
STATUTORY INSTRUMENTS

1989 No. 2405

The Insolvency (Northern Ireland) Order 1989

PARTS II TO VI COMPANY INSOLVENCY; COMPANIES WINDING UP

PART III

ADMINISTRATION ORDERS

Making, etc., of administration order

Power of High Court to make order

21.—(1) Subject to this Article, if the High Court—

- (a) is satisfied that a company is or is likely to become unable to pay its debts (within the meaning of Article 103), and
- (b) considers that the making of an order under this Article would be likely to achieve one or more of the purposes mentioned in paragraph (3),

the Court may make an administration order in relation to the company.

(2) An administration order is an order directing that, during the period for which the order is in force, the affairs, business and property of the company shall be managed by a person (“the administrator”) appointed for the purpose by the High Court.

(3) The purposes for whose achievement an administration order may be made are—

- (a) the survival of the company, and the whole or any part of its undertaking, as a going concern;
- (b) the approval of a voluntary arrangement under Part II;
- (c) the sanctioning under Article 418 of the Companies Order of a compromise or arrangement between the company and any such persons as are mentioned in that Article; and
- (d) a more advantageous realisation of the company’s assets than would be effected on a winding up;

and the order shall specify the purpose or purposes for which it is made.

(4) An administration order shall not be made in relation to a company after it has gone into liquidation, nor where it is—

- (a) an insurance company within the meaning of the Insurance Companies Act 1982(1), or
- (b) an authorised institution or former authorised institution within the meaning of the Banking Act 1987(2).