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DRAFT STATUTORY INSTRUMENTS

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**2006 No.**

The Water and Sewerage Services  
(Northern Ireland) Order 2006

PART III

APPOINTMENT AND REGULATION OF UNDERTAKERS

CHAPTER II

ENFORCEMENT AND INSOLVENCY

*Special administration orders*

**Meaning and effect of special administration order**

**41.**—(1) A special administration order is an order of the High Court made in accordance with Article 42 or 43 in relation to a company holding an appointment under Chapter I of this Part and directing that, during the period for which the order is in force, the affairs, business and property of the company shall be managed, by a person appointed by the High Court—

- (a) for the achievement of the purposes of such an order; and
- (b) in a manner which protects the respective interests of the members, creditors and customers of the company.

(2) The purposes of a special administration order made in relation to any company shall be—

- (a) the transfer to another company, or (as respects different parts of the area to which the company's appointment relates, or different parts of its undertaking) to two or more different companies, as a going concern, of so much of the company's undertaking as it is necessary to transfer in order to ensure that the functions which have been vested in the company by virtue of its appointment may be properly carried out; and
- (b) the carrying out of those functions pending the making of the transfer and the vesting of those functions in the other company or companies (whether by virtue of the transfer or of an appointment or variation which replaces the former company as a relevant undertaker).

(3) The Department may by regulations—

- (a) make provision for applying provisions of the [Insolvency \(Northern Ireland\) Order 1989 \(NI 19\)](#) (with or without modifications) in relation to a special administration order or an application for such an order;
- (b) make consequential or supplementary provision (including provision modifying other statutory provisions) in relation to special administration orders.

(4) Schedule 1 shall have effect for enabling provision to be made with respect to cases in which a company is replaced by another as a relevant undertaker without an appointment or variation under Chapter I of this Part in pursuance of a special administration order.

(5) In this Article “business” and “property” have the same meanings as in the [Insolvency \(Northern Ireland\) Order 1989 \(NI 19\)](#).