

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the insolvency legislation for England and Wales, Scotland and Northern Ireland to make it compatible with the recast of the Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the EIR). The EIR replaces Council Regulation (EC) No 1346/2000 on insolvency proceedings. These regulations amend the Insolvency Act 1986 which contains corporate insolvency law for England, Wales and Scotland and personal insolvency law for England and Wales. Personal insolvency law is devolved in Scotland. These Regulations also amend the Insolvency (England and Wales) Rules 2016 (S.I. 2016/1024) and the Insolvency (Scotland) Rules 1986 (S.I. 1986/1915) made under the Insolvency Act 1986. In respect of Northern Ireland these Regulations amend the Insolvency (Northern Ireland) Order 1989 and the Insolvency Rules (Northern Ireland) 1991.

These Regulations make new provision for deferring dissolution of a company registered in England and Wales, Scotland or Northern Ireland where there are concurrent insolvency proceedings in another member State. It also makes provision for two new procedures in the EIR. The first is an undertaking in lieu of secondary insolvency proceedings (Article 36) to distribute assets in a jurisdiction in accordance with the rules of that jurisdiction. These Regulations set out procedure for the approval of such an undertaking by the local creditors in United Kingdom. The second new procedure is for the appointment of a coordinator where companies in a group are subject to insolvency proceedings (Article 56-77).

A compliance cost assessment has not been prepared in respect of these Regulations as they have no impact on the costs of business. An Explanatory Memorandum has been prepared and is available alongside these Regulations at www.legislation.gov.uk.

Changes to legislation:

There are currently no known outstanding effects for the The Insolvency Amendment (EU 2015/848) Regulations 2017.