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## STATUTORY INSTRUMENTS

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# 2017 No. 1212

## The Risk Transformation Regulations 2017

### PART 4

#### Protected Cell Companies

#### CHAPTER 3

#### Structure of a protected cell company

#### Segregation within a protected cell company

**48.**—(1) The assets held by a protected cell company on behalf of a part of the protected cell company may not be used to discharge—

- (a) a liability or obligation incurred on behalf of, or attributable to, another part of the protected cell company; or
- (b) a claim brought in respect of another part of the protected cell company.

(2) A liability or obligation incurred on behalf of, or attributable to, a part of a protected cell company is to be discharged solely out of the assets held by the protected cell company on behalf of that part.

(3) A claim which a person has against a protected cell company in respect of a part of the protected cell company may not be set off or netted against a claim which the protected cell company has against that person in respect of another part of the protected cell company.

(4) A provision, whether contained in the instrument of incorporation, a contract or otherwise, is void to the extent that it is inconsistent with paragraphs (1) to (3).

(5) An application of assets, or agreement to apply assets, in contravention of paragraphs (1) to (3) is void.

(6) Notwithstanding the fact that the parts of a protected cell company are not legal persons distinct from the protected cell company—

- (a) the assets held by the protected cell company on behalf of a part of the protected cell company are to be treated as assets belonging exclusively to that part of the protected cell company;
- (b) a liability or obligation incurred by the protected cell company on behalf of, or which is attributable to, a part of the protected cell company is to be treated as a liability or obligation of that part of the protected cell company;
- (c) a creditor of a protected cell company is to be treated as a creditor of that part of the protected cell company which is treated as being indebted to the creditor by virtue of subparagraph (b);
- (d) the property held by a protected cell company on behalf of a part of the protected cell company may be subject to orders of the court as if the part were a distinct legal person; and

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**Changes to legislation:** The Risk Transformation Regulations 2017, Section 48 is up to date with all changes known to be in force on or before 16 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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- (e) a protected cell company may sue or be sued in respect of a part of the protected cell company.

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**Changes and effects yet to be applied to :**

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)