

*These notes refer to the Small Business, Enterprise and Employment Act 2015 (c.26) which received Royal Assent on 26 March 2015*

# **SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 10: INSOLVENCY**

##### **Office-holder actions**

##### ***Section 118: Power for liquidator or administrator to assign causes of action***

712. This section amends the Insolvency Act 1986 to allow a liquidator or administrator ('the office-holder') to assign causes of action that arise on a company going into liquidation or administration.
713. The causes of action to which the section relates are actions which already exist within insolvency law (or are introduced by section 117) whereby liquidators and administrators can take action on behalf of the body of creditors to recover monies or reverse certain transactions where the directors and others have acted in a way that has caused harm to creditors.
714. The section allows the office-holder to assign not only the right to bring the action itself but also the proceeds of such an action.