

SCHEDULE 1

Regulation 20(3)

Inserted Schedule 1A to the Payment and Electronic Money Institution Insolvency Regulations 2021

“SCHEDULE 1A

Regulation 47(1A)

How special administration applies to Northern Ireland LLPs

1. This Schedule makes provision about how special administration applies to institutions which are formed as limited liability partnerships under the law of Northern Ireland.
2. In this Schedule “LLPR (NI) 2004” means the Limited Liability Partnerships Regulations (Northern Ireland) 2004(1).
3. The provisions of the I(NI)O 1989 mentioned in the first column of the Table apply to institutions which are formed as limited liability partnerships with the further modifications (in addition to any set out in the table in regulation 37A) set out in the third column.

<i>Provision</i>	<i>Subject</i>	<i>Modifications</i>
Those mentioned in regulation 5(2) of the LLPR (NI) 2004		Those set out in regulation 5(2) of the LLPR (NI) 2004 (except regulation 5(2)(f) of those Regulations).
Article 13	Meaning “contributory”	of To be read as if— <ol style="list-style-type: none"> (a) in paragraph (1) for “every person” there were substituted— <p>“every past and present member of the limited liability partnership”;</p> (b) at the end of paragraph (2), there were inserted “or Article 178A (adjustment of withdrawals)”. (c) paragraph (3) were omitted.
Article 61	Liability of present and past members	as To be read as if it were substituted with— <ol style="list-style-type: none"> (1) When a limited liability partnership goes into special administration, every present and past member of the limited liability partnership is liable to contribute to its assets as follows. (2) Where a member has agreed with the other members or with the limited liability partnership, that that member be liable to contribute to the assets of the limited liability partnership in the event that that body goes into liquidation or special administration, that member is liable, to the extent that they have so agreed, to contribute—

(1) S.R. 2004 No. 307.

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<i>Provision</i>	<i>Subject</i>	<i>Modifications</i>
		(a) to its assets to any amount sufficient for payment of its debts and liabilities; (b) to the expenses of the special administration; (c) for the adjustment of the rights of the contributories among themselves. (3) A past member shall only be liable under this Article if the obligation arising from such agreement in paragraph (2) survived them ceasing to be a member of the limited liability partnership.”.
Articles 63-65	Contributories	Omitted.
Article 69	Companies registered under the Companies Act 2006	Omitted.
Article 158	Power to make over assets to employees	Omitted.
Article 163	Resolutions passed at meetings	To be read as if after “contributories” there were inserted “or of the members of a limited liability partnership”.
Article 178	Wrongful trading	To be read as if after paragraph (2), “but the High Court shall not” to the end of the paragraph were omitted.
After Article 178	Adjustment of withdrawals	The I(NI) O 1989 is to be read as if after Article 178 there were inserted—

(1) This Article has effect in relation to a person (“P”) who is or has been a member of a limited liability partnership where, in the course of the special administration of that limited liability partnership, it appears that paragraph (2) of this Article applies in relation to P.

(2) This paragraph applies in relation to P if—

- (a) within the period of two years ending with the commencement of the special administration, P was a member of the limited liability partnership who withdrew property of the limited liability partnership, whether in the form of a share of profits, salary, repayment of or payment of interest on a loan to the limited liability partnership or any other withdrawal of property, and
- (b) it is proved by the administrator to the satisfaction of the court that at the time of the withdrawal P knew or had

<i>Provision</i>	<i>Subject</i>	<i>Modifications</i>
		<p>reasonable grounds for believing that the limited liability partnership—</p> <ul style="list-style-type: none">(i) was at the time of the withdrawal unable to pay its debts, or(ii) would become so unable to pay its debts after the assets of the limited liability partnership had been depleted by that withdrawal taken together with all other withdrawals (if any) made by any members contemporaneously with that withdrawal or in contemplation when that withdrawal was made. <p>(3) Where this Article has effect in relation to P, the court, on the application of the administrator, may declare that P is to be liable to make such contribution (if any) to the limited liability partnership’s assets as the court thinks proper.</p> <p>(4) The court may not make a declaration in relation to P the amount of which exceeds the aggregate of the amounts or values of all the withdrawals referred to in paragraph (2) made by P within the period of two years referred to in that paragraph.</p> <p>(5) The court may not make a declaration under this Article with respect to P unless P knew or ought to have concluded that after each withdrawal referred to in paragraph (2) there was no reasonable prospect that the limited liability partnership would avoid going into an insolvency procedure under the Insolvency (Northern Ireland) Order 1989 or special administration.</p> <p>(6) For the purposes of paragraph (5) the facts which P ought to know or ascertain and the conclusions which P ought to reach are those which would be known, ascertained, or reached by a reasonably diligent person having both—</p> <ul style="list-style-type: none">(a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by P in relation to the limited liability partnership, and(b) the general knowledge, skill and experience that P has. <p>(7) In this Article “member” includes a shadow member.</p>

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<i>Provision</i>	<i>Subject</i>	<i>Modifications</i>
		(8) In this section a reference to being unable to pay debts is to be read in accordance with section 93(4) of the BA 2009 (as applied and modified by the EMR 2011 and the PSR 2017).
		(9) This Article does not limit the effect of Article 178.”.
Article 179	Proceedings under Article 177 or 178	To be read as if— (a) in paragraph (1), for “Article 177 or 178” there were substituted “Article 177, 178 or 178A”; (b) in paragraph (2), for “either Article” there were substituted “any of those Articles”; (c) in paragraph (4), for “either Article” there were substituted “any of those Articles”; (d) in paragraph (5), for “Articles 177 and 178” there were substituted “Articles 177, 178 and 178A”.
Article 182	Prosecution of delinquent officers and members of company	To be read as if— (a) in paragraph (1), for “officer, or any member, of the company” there were substituted “member of the limited liability partnership”; (b) in paragraph (2), (3) and (5) for “officer of the company, or any member of it,” there were substituted “member of the limited liability partnership”.
Article 346 and Schedule 4 to the I(NI)O 1989 (and Schedule 3 to the Pension Schemes (Northern Ireland) Act 1993)	Preferential debts	To be read as if, in Article 346— (a) in paragraph (1), “or an individual” were omitted; (b) in paragraph (2), “or the individual” were omitted.
Article 347	“The relevant date”	To be read as if paragraphs (5) and (6) were omitted.
Article 373	Offences by bodies corporate	To be read as if the reference to “secretary” in section 20(2) of the IA(NI) 1954, as referred to in Article 374(4), were omitted.
Schedule paragraph 43	B1, Moratorium on insolvency proceedings	To be read as if for sub-paragraph (2) there were substituted— “(2) No determination to wind up the limited liability partnership voluntarily may be made.”.
Schedule paragraph 62	B1, Directors	To be read as if for paragraph 62 there were substituted— “ 62. The administrator may prevent any person from taking part in the management of the business

<i>Provision</i>	<i>Subject</i>	<i>Modifications</i>
		of the limited liability partnership and may appoint any person to be a manager of that business.”
Schedule paragraph 63	B1, Power to call meetings	To be read as if— (a) the existing provision were renumbered as sub-paragraph (1); (b) after that sub-paragraph there were inserted— “(2) The meeting must be held in a manner provided by the Payment and Electronic Money Institution Insolvency Regulations 2021, special administration insolvency rules or the limited liability partnership agreement. (3) The quorum required for a meeting of the members of the limited liability partnership is any quorum required by the limited liability partnership agreement for meetings of the members of the limited liability partnership and if no requirement for a quorum has been agreed upon, the quorum is 2 members.”
Schedule paragraph 92	B1, Replacement	To be read as if sub-paragraph (1)(c) were omitted.
Schedule paragraph 106	B1, Majority decision of directors	Omitted.

4. The CDD(NI)O 2002 as applied and modified by these Regulations applies to institutions which are formed as limited liability partnerships with the further modifications set out in regulation 4(2) of and Part 2 of Schedule 2 to the LLPR (NI) 2004.

5. The following legislation applies to institutions which are formed as limited liability partnerships with such modifications as the context requires—

- (a) to give effect to the I(NI)O 1989 as applied and modified by these Regulations—
 - (i) the Insolvency Practitioners Regulations (Northern Ireland) 2006(2);
 - (ii) the Insolvency Practitioners (Recognised Professional Bodies) Order (Northern Ireland) 1991(3);
 - (iii) the Insolvency (Fees) Order (Northern Ireland) 2006(4);
 - (iv) the Insolvency (Deposits) Order (Northern Ireland) 2006(5); and
- (b) to give effect to the CDD(NI)O 2002 as applied and modified by these Regulations and the CA 2006—
 - (i) the Insolvent Companies (Disqualification of Unfit Directors) Proceedings Rules (Northern Ireland) 2003(6);
 - (ii) the Uncertificated Securities Regulations 2001(7);

(2) S.R. 2006 No. 33.
 (3) S.R. 1991 No. 301.
 (4) S.R. 2006 No. 54.
 (5) S.R. 2006 No. 55.
 (6) S.R. 2003 No. 358.
 (7) S.I. 2001/3755.

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(iii) the Insolvent Companies (Reports on Conduct of Directors) Rules (Northern Ireland) 2003⁽⁸⁾.”

SCHEDULE 2

Regulation 20(5)

Inserted Schedule 2A to the Payment and Electronic Money Institution Insolvency Regulations 2021

“SCHEDULE 2A

Regulation 47(2A)

How special administration applies to Northern Ireland partnerships

1. This Schedule makes provision about how special administration applies to institutions which are formed as partnerships under the law of Northern Ireland.
2. In this Schedule “IPO (NI) 1995” means the Insolvent Partnerships Order (Northern Ireland) 1995⁽⁹⁾.
3. Where an institution is formed as a partnership, then—
 - (a) in these Regulations, and
 - (b) in the CDD(NI)O 2002 as applied and modified by these Regulations,

references to the things in the first column of Table 1 are to be read in accordance with the corresponding modification in the second column.

Table 1

<i>Reference</i>	<i>Modification</i>
References to companies	To be read as if they were references to partnerships.
References to the registrar of companies	To be omitted.
References to shares of a company	To be read as if they were— <ol style="list-style-type: none"> (a) in relation to a partnership with capital, to rights to share in that capital, and (b) in relation to a partnership without capital, to interests— <ol style="list-style-type: none"> (i) conferring any right to share in the profits or liability to contribute to the losses of the partnership, or (ii) giving rise to an obligation to contribute to the debts or expenses of the partnership in the event of special administration.
Other references appropriate to companies	To be read as if they were to the corresponding persons, officers, documents or organs (as the case may be) appropriate to a partnership.

4. Table 2 sets out—
 - (a) in the first column, versions of provisions of the I(NI)O 1989 set out in the IPO (NI) 1995 (“IPO (NI) 1995 version”),

⁽⁸⁾ S.R. 2003 No. 357.

⁽⁹⁾ S.R. 1995 No. 225, as amended by S.R. 2006 No. 515.

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- (b) in the second column, the subject of each of those versions, and
- (c) in the third column, modifications to those versions.

5. Each IPO (NI) 1995 version in the first column of Table 2 applies to an institution which is formed as a partnership with any corresponding modification in the third column.

6. Where there is an entry for an IPO (NI) 1995 version in Table 2, that version of the provision of the I(NI)O 1989 applies, as modified by Table 2, to an institution which is formed as a partnership, and the entry relating to that provision of the I(NI)O 1989 in the table in regulation 37A is to be disregarded.

Table 2

<i>Provision (IPO (NI) 1995 version)</i>	<i>Subject</i>	<i>Modifications</i>
Provisions except Schedule B1		
Generally (for those provisions mentioned below except Schedule B1)		To be read as if references to— (a) references to the I(NI)O 1989 were to these Regulations, (b) references to a provision of the I(NI)O 1989 which is applied and modified by these Regulations were to the provision as applied and modified by these Regulations, (c) being wound up were to being in special administration; (d) office-holder were to the administrator; (e) an insolvency order were to a special administration order.
Schedule 1 (version in Schedule 2, paragraph 57)	Powers administrator	of To be read as if paragraph 20 were omitted.
Article 198 (version in Schedule 3, paragraph 9)	Getting in the partnership property	To be read as if the reference in paragraph (1) to Article 7 of the IPO (NI) 1995 were to regulation 10.
Schedule 2 (version in Schedule 3, paragraph 10)	Powers of liquidator in a winding-up	To be read as if— (a) paragraphs 4 to 11, and paragraph 13, were omitted; (b) in paragraph 14, the reference to winding up the partnership’s affairs and distributing its property were to pursuing the special administration objectives.
Article 175 (version in Schedule 4, paragraph 25)	False representations to creditors	To be read as if for paragraph (1) there were substituted—

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<i>Provision (IPO (NI) Subject 1995 version)</i>	<i>Modifications</i>
	“(1) This Article applies where a special administration order is made in respect of an insolvent partnership.”.
Schedule B1	
Generally (for those paragraphs mentioned below)	<p>To be read as if—</p> <ul style="list-style-type: none"> (a) references to a provision of the I(NI)O 1989 which is applied and modified by these Regulations were to the provision as applied and modified by these Regulations; (b) references to action included inaction; (c) references to the administrator were to the administrator appointed under regulation 7; (d) references to the court were to the court as defined in regulation 6; (e) references to the creditors’ meeting were to have the meaning given by paragraph 51 of Schedule B1 as applied and modified by these Regulations; (f) references to entering administration were to entering special administration; (g) references to a hire purchase agreement included a conditional sale agreement, a chattel leasing agreement and a retention of title agreement; (h) references to an insolvency order were to a special administration order; (i) references to an insolvency petition were to an application for a special administration order; (j) references to insolvency proceedings were to special administration; (k) references to market value were to the amount which would be realised on a sale of property in the open market by a willing vendor; (l) references to the purpose of administration were to the pursuit of the special administration objectives; (m) references to a partnership were to an institution; (n) references to the partnership being in administration were to the institution being in special administration; (o) references to a responsible insolvency practitioner were to the administrator;

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<i>Provision (IPO (NI) Subject 1995 version)</i>	<i>Modifications</i>
	(p) references to a thing in writing included a thing in electronic form; (q) references to being unable to pay debts were to be read in accordance with section 93(4) of the BA 2009 (as applied and modified by the EMR 2011 and the PSR 2017).
Paragraph 43 (version in Schedule 2, paragraph 22)	Moratorium on insolvency proceedings To be read as if sub-paragraph (5)(a) were omitted.
Paragraph 44 (version in Schedule 2, paragraph 23)	Moratorium on other legal processes
Paragraph 48 (version in Schedule 2, paragraph 26)	Statement of company's affairs of To be read as if in sub-paragraph (2), the statement were also required to include particulars of the relevant funds held by the institution.
Paragraph 50 (version in Schedule 2, paragraph 27)	Administrator's proposals To be read as if— (a) sub-paragraph (2)(b) were omitted; (b) in sub-paragraph (4), the administrator were also required to send a copy of the statement of proposals to every user or holder of whose claim the administrator is aware and who the administrator has a means of contacting, and to the FCA; (c) the administrator were also required to give notice that the statement of proposals is to be provided free of charge to a payment system operator who applies in writing to a specified address. The application of paragraph 50(1) to (3) is subject to regulation 38(6)(b).
Paragraph 62 (version in Schedule 2, paragraph 30)	Directors
Paragraph 66 (version in Schedule 2, paragraph 31)	Distribution to creditors To be read as if sub-paragraph (3) were omitted.
Paragraph 70 (version in Schedule 2, paragraph 32)	Agency
Paragraph 74 (version in Schedule 2, paragraph 35)	Protection for secured or preferential creditors
Paragraph 75 (version in Schedule 2, paragraph 36)	Challenge to administrator's conduct To be read as if— (a) the FCA were also empowered to make an application to the court, on the grounds that—

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<i>Provision (IPO (NI) Subject 1995 version)</i>	<i>Modifications</i>
	<ul style="list-style-type: none"> (i) the administrator is acting or has acted so as unfairly to harm the interests of some or all of the members, creditors or users or holders; (ii) the administrator is proposing to act in a way which would unfairly harm the interests of some or all of the members, creditors or users or holders; (iii) the administrator has failed to carry out a reconciliation in accordance with regulation 13;
	(b) a user or holder were also empowered to make an application to the court under sub-paragraph (1) or (2)
	(c) any of the following persons were also empowered to make an application on the grounds that the administrator is not taking any action in response to a request from that person under regulation 35(3) and that the person is of the opinion that the action requested would not lead to a material reduction in the value of the property of the institution— <ul style="list-style-type: none"> (i) the Bank of England; (ii) the Treasury; (iii) the FCA; (iv) the Payment Systems Regulator;
	(d) the following persons were also empowered to make an application on the grounds that the administrator has made, or proposes to make, a PPTA in contravention of regulation 32 or 34— <ul style="list-style-type: none"> (i) the Bank of England; (ii) the FCA;
	(e) any person, other than the institution, who is party to an arrangement of a kind referred to in regulation 31(1) were also empowered to make an application on the grounds that the administrator has made, or proposes to make, a relevant transfer in contravention of that regulation;
	(f) where an application is made on the grounds that the administrator has made a relevant transfer in contravention of regulation 34— <ul style="list-style-type: none"> (i) sub-paragraphs (3)(a), (d) and (e) and (4) were omitted;

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<i>Provision (IPO (NI) Subject 1995 version)</i>	<i>Modifications</i>
	<ul style="list-style-type: none"> (ii) the court were also empowered to make an order declaring that the transfer was made in contravention of the regulation concerned; (g) where an application is made on the grounds that the administrator has made a relevant transfer in contravention of regulation 32 or 33, the court were also empowered to make such order as it thinks fit for restoring the position to what it would have been if the transfer had not been made in contravention of the regulation concerned; (h) where the FCA has given a direction under regulation 38, which has not been withdrawn, the court did not have power to make an order if it would impede or prevent compliance with the direction.
Paragraph 85 (version in Termination: no more relevant funds for distribution Schedule 2, paragraph 40)	To be read as if— <ul style="list-style-type: none"> (a) the administrator were only empowered to file a notice under sub-paragraph (1) if the institution no longer holds relevant funds; (b) in sub-paragraph (4), a copy of the notice were to be sent to every client of the institution of whom the administrator is aware and the FCA.
Paragraph 88 (version in Resignation Schedule 2, paragraph 41)	To be read as if— <ul style="list-style-type: none"> (a) where the administrator was appointed by the court on the application of the FCA or the Secretary of State, the notice given in accordance with sub-paragraph (2)(a) must also be given to the applicant (b) sub-paragraph (2)(b) were omitted.
Paragraph 90 (version in Disqualification Schedule 2, paragraph 42)	To be read as if— <ul style="list-style-type: none"> (a) where the administrator was appointed by the court on the application of the FCA or the Secretary of State, the notice given in accordance with sub-paragraph (2)(a) were also to be given to the applicant; (b) sub-paragraph (2)(b) were omitted.
Paragraph 91 (version in Replacement Schedule 2, paragraph 43)	To be read as if the reference to paragraphs 92, 94 and 96 were to paragraph 92.

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<i>Provision (IPO (NI) 1995 version)</i>	<i>Subject</i>	<i>Modifications</i>
Paragraph 92 (version in Schedule 2, paragraph 44)	Replacement	To be read as if the FCA were added to the list of persons who may make an application to appoint an administrator but to whom the restrictions in sub-paragraph (2) apply.
Paragraph 104 (version in Schedule 2, paragraph 54)	Joint administrators	To be read as if— (a) in sub-paragraph (2)(a), the reference to paragraph 13(1)(a) to (c) were to regulation 8(1); (b) sub-paragraph (3) were omitted.
Paragraph 106 (version in Schedule 2, paragraph 55)	Majority decision of directors	
Paragraph 107 (version in Schedule 2, paragraph 56)	Fines	To be read as if sub-paragraph (2)(a), (i) and (j) was omitted.

7. Article 16 of the IPO (NI) 1995 applies to an institution which is formed as a partnership—
- (a) reading Article 16 as if the reference to being wound up under the I(NI)O 1989 were to entering special administration;
 - (b) reading the reference to the provisions of the CDD(NI)O 2002 as if it were a reference to—
 - (i) Articles 3, 4, 12 to 14, 19C and 23 of that Order as applied and modified by regulation 46A, and
 - (ii) the versions of Articles 9 to 11, 18 to 19 and 21 of and Schedule 1 to that Order set out in Schedule 8 to the IPO (NI) 1995, reading those versions as if they were modified by regulation 46A,

subject to the further general modifications of the provisions mentioned in sub-paragraphs (a) and (b) in paragraph 8.

8. The general modifications are—
- (a) references to a provision of the I(NI)O 1989 which is applied and modified by these Regulations are to be read as if they were to the provision as applied and modified by these Regulations;
 - (b) references to being wound up are to be read as if they were to the partnership being in special administration;
 - (c) references to office-holder are to be read as if they were to the administrator;
 - (d) references to an insolvency order are to be read as if they were to a special administration order.

9. Article 18 of and Schedule 10 to the IPO (NI) 1995 apply to institutions which are formed as partnerships—

- (a) reading Article 18 as if—
 - (i) in paragraph (1) from “giving effect” to “this Order” were substituted with “giving effect to the provisions of the I(NI)O 1989 and the CDD(NI)O 2002 as applied and modified by these Regulations”;
 - (ii) in paragraph (2) the reference to the IPO (NI) 1995 were to these Regulations;
- (b) reading Schedule 10 as if the list of legislation included any special administration insolvency rules and the following legislation were omitted—

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- The Insolvency (Monetary Limits) Order (Northern Ireland) 1991**(10)**
- The Administration of Insolvent Estates of Deceased Persons Order (Northern Ireland) 1991**(11)**
- The Companies (Disqualification Orders) Regulations (Northern Ireland) 2003**(12)**
- The Insolvency Practitioners and Insolvency Account (Fees) Order (Northern Ireland) 2006**(13)**
- The Insolvency (Fees) Order (Northern Ireland) 2006**(14)**
- The Insolvency (Deposits) Order (Northern Ireland) 2006**(15)**.”

(10) S.R. 1991 No. 386.

(11) S.R. 1991 No. 365 as amended by S.R. 2003 No. 103.

(12) S.R. 2003 No. 347.

(13) S.R. 2006 No. 53.

(14) S.R. 2006 No. 54.

(15) S.R. 2006 No. 55.