

These notes refer to the Insolvency (Amendment) Act (Northern Ireland) 2016 (c.2) which received Royal Assent on 29 January 2016

Insolvency (Amendment) Act (Northern Ireland) 2016

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Power to establish single regulator of insolvency practitioners

Section 21: *Power to establish single regulator of insolvency practitioners*

This section allows the Department, by regulations made by the affirmative resolution procedure, to designate a body for the purposes of authorising and regulating insolvency practitioners. The body may be a new body set up by regulation, or it may be an existing body. The power to move to a single regulator will only be used if the changes proposed by sections 145 to 20 do not succeed in improving confidence in the regulatory regime for insolvency practitioners.

The section sets out the functions that the regulations may confer on the designated body and include:

- i. setting out the criteria for assessing whether a person is fit and proper to act as an insolvency practitioner, including the requirements as to education, practical experience and training they must meet;
- ii. setting out technical standards for insolvency practitioners and enforcing compliance with those standards; and
- iii. investigating complaints about insolvency practitioners.

The section allows the regulations to require that the designated body, in discharging regulatory functions, acts in a way which is compatible with the regulatory objectives (as introduced by section 15 of this Act).

It introduces Schedule 1 which makes supplementary provisions in relation to the designation of a body by regulations. For example, how many members the body should have; appointing the chair of the body; and the setting of fees.