

**EXPLANATORY MEMORANDUM TO
THE INSOLVENT COMPANIES (DISQUALIFICATION OF UNFIT DIRECTORS)
PROCEEDINGS (AMENDMENT) RULES (NORTHERN IRELAND) 2005.**

Statutory Rule 2005 No. 517

1. This explanatory memorandum has been prepared by the Department of Enterprise, Trade and Investment (as the Department with lead responsibility for insolvency matters in Northern Ireland) on behalf of the Northern Ireland Court Service and is laid before Parliament by Command of Her Majesty

This memorandum contains information for the House of Lords Select Committee on the merits of Statutory Instruments.

2. **Description**

These Rules amend the existing procedural rules applying to applications to the Northern Ireland High Court for disqualification of directors so that they will apply to applications by the Office of Fair Trading or a specified regulator in relation to alleged breaches of competition law.

3. **Matters of special interest to the House of Lords Select Committee on the Merits of Statutory Instruments**

None

4. **Legislative Background**

The Insolvent Companies (Disqualification of Unfit Directors) Proceedings Rules (Northern Ireland) 2003 (S.R. 2003 No. 358) (“the 2003 Rules”) lay down procedures for applications by the Department of Enterprise, Trade and Investment or the Official Receiver for the disqualification of directors by the Northern Ireland High Court under Articles 10 and 11 of the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) (“the 2002 Order”). These Rules amend the 2003 Rules so that they will apply to applications by the Office of Fair Trading or a specified regulator under Article 13A of the 2002 Order for competition disqualification orders. The specified regulators are listed in Article 13E(2) of the 2002 Order. Article 13A of that Order provides that the High Court shall make a disqualification order against a person for a period of up to 15 years if that person is the director of a company that has committed a breach of competition law and the Court considers him unfit to be concerned in the management of a company.

5. **Extent**

This instrument applies to Northern Ireland only.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

These Rules are in parity with the Insolvent Companies (Disqualification of Unfit Directors) Proceedings (Amendment) Rules 2003 (S.I. 2003/1367)

8. Impact

A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies. Likewise there will be no impact on the public sector.

9. Contact

Jack Reid of the Insolvency Service, Department of Enterprise, Trade and Investment
Tel: 028 90548543 or email: jack.reid@detini.gov.uk can answer any queries regarding the instrument.