



Corporate Insolvency and Governance Act 2020

2020 CHAPTER 12

Administration: sales to connected persons

9 Administration in Northern Ireland: sales to connected persons

- (1) The Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) is amended as follows.
- (2) Schedule B1 (administration) is amended in accordance with subsections (3) to (5).
- (3) Paragraph 61 (powers of administrator) becomes sub-paragraph (1) of that paragraph.
- (4) After that sub-paragraph insert—
 - “(2) But the power to sell, hire out or otherwise dispose of property is subject to any regulations that may be made under paragraph 61A.”
- (5) After paragraph 61 insert—

- “61A
- (1) Regulations may make provision for—
 - (a) prohibiting, or
 - (b) imposing requirements or conditions in relation to, the disposal, hiring out or sale of property of a company by the administrator to a connected person in circumstances specified in the regulations.
 - (2) Regulations under this paragraph may in particular require the approval of, or provide for the imposition of requirements or conditions by—
 - (a) creditors of the company,
 - (b) the High Court, or
 - (c) a person of a description specified in the regulations.
 - (3) In sub-paragraph (1), “connected person”, in relation to a company, means—

Changes to legislation: There are currently no known outstanding effects for the Corporate Insolvency and Governance Act 2020, Section 9. (See end of Document for details)

- (a) a relevant person in relation to the company, or
 - (b) a company connected with the company.
 - (4) For the purposes of sub-paragraph (3)—
 - (a) “relevant person”, in relation to a company, means—
 - (i) a director or other officer, or shadow director, of the company;
 - (ii) a non-employee associate of such a person;
 - (iii) a non-employee associate of the company;
 - (b) a company is connected with another if any relevant person of one is or has been a relevant person of the other.
 - (5) In sub-paragraph (4), “non-employee associate” of a person means a person who is an associate of that person otherwise than by virtue of employing or being employed by that person.
 - (6) Paragraph (11) of Article 4 (extended definition of company) applies for the purposes of sub-paragraphs (3) to (5) as it applies for the purposes of that Article.
 - (7) Regulations under this paragraph may make incidental, consequential, supplemental and transitional provision.
 - (8) Regulations may not be made under this paragraph unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.
 - (9) This paragraph expires at the end of June 2021 unless the power conferred by it is exercised before then.”
- (6) In Article 2(2), in the definition of “regulations”, after the words “and paragraph 16 of Schedule A1” (which are repealed by paragraph 3(b) of Schedule 7 to this Act) insert “and paragraph 61A of Schedule B1 ”.

Changes to legislation:

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