

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

Section 7: Powers of liquidator exercisable with or without sanction in a winding up

Section 7 effects the removal of the powers exercisable by a liquidator under paragraph 3 of Part 1 of Schedule 2 to the Insolvency Order out of that Part and reinserts them in Part 3 of that Schedule. The powers transferred are to compromise calls, debts, and claims due to companies and all questions relating to the assets or winding up of the company. The effect of the transfer is to empower liquidators to reach compromises without having to seek sanction from the liquidation committee, the Court, a meeting of the company's creditors, or the members of the company by extraordinary resolution, as the case may be. A proviso is added that the power in paragraph 7A(b) as transferred is subject to paragraph 2 in Part 1 of the Schedule, so that sanction will still be required to enter a compromise with creditors or others with a claim against the company.