
EXPLANATORY NOTE

(This note is not part of the Rules)

These Rules amend the Insolvency (England and Wales) Rules 2016 ([SI 2016/1024](#)) (“the 2016 Rules”) in connection with the introduction of the new moratorium procedure in Part A1 of the Insolvency Act [1986 \(c.45\)](#) (“the 1986 Act”) and the repeal of Schedule A1 to that Act.

Section 1 of the Corporate Insolvency and Governance Act [2020 \(c.12\)](#) (“CIGA 2020”) inserted a new Part A1 into the 1986 Act. Part A1 provides for a moratorium (“the moratorium”) which enables an eligible company to obtain certain protections from creditors. Schedule 4 to CIGA 2020 contains temporary rules for the purpose of the moratorium. Those temporary rules were enacted so that the moratorium could be given immediate effect pending the making of these Rules. In addition, section 2 of CIGA 2020 repealed Schedule A1 to the 1986 Act. Schedule A1 contained provision for a different form of moratorium which was superseded by the coming into force of the moratorium.

These Rules are in four Parts. Part 1 contains introductory provision dealing with the coming into force and territorial extent of the Rules. Rules 4 and 5 make saving provision for cases where the moratorium, (or a moratorium under Schedule A1 to the 1986 Act), is in effect, (or, in certain cases, an application for a moratorium has been made), at the time these Rules come into force. If that is the case then the amendments made by these Rules do not apply; instead the rules that applied at the time that the moratorium first came into effect, (or the application for the moratorium was made), continue to apply for the life of that moratorium.

Part 2 of these Rules inserts a new Part into the 2016 Rules setting out the detailed procedures for the conduct of the moratorium; it specifies the content and timing of the various notifications that are required to be given in connection with the obtaining, coming into force, extension and termination of the moratorium.

Part 3 of these Rules makes consequential amendments to Parts 1 to 4, 6 and 7, 12, 14 and 15 of, and Schedule 4 to, the 2016 Rules. These consequential amendments deal with matters such as: the notifications that must be given where a company enters another form of insolvency procedure during a moratorium; the identification of debts incurred during a moratorium which are required under the 1986 Act to have priority in subsequent insolvency procedures; and changes to rules concerning court procedure and creditors’ decision-making which are intended to be of general application so as to ensure that they also cover moratoriums.

Part 4 of these Rules introduces Schedules 1 and 2. Those Schedules make minor and consequential textual modifications to the 2016 Rules. Schedule 1 makes a minor modification to various provisions in the 2016 Rules which are of general application to insert a reference to the moratorium while Schedule 2 removes references in the 2016 Rules to Schedule A1 which are no longer needed following the repeal of Schedule A1.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen. An explanatory memorandum has been published alongside this instrument at www.legislation.gov.uk.