies as defined by section 735(1) of the Companies Act 1985 and certain companies formed or incorporated outside the United Kingdom that can enter administration or a company voluntary arrangement. These amendments are made in connection with the application of the Council Regulation of 29<sup>th</sup> May 2000 on insolvency proceedings (1346/2000/EC) within England and Wales and Scotland. Amendments to the Insolvency Act 1986 for the purposes of giving effect to the Council Regulation in relation to England and Wales and Scotland were originally made by the Insolvency Act 1986 (Amendment) (No 2) Regulations 2002 (S.I.2002/1240). These Regulations are a partial reimplementation of the subject matter covered by the 2002 Regulations.

No regulatory impact assessment has been prepared in relation to these Regulations as they will not impose any significant costs on business.