Regulations made by the Secretary of State, laid before Parliament under section 43 of the Corporate Insolvency and Governance Act 2020(1), for approval by resolution of each House of Parliament within forty days beginning with the day on which the Regulations were made, subject to extension for periods of dissolution, prorogation or adjournment for more than four days.

STATUTORY INSTRUMENTS

2020 No. 652

HOUSING
INSOLVENCY

The Insolvency Act 1986 Part A1 Moratorium (Eligibility of Private Registered Providers) Regulations 2020

Made - - - - 29th June 2020
Laid before Parliament at 2.00 p.m. on 29th June 2020

Coming into force in accordance with regulation 1

The Secretary of State makes the following Regulations in exercise of the powers conferred by paragraph 20 of Schedule ZA1 to the Insolvency Act 1986(2) and sections 245 and 347(3) of the Charities Act 2011(3).

Citation and commencement

1. These Regulations may be cited as the Insolvency Act 1986 Part A1 Moratorium (Eligibility of Private Registered Providers) Regulations 2020 and come into force immediately after they are made.

Amendment of the Insolvency Act 1986

2.—(1) Schedule ZA1 to the Insolvency Act 1986 is amended as follows.
(2) In paragraph 1, after “paragraph 2 (current or recent insolvency procedure)” insert—
“paragraph 2A (private registered providers of social housing);”.
(3) After paragraph 2, insert—

(1) 2020 c. 12.
(2) 1986 c. 45. Schedule ZA1 of the Insolvency Act 1986 was inserted into that Act by section 1 and Schedule 1 of the Corporate Insolvency and Governance Act 2020.
(3) 2011 c. 25.
“Private registered providers of social housing

2A. A company is excluded from being eligible if it is a private registered provider of social housing(4).”.

(4) In paragraph 18—

(a) in sub-paragraph (a), for “paragraph 2” substitute “paragraphs 2 and 2A”;
(b) in sub-paragraph (b), for “paragraph 2” substitute “paragraphs 2 and 2A”.

Amendment of the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012

3. In paragraph 1(2A) of Schedule 1 to the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012(5), omit paragraph (a).

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Christopher Pincher
Minister of State
Ministry of Housing, Communities and Local Government

At 10.30 a.m. on 29th June 2020

(4) See section 80(3) of the Housing and Regeneration Act 2008 (c. 17) for the meaning of “private registered provider of social housing”. Section 80(3) was substituted by S.I. 2010/844.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Insolvency Act 1986 (c. 45) in order to ensure that Part A1 (Moratorium) of that Act does not apply in relation to companies which are private registered providers of social housing. They also make a consequential amendment to the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012 (S.I. 2012/3013).

The Corporate Insolvency and Governance Act 2020 (c. 12) 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.

Private registered providers of social housing may be subject to a separate moratorium under Chapter 4 of Part 2 of the Housing and Regeneration Act 2008 (c. 17).

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 2A, 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 2A into Schedule ZA1 which excludes companies that are private registered providers of social housing from eligibility for a moratorium under Part A1.

Regulation 2(4) inserts references to paragraph 2A into paragraph 18 of Schedule ZA1 of the Insolvency Act 1986. This ensures that certain overseas companies which are the equivalent of private registered providers of social housing remain eligible for a moratorium under Part A1.

Regulation 3 amends paragraph 1(2A) of Schedule 1 to the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012 (S.I. 2012/3013) in order to remove a redundant provision excluding private registered providers of social housing from the application of Part A1 of the Insolvency Act 1986 to charitable incorporated organisations (“CIOs”). By virtue of paragraph 1(1) of Schedule 1 to S.I. 2012/3013, Schedule ZA1 to the Insolvency Act 1986 applies to CIOs as it does to companies, with certain modifications. This is subject to sub-paragraph (2A), inserted into those Regulations by paragraph 49 of Schedule 3 to the Corporate Insolvency and Governance Act 2020, which provides that Part A1 of the 1986 Act does not apply in relation to a CIO that is a private registered provider of social housing or a registered social landlord under Part 1 of the Housing Act 1996. In consequence of the amendments made to Schedule ZA1 by regulation 3 this provision is redundant in relation to private registered providers of social housing, as companies that are private registered providers are not eligible for the moratorium under Part A1. Regulation 3 revokes paragraph 1(2A)(a) of Schedule 1 to S.I. 2012/3013 in consequence.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.