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STATUTORY INSTRUMENTS

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**2024 No. 204**

**The Water Industry Act 1991 (Amendment) Order 2024**

**Insertion of new paragraph 2A**

**5. After paragraph 2 insert—**

*“Transfer schemes providing for transfer by hive down*

**2A.—(1)** In a case specified in paragraph 1(3) (special administration order in relation to existing appointee), a scheme under this Schedule may provide for a transfer under section 23(2) that is effected by—

- (a) the transfer of property, rights and liabilities from the existing appointee to a new appointee that is a wholly-owned subsidiary of the existing appointee, and
- (b) the subsequent transfer of securities in the new appointee to another company.

**(2)** In a case specified in paragraph 1(3A) (special administration order in relation to a qualifying licensee) where the transferor is a qualifying water supply licensee, a scheme under this Schedule may provide for a transfer under section 23(2A) that is effected by—

- (a) the transfer of property, rights and liabilities from the transferor to a transferee that is a wholly-owned subsidiary of the transferor, and
- (b) the subsequent transfer of securities in the transferee to another company.

**(3)** In a case where a transfer is effected or proposed to be effected as described in sub-paragraph (1) or (2), paragraph 2 has effect as if—

- (a) in sub-paragraphs (1) and (3) of paragraph 2, the references to the consent of the new appointee were references to the consent of the new owner;
- (b) in sub-paragraph (4), the persons whose consent is required included the new owner;
- (c) in sub-paragraph (7), the persons subject to the duty imposed by that sub-paragraph included the new owner.”