
EXPLANATORY NOTE

(This note is not part of the Rules)

These Rules set out the procedure for the conduct of relevant licensee nuclear company administration proceedings in England and Wales. Relevant licensee nuclear company administration is a special insolvency regime specifically created for relevant licensee nuclear companies in Great Britain.

The framework for the relevant licensee nuclear company administration regime is set out in the Nuclear Energy (Financing) Act 2022 (c. 15) (the “2022 Act”). The 2022 Act does so by applying (with modifications) much of Chapter 3 of Part 3 of the Energy Act 2004 (c. 20) (which provides for a special administration regime for certain energy companies).

The 2022 Act makes provision for a regulated asset base model for new nuclear power stations in the UK. This will allow an eligible company to receive payments in exchange for the design, construction, commissioning and operation of the plant from electricity suppliers. To support this model, Part 3 of the 2022 Act provides for a special administration regime, about which these Rules make provision.

These Rules are applicable only to relevant licensee nuclear company administration.

Part 1 contains the construction and interpretation provisions.

Part 2 sets out the procedure to be followed to initiate relevant licensee nuclear company administration proceedings, including the information required for a relevant licensee nuclear company administration order application, to whom notice of such an application needs to be delivered and who may appear at a hearing of the relevant licensee nuclear company administration application.

Part 3 details the initial steps to be taken in relevant licensee nuclear company administration proceedings. These include the notification and advertisement of a nuclear administrator’s appointment and the preparation of a statement of the affairs of the relevant licensee nuclear company. Part 3 also sets out the information that must be given to creditors in the nuclear administrator’s statement of proposals and the contents of the progress reports to be prepared by the nuclear administrator.

Part 4 contains provisions relating to creditors’ decisions and company meetings in relevant licensee nuclear company administration.

Part 5 contains provisions relating to an application to court for authority to dispose of property of the relevant licensee nuclear company which is subject to a security (other than a floating charge) or goods in the possession of the relevant licensee nuclear company under a hire-purchase agreement.

Part 6 contains provisions relating to the expenses of relevant licensee nuclear company administration.

Part 7 contains provisions relating to claims by and distributions to creditors of the relevant licensee nuclear company.

Part 8 contains details of how the remuneration of a nuclear administrator is to be fixed by the court.

Part 9 sets out the arrangements for ending a relevant licensee nuclear company administration.

Part 10 sets out the requirements and procedures for replacing a nuclear administrator.

Part 11 contains general provisions detailing the court procedure and practice for relevant licensee nuclear company administration proceedings. In particular this Part sets out the general requirements

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for court applications made during a relevant licensee nuclear company administration, enforcement procedures, access to the court file, the cost assessment procedure for relevant licensee nuclear company administration proceedings, provision for persons who lack capacity to manage their affairs, and the appeals process to be used in relevant licensee nuclear company administration proceedings.

Part 12 sets out the provision for the examination of persons where an application to court has been made by a nuclear administrator under section 236 of the Insolvency Act 1986 (c. 45). Section 236 allows a nuclear administrator to apply to court for an order requiring certain persons to appear before the court to be questioned by the nuclear administrator about the company in relevant licensee nuclear company administration.

Part 13 contains provisions of general effect including provisions relating to the delivery of documents, the form and content of documents, service of documents, standard contents of notices and of documents delivered to the registrar of companies, the inspection and right to copies of documents, and the calculation of time periods.

Part 14 contains miscellaneous provisions, including the power of the Secretary of State to regulate certain matters relating to the carrying out of the nuclear administrator's functions, provisions relating to the punishment of offences and the requirement for a review.

The Schedule contains further provision about offences.

A full impact assessment setting out the impacts resulting from this legislation is available from the Department for Energy Security and Net Zero at 1 Victoria Street, London, SW1H 0ET and is published with the Explanatory Memorandum alongside this instrument on www.legislation.gov.uk.