
STATUTORY INSTRUMENTS

2021 No. 716

**The Payment and Electronic Money
Institution Insolvency Regulations 2021**

Administrator's proposals in the event of FCA direction

39.—(1) Where the FCA has given a direction under regulation 38, the administrator must make a statement setting out proposals for achieving the special administration objectives in accordance with the direction.

(2) The statement must deal with any matters set out in special administration insolvency rules and may include—

- (a) a proposal for a voluntary arrangement under Part 1 of the IA 1986 [^{F1}or, as the case may be, Part 2 of the I(NI)O 1989], or
- (b) a proposal for a compromise or arrangement to be sanctioned under Part 26 or Part 26A of the CA 2006 (arrangements and reconstructions).

(3) The statement must be agreed with the FCA.

(4) If the administrator is unable to agree the statement with the FCA, the administrator may apply to the court for directions under [^{F2}paragraph 63 of Schedule B1 to the IA 1986 or, as the case may be, paragraph 64 of Schedule B1 to the I(NI)O 1989].

(5) Following an application under sub-paragraph (4), the court may—

- (a) make an order dispensing with the need for agreement,
- (b) adjourn the hearing conditionally or unconditionally, or
- (c) make any other order that the court thinks appropriate.

(6) But the court may make an order under sub-paragraph (5)(a) only if it considers that the proposals set out in the statement are reasonably likely to ensure that the administrator acts in accordance with the direction.

(7) Where the court makes an order, the administrator must as soon as possible send a copy of the order to the registrar of companies.

(8) After—

- (a) the statement has been agreed with the FCA; or
- (b) the court has made an order dispensing with the need for agreement,

[^{F3}paragraph 49(4) to (8) of Schedule B1 to the IA 1986 or, as the case may be, paragraph 50(4) to (8) of Schedule B1 to the I(NI)O 1989] applies to the statement (though the administrator need not send the FCA a copy of the statement of proposals).

[^{F4}(9) Paragraph (10) applies where, before the FCA gives its direction under regulation 38, a meeting of creditors has approved the statement of proposals in accordance with paragraph 53 of Schedule B1 to the IA 1986 or paragraph 54 of Schedule B1 to the I(NI)O 1989.

(10) The statement of proposals must be ignored for the purposes of regulation 38, this regulation and paragraph 68 of Schedule B1 to the IA 1986 or (as the case may be) paragraph 69 of Schedule B1 to the I(NI)O 1989.]

[^{F5}(11) References in this regulation to a numbered paragraph of Schedule B1 to the IA 1986 or to the I(NI)O 1989 are to that paragraph as applied and modified by these Regulations.]

- F1** Words in [reg. 39\(2\)\(a\)](#) inserted (4.1.2024) by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), regs. 1(2), **14(a)**
- F2** Words in [reg. 39\(4\)](#) substituted (4.1.2024) by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), regs. 1(2), **14(b)**
- F3** Words in [reg. 39\(8\)](#) substituted (4.1.2024) by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), regs. 1(2), **14(c)**
- F4** [Reg. 39\(9\)\(10\)](#) substituted for [reg. 39\(9\)](#) (4.1.2024) by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), regs. 1(2), **14(d)**
- F5** [Reg. 39\(11\)](#) inserted (4.1.2024) by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), regs. 1(2), **14(e)**

Commencement Information

- I1** Reg. 39 in force at 8.7.2021, see [reg. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the The Payment and Electronic Money Institution Insolvency Regulations 2021, Section 39.