

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Insolvency Act 1986 in order to ensure that Part A1 (Moratorium) of that Act does not apply to companies which are registered as social landlords in accordance with Part 2 of the Housing (Scotland) Act 2010.

The Corporate Insolvency and Governance Act 2020 inserted a new Part A1 and Schedule ZA1 into the Insolvency Act 1986. Part A1 provides for a freestanding moratorium for eligible companies to facilitate their rescue from financial difficulty. Schedule ZA1 specifies which companies are eligible for the moratorium under Part A1.

Registered social landlords which are companies may be subject to a separate moratorium in accordance with sections 73 – 79 of the Housing (Scotland) Act 2010.

Regulation 2(2) amends the definition of “eligible” in paragraph 1 of Schedule ZA1 of the Insolvency Act 1986. This amendment inserts a reference to paragraph 2B, as inserted into that schedule by Regulation 2(3), into the list of paragraphs of Schedule ZA1 by which certain categories of company are excluded from eligibility for the moratorium under Part A1.

Regulation 2(3) inserts a new paragraph 2B into Schedule ZA1 which excludes companies that are registered social landlords from eligibility for a moratorium under Part A1.