Northern Ireland Assembly

Committee for the Economy

Report on the Committee Stage of the Insolvency (Amendment) Bill (20/22-27)

This report is the property of the Committee for the Economy.

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Report: NIA 133/22-27 - Committee for the Economy

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Powers and Membership

Powers

1. The Committee for the Economy is a Statutory Departmental Committee established in accordance with paragraphs 8 and 9 of Strand One of the Belfast Agreement and under Assembly Standing Order No 48. The Committee has a scrutiny, policy development and consultation role with respect to the Department for the Economy and has a role in the initiation of legislation.

2. The Committee has power to:

- consider and advise on Departmental budgets and Annual Plans in the context of the overall budget allocation;
- approve relevant secondary legislation and take the Committee Stage of relevant primary legislation;
- call for persons and papers;
- initiate enquiries and make reports; and
- consider and advise on matters brought to the Committee by the Minister of the Economy.

Membership

3. The Committee has nine Members, including a Chairperson and Deputy Chairperson, and a quorum of five Members. The membership of the Committee is as follows:

Mr Phillip Brett MLA (Chairperson)
Mr Gary Middleton MLA (Deputy Chairperson)
Ms Diana Armstrong MLA[1][2][3]
Mr Jonathan Buckley MLA
Mr Pádraig Delargy MLA
Ms Jemma Dolan MLA[4][5]
Mr David Honeyford MLA
Ms Sinéad McLaughlin MLA
Ms Kate Nicholl MLA[6]

[1] On 17 June 2024 Mr Doug Beattie MC replaced Mr Mike Nesbitt
[2] On 9 September 2024 Mr Colin Crawford replaced Mr Doug Beattie MC
[3] On 7 October 2024 Ms Diana Armstrong replaced Mr Colin Crawford
[4] On 10 February 2025 Ms Emma Sheerin replaced Mr Philip McGuigan
[5] On 24 November 2025 Ms Jemma Dolan replaced Ms Emma Sheerin
[6] On 9 September 2024 Ms Kate Nicholl replaced Ms Sorcha Eastwood MP

Executive Summary

4. The Committee for the Economy undertook the Committee Stage of the Insolvency (Amendment) Bill. The Committee generally welcomed the Bill provisions which are designed to improve efficiency and reduce costs for insolvency proceedings and to bring Northern Ireland into line with England and Wales in respect of these matters.

5. The Committee noted the provisions of the Bill which introduce greater use of virtual creditor meetings and noted also that these were designed to reduce costs and streamline processes in line with the practice in England and Wales.

6. Members were concerned that the increasing use of electronic media may be to the disadvantage of those with limited access to virtual assets or who may not be confident in their use. The Committee accepted the assurances from the Department that it will provide robust rules relating to virtual meetings and will review their effectiveness in respect of the inclusion of those who lack digital assets or who may experience difficulty using them.

7. The Committee considered other matters in respect of: deemed consent, the assignment of causes of action, petitions for insolvency and bankrupt’s homes. The Committee generally felt that as these provisions matched those which have been in place elsewhere for some time and were therefore likely to be uncontroversial as well as reducing costs for creditors, amendments were not required.

Background

8. It is understood that Northern Ireland's insolvency arrangements are largely modelled on similar schemes in England and Wales.

9. For companies, the insolvency arrangements include: administration (designed to rescue the company); administrative receivership (where company assets are sold to meet debts); Company Voluntary Arrangement (where a payment plan for creditors for some or all of the debt is agreed); Creditors Voluntary Winding Up (where creditors appoint a liquidator to wind-up the company); and Winding Up by the High Court (liquidation following a High Court Order).

10. For partnerships, the insolvency arrangements include: voluntary arrangements or administration; partners' or creditors' petition to have one or more partners made bankrupt without winding up the partnership; and winding up of partnerships with or without some or all of the partners being made bankrupt.

11. Insolvency legislation establishes a hierarchy of creditors. When a company enters liquidation, each class of creditors must usually be paid in full before funds are allocated to the next. Creditors are ranked as follows:

    - Secured creditors with a fixed charge e.g. banks or those holding title to the assets
    - Administrator/liquidator fees
    - Preferential creditors e.g. employees owed back pay
    - Secondary preferential creditors (including in England and Wales, HMRC for e.g. VAT, National Insurance)
    - Secured creditors with a floating charge – this covers those with ownership of stock or raw materials which may be traded in the normal course of business
    - Unsecured creditors (including all other HMRC debt) e.g. trade creditors, suppliers etc.
    - Shareholders

12. However there is also a requirement for a percentage of the value of the property subject to the floating charge to be withheld from the charge-holder and to be paid instead to ordinary creditors with no security. The amount which has to be withheld for the benefit of the ordinary creditors is known as the prescribed part.

13. In recent years, changes have been made in England and Wales which the Department wishes to replicate in Northern Ireland. The backlog of legislative changes required in Northern Ireland was described as significant. The consequences of failing to legislate were described as generating considerable cost and confusion for businesses and insolvency practitioners operating across the three jurisdictions.

14. A Departmental consultation was undertaken on bringing this jurisdiction back into line with England and Wales in respect of insolvency legislation. The Committee was briefed on the feedback to the consultation in March 2025. The Committee noted that the feedback to the Department's consultation was limited. Only 4 responses were received – 3 of which, from insolvency practitioners and Advice NI, were supportive.

15. The Department subsequently identified the following measures that are in the Bill:

- provisions to allow administrators to take action through the High Court against the directors of a company personally if the administrator discovers that a company has engaged in fraudulent trading or wrongful trading;
- provisions to enable administrators and liquidators to assign rights of action, for example, for fraudulent or wrongful trading, to third parties;
- provision to prevent the proceeds of a claim brought by a liquidator or administrator against a director or 3rd party going to floating charge creditors – this appears to be designed to ensure that other creditors receive these benefits;
- provisions to remove the requirement for insolvency practitioners to obtain sanction from the High Court or the Department before undertaking actions which may present a cost to creditors. The Department argued that insolvency practitioners are obliged to act in the best interests of the creditors and thus don't require a further sanction from the court;
- provisions to allow insolvency practitioners to make use of deemed consent and virtual meetings or agreement by correspondence rather than requiring physical meetings of creditors;
- provisions to give creditors in corporate and individual insolvency proceedings the right to opt out of receiving routine communications from the office-holder.
- provisions to establish when the liquidator is to have their release if a winding-up order is rescinded.
- provisions to increase the period by which an administrator's appointment can be extended with consent from 6 months to one year
- provisions to no longer require the administrator to seek permission from the High Court to make a distribution to creditors, who are neither secured nor preferential, if the distribution is to be made out of the prescribed part. The Department argued that in this instance creditors don't need a voluntary liquidation and thus an application to the court is unnecessary;
- provisions to enable the making of subordinate legislation which would allow a dividend to be paid without the creditor having to submit a claim where the debt is below a prescribed amount.
- provisions to allow the Official Receiver to immediately become the trustee of the bankruptcy in order to allow them to sell the assets in order to benefit the creditors;
- provisions to remove fast-tracking of voluntary arrangements for bankrupts as these have been little used in England and Wales;

- provisions to allow insolvent businesses to continue to access essential services including communications and IT goods and services and to prevent the supplier from insisting on payment;
- provisions placing a requirement on directors to notify the Enforcement of Judgement Office if a meeting is called at which a resolution is to be proposed to have a company wound up and when such a resolution is passed;
- provisions to ensure that the presentation of a petition to wind up a company will only prevent the appointment of an administrator if the petition was presented before notice of intention to appoint an administrator was filed in Court – this seems to be designed to prevent delays to the appointment of an administrator who might prevent the unnecessary winding up of a company;
- provisions to remove High Court powers to allow payments to be made to a liquidator's bank account rather than the liquidator themselves. The Department indicates that the relevant powers are not required as liquidators are subject to stringent controls;
- provisions to give the Department or the Official Receiver power to seek information and documents relevant to a director's conduct directly from whoever has the information or documents, including the directors themselves rather than go through the liquidator;
- provisions to allow insolvency practitioners to be appointed as an interim receiver in certain circumstances - in the period between presentation of a bankruptcy petition and the making of a bankruptcy order;
- provisions to allow the Official Receiver to determine whether a bankrupt should provide a statement of affairs – setting out all of their assets and liabilities – where bankruptcy follows a creditor petition;
- provisions to make it clear that where there are no assets from which a distribution could be made to unsecured creditors, only the secured creditors and, if there is money to make a distribution to them, the preferential creditors, are entitled to take part in resolving for or against an administrator's release; and
- provisions to ensure that notice of intention to appoint an administrator need only be sent to prescribed persons if there are persons who would be entitled to appoint an administrative receiver or who hold a qualifying floating charge. Receivers would still be obliged to notify other prescribed persons of their appointment.

16. The Bill also refers to the following measures:

- provisions to remove a requirement for a final liquidation or bankruptcy meeting and replace this with a requirement to issue a report;
- provisions to allow for disqualification action to be taken where there is evidence of misconduct by members of a partnership which has entered administration – this will supplement the provisions relating to the winding up of partnerships; and

- provisions in respect of partnership insolvency including changing the minimum level of debt at which it is possible for a creditor to petition to have a member of a partnership made bankrupt from £750 to £5,000.

17. The consultation made reference to other matters which are also included in the Bill:

- provisions to ensure that those made bankrupt (as well as those adjudged bankrupt) can't act as insolvency practitioners;
- provisions to allow a liquidator or administrator to sell or assign claims in respect of disqualification action against directors or others personally in relation to fraudulent trading, wrongful trading, authorising transactions at an undervalue, paying certain creditors in preference to others and extortionate credit transactions; and
- provisions which disapply measures whereby directors of partnerships can be disqualified owing to a breach of competition law.

18. The Department advised that all of the above were necessary measures designed to improve the operation of insolvency legislation in Northern Ireland and which were already in place in England and Wales.

Committee Approach

19. The Insolvency (Amendment) Bill was introduced at the Assembly on 23 June 2025. The 2nd Stage was completed and the Committee Stage commenced on 1 July 2025. The Assembly agreed on 8 September 2025 to extend the Committee Stage until 12 December 2025.

20. The Committee launched a call for evidence on 2 July 2025 which closed on 30 September 2025. 3 substantive responses were received.

21. The Committee took oral evidence on the Bill from the Law Society of Northern Ireland (15 October 2025); the Bar of Northern Ireland (15 October 2025); the Association of Insolvency Practitioners (22 October 2025); and an insolvency practitioner (5 November 2025).

22. The Committee considered oral and written advice from the Northern Ireland Assembly Examiner of Statutory Rules (22 October 2025) on the regulation-making powers in the Bill.

23. The Committee also considered (12 November 2025) written advice from the Northern Ireland Assembly Legal Services on the interaction between the Bill and the European Convention on Human Rights and Article 2(1) of the Windsor Framework. The Committee noted that none of the provisions raised particular concerns as regards compatibility with the Convention and that Article 2(1) of the Windsor Framework is not engaged by the Bill.

24. The Committee deliberated informally on the Bill on 12 November 2025. It undertook formal clause by clause scrutiny of the Bill on 26 November 2025. The Committee considered a draft of its report on the Committee Stage at its meeting of 10 December 2025 and ordered that this report should be published.

25. Minutes of Proceedings are at Appendix 1. The Minutes of Evidence are included at Appendix 2. Written submissions are included at Appendix 3. Submissions from the Department are at Appendix 4. Relevant research papers are at Appendix 5. A list of witnesses to the Committee Stage is given at Appendix 6.

Consideration of the Bill

26. The Committee noted that those that had responded to the call for evidence indicated enthusiastic support for the almost all of the provisions of the Bill. A limited number of issues were raised. These are discussed below.

Statement of Affairs

27. The Law Society of NI (LSNI) referred to the proposal in the Bill that those made bankrupt on a creditor's petition should only have to submit a statement of affairs (in line with Article 261 of the Insolvency (NI) Order 1989), if the Official Receiver asks for one. LSNI argued that this might create a burden on the Official Receiver and might impact "on legal arguments such as what constitutes an effective request, timing of requests, notice period for this and claims that requests were not made." LSNI therefore called for the retention of sanctions so as to ensure compliance with any request for, or requirements to submit, a statement of affairs as bankrupts will often not want to comply with these.

28. LSNI also indicated concerns about possible problems arising from the use of preliminary examination questionnaires rather than the current statutory forms. The questionnaires, it was argued, are simply a form which is provided to bankrupts to facilitate their compliance with Article 264(4) of the Insolvency (NI) Order 1989. This obliges them to give the Official Receiver an inventory of their estate and such other information as he may reasonably require. Although failure to complete a preliminary examination questionnaire is failure to comply with Article 264, LSNI argued that further measures would be needed in order to address the provision of false information in the questionnaire rather than simply the failure to respond.

29. The Department contended that making the change would be a step towards bringing the position in personal insolvency into line with what happens in the case of companies which have been wound up by the court. The Department argued that at present, the Official Receiver usually does not require a statement of affairs as it is considered an unnecessary burden where no practical use is going to be made of the document.

30. The Department also argued that other legal provisions require a person in these circumstances to make an official declaration setting out full particulars of their assets, and their secured and unsecured debts and that it is an offence, punishable by imprisonment for up to two years, or a fine, or both, to knowingly and wilfully make, a statement which is false in a material particular. The Department also advised that the Insolvency Order makes it a criminal offence for a bankrupt not to disclose to the Official Receiver or trustee, to the best of his or her knowledge and belief, all property comprised in his or her estate. The existence of this provision is brought to every bankrupt's attention at the start of their bankruptcy. In the event of failure to comply, the Official Receiver will apply to the High Court under Article 253(3) of the 1989 Order for an order to prevent

the bankrupt receiving their automatic discharge from bankruptcy unless and until he or she complete the questionnaire.

31. Additionally, the Department advised that paragraph (6) of Article 264 provides for any failure to provide an inventory and information reasonably required by the Official Receiver is also contempt of court and liable to be punished accordingly. The Department therefore argued that the penalty for failure to comply with Article 264 is therefore equally stringent to that for failure to provide a Statement of Affairs if required to do so under Article 261.

32. The Committee felt that the measure which is understood to be already in use in England and Wales would both be a welcome reduction in bureaucracy and would bring the legislation into line with current good practice. The Committee accepted the Department's explanation and assurances in respect of the use of the statement of affairs and the extensive sanctions available in the event of non-completion or the provision of incorrect information. Consequently the Committee agreed to accept the relevant provisions and forego any related amendments.

Assigning causes of action

33. The Bill will allow for the assignment of causes of action in respect of insolvency proceedings. This may occur where a creditor or insolvency professional seeks to sell a debt associated with an insolvent body to another party. The other party could then seek to pursue this debt. The assignment of causes of action is currently permitted in England and Wales and serves to allow creditors to realise some of their debt and to also discourage the practice of serial bad directors repeatedly evading their debts and moving assets one insolvent enterprise to another.

34. The Bar of NI suggested that in Northern Ireland different arrangements for the assignment of post insolvency causes of actions may be required compared to England and Wales. It was argued there is a limited market for the sale of such assets. It was also argued that the current Northern Ireland process requires the office holder to act in the interest of the court, creditors or the insolvent person where there is a surplus, thus a change to the England and Wales practice for the assignment of causes of action would, it was argued, be both pointless and wrong as such assignments may not be in the interests of creditors etc..

35. Insolvency practitioners in their evidence disagreed indicating that the ability to sell on liabilities would discourage the practice of stripping assets by bad business actors. It was further contended that a market for such assets presently doesn't exist in Northern Ireland owing to the absence of the relevant legislation.

36. The Department advised that by giving liquidators and administrators the power to assign claims to third parties, this allows the liquidator or administrator to sell

the right to take the claim against the directors to a specialist company which would then take over and prosecute the claim. The company would make a payment to the liquidator or trustee, to acquire the right to take the action. The payment would add to the total funds available to make a distribution to the creditors, after payment of the costs and expenses of the liquidation or administration. The Department argued that the attraction of this solution, from the standpoint of the liquidator or administrator, is that they are no longer at risk of being out of pocket, if they had taken the action themselves and lost. The advantage, it was contended, for the creditors is that they receive a payment, which would not otherwise have been made.

37. The Committee considered all of the evidence and felt that the provisions which allowed for the assignment of causes of action would be to the benefit of creditors and might well dissuade insolvent bad actors from inappropriately making use of the assets for which creditors should rightfully receive a distribution. Consequently the Committee agreed that related amendments were unnecessary.

Creditor meetings – deemed consent

38. The Bill allows for the use of deemed consent (rather than a creditors' meeting) whereby anyone seeking a decision from creditors will be able to write to them with a proposal and unless fixed percentage of creditors by number or by value object, the proposal will be deemed to have been accepted.

39. The Bar of NI appeared to suggest that the Bill provided, an unnecessary level of additional discretion to insolvency practitioners to call or not to call a meeting of creditors. It was argued that the default position should be that such meetings should always be held unless creditors requested otherwise.

40. Insolvency practitioners disputed this and argued that the deemed consent principle in the Bill provides insolvency professionals with a necessary level of discretion to call creditors' meetings if required. In any event, it was argued that the Bill still permitted creditors to seek a physical meeting and object e.g. to the appointment of the insolvency practitioner and the fees charged etc.. Insolvency practitioners contended that the deemed consent principle was an alternative to the default physical meeting of creditors and could provide a lower cost option for creditors.

41. The Department advised that Article 208ZE inserted into the 1989 Order by Clause 7 of the Bill and Article 345A inserted by Clause 8, provide that a physical meeting has to be held if ten or more creditors request it in writing. And if the number of creditors making the request is less that ten, a physical meeting would still have to be held if those who do make the request number at least 10% of the total number of creditors or hold a minimum of 10% of the total debt owed to creditors.

42. The Department advised that deemed consent will offer significant advantages for both insolvency office-holders and creditors. It was contended that it is a relatively simple and straightforward procedure and requires no action by creditors unless they disagree with the proposed decision. The Department argued that its use will benefit creditors by reducing the cost of administering cases. The office holder would write to the creditor or contributory informing them of the matter to be decided, and the decision which the office-holder is proposing should be made. If less than 10% of the creditors, by value, objected by a specified date, the decision is treated as having been made. Thus the Department argued that the silence of at least 90% of the creditors, by value, is required to ensure that the decision is made. The Department contended that a deemed consent process will reflect that 90% of the creditors, by value, are either content with the decision, or are indifferent to it, and that 10% at most are opposed to it.

43. The Committee noted the argument that insolvency proceedings can be lengthy and that physical meetings can be expensive and poorly attended. The Committee noted the safeguards built in to the Bill's provision which are designed to ensure that consent is meaningful. The Committee noted also that insolvency practitioners had indicated that these measures worked effectively in England and Wales for some years. The Committee therefore agreed that the relevant provisions were beneficial and that amendment was unnecessary.

Virtual Meetings etc.

44. The Bill also includes provisions which allow for virtual creditor meetings rather than in-person or physical meetings.

45. The Bar NI referred to practitioner concerns in England and Wales that the use of virtual meetings had gone "too far" and the relevant provisions at Clause 7 of the Bill might need amendment to provide for the discretion to hold a physical meeting. LSNI also commented on the need for safeguards for creditor inclusivity in digital processes where creditors who do not have digital assets are concerned.

46. The Department advised that there are provisions in the 1989 Order as it stands, which give office holders in insolvency proceedings the right to call the creditors to a meeting. The change in the Bill will only be to rule out the use of physical meetings as the normal method of engagement with creditors. It will still be possible for office holders to convene meetings to take place remotely, with office-holders engaging in discussions with creditors and asking them to take decisions using electronic means such as video calls, video conferences and tele-conferences.

47. The Department contended that Clauses 7 and 8 of the Bill dealing with decision-making are closely modelled on the corresponding provisions in the Insolvency Act 1986, applying in England and Wales. The Department assured the Committee that detailed procedural requirements for carrying out the decision-making procedures being brought in to replace physical meetings, are set out in Part 15 of the Insolvency (England and Wales) Rules 2016, which it is intended will be replicated for this jurisdiction once the Bill has been passed. The Insolvency Practitioner Association also advised that these rules maintained the requirement for the provision of alternatives to virtual meetings where creditors required them.

48. The Department also indicated that it would consider the findings of the review carried out in 2021 by the UK Government which relate to these matters and advise if revisions to the rules on virtual meetings were required for this jurisdiction.

49. The Committee noted the assurances from the Department that it will provide robust rules relating to virtual meetings and will review their effectiveness in respect of the inclusion of those who lack digital assets or who may experience difficulty using them. The Committee agreed to accept these assurances and felt that amendments to the primary legislation were therefore not required in order to ensure that reasonable alternative arrangements are available for any person who does not have the ability to participate in insolvency proceedings by electronic or digital means.

Appointment of Official Receiver

50. The Bar of NI suggested that the provisions relating to the immediate appointment of the Official Receiver should perhaps be amended to indicate that this will not override the court's power to appoint another insolvency practitioner in exceptional cases.

51. The Department has indicated that Article 246A, to be inserted into the 1989 Order by Clause 92 of the Bill, expressly provides that except where an insolvency practitioner's report has been submitted to the High Court under Article 248, or a supervisor of a voluntary arrangement is in place, the Official Receiver automatically becomes trustee on the making of a bankruptcy order.

52. The Department further advised that Article 116(2), already present in the 1989 Order, expressly states that the Official Receiver by virtue of his office automatically becomes liquidator on the making of a winding up order by the High Court.

53. The Department further contended that neither provision is more emphatic about the Official Receivers appointment being automatic than the other. Therefore, as the Court will be able to use its general powers of administration and

superintendence to itself appoint an insolvency practitioner to act in one case, there would be nothing to prevent it doing so in the other.

54. The Committee considered the evidence and felt that as the court has the necessary general powers of administration and superintendence in respect of the appointment of a receiver, there was no requirement for additional amendments in this regard.

Petition for insolvency

55. The Bar of NI advised that under the current practice in Northern Ireland, a petition for insolvency will not be entertained unless the creditor has first obtained a judgement even if the creditor's claim is entirely unopposed. Thus incurring an additional layer of cost and delay. It was argued that the position in England and Wales is that creditors do not have that additional step of having to obtain a judgement from the High Court or the County Court before proceeding to an insolvency remedy. The Bar of NI referred to a Master's practice statement where she will only accept insolvency petitions brought by HMRC or creditors with a judgement. The Bar suggested that the Assembly, therefore, may wish to consider amending the provisions of the 1989 Insolvency Order defining who may petition for bankruptcy or the winding up of a company to include a proviso that there is no need for a creditor to have first obtained judgement.

56. The Department argued that this matter was the subject of a practice direction issued by a High Court Master designed to regulate court procedure and guide the day-to-day functioning of the court, ensuring consistency and efficiency. The Department contended that it was therefore constitutionally inappropriate for the Department to legislate. Furthermore, the Department argued that this issue did not impact on any of the Bill's provisions, and was therefore outside the scope of the Bill.

57. The Committee considered that as the objective was to improve efficiency and bring Northern Ireland into line with England and Wales in respect of insolvency matters, it was likely that provisions in respect of petitions for insolvency would indeed be within the scope of the Bill. However Members also felt that any amendments could have unforeseen consequences adversely affecting the discretion of the courts.

58. The Committee therefore agreed to write to the Shadow Civil Justice Council apprising it of the current disparity between the different jurisdictions and seeking its views as to whether a revised practice direction might be required. Further to this, the Committee agreed that it would not pursue related amendments.

Bankruptcy and Family Homes

59. The Bar of NI also made reference to differences between Northern Ireland and England and Wales in respect of the assessment of the rights to the family home of the non-bankrupt spouse.

60. The Department advised that there are mechanisms which are available in England and Wales which could be used to fund certain proceedings which are not available in this jurisdiction. In particular, the opportunity for solicitors to take cases on a “no-win no fee basis” or under litigation funding whereby the right to take a case is sold to a specialist provider who then brings the proceedings and if they win, retains the damages awarded. The Department appeared to argue that these can make it less likely that a bankrupt spouse could lose their home. It was indicated that the mechanisms are available for the purpose of funding a wider spectrum of civil proceedings and were not exclusive to insolvency proceedings. Thus, the Department argued that any related amendments would be outside the scope of the current Bill.

61. The Department also subsequently advised, in line with some of the commentary from the Bar of NI, that the interpretation by the courts in this jurisdiction of the European Convention on Human Rights, in fact made it less likely that the spouse of a bankrupt would lose their home as a result of insolvency proceedings.

62. The Committee accepted the argument that as the spouse of a bankrupt in Northern Ireland was certainly no more likely to lose their home than someone in the same position in England and Wales, related amendments to the Bill were not required.

Post Petition Transactions

63. The Bar of Northern Ireland also commented on post-petition transactions. A post-petition transaction is any transfer of property etc. of the bankrupt estate that occurs after the commencement of the bankruptcy case. Such transactions must be validated by the court. The Bar indicated that there are differences in the statute and rules which reflect the small size of NI, with insolvency jurisdiction being confined to the High Court, rather than the County Court having insolvency jurisdiction as can be the case in England and Wales. The Bar of NI indicated that this can lead to unintended differences of substance, for example, the question as to whether an order of a different division of the High Court can validate a post-petition transaction.

64. The Department contended that there was no direct relevance of this question to provisions within the Bill. The Department disputed that jurisdiction to deal with insolvency being confined to the High Court in NI, unlike in England and Wales where County Courts have jurisdiction, gives rise to any difference of substance.

65. The Bar of NI clarified that a centralised regime for insolvency in the High Court allows for consistency and predictability of procedure and ensures that the High Court can deal with its case load in a reasonably expeditious fashion. It was indicated that having a concurrent or partially concurrent jurisdiction in certain

County Court venues is unlikely to lead to significant cost savings, and may well lead to a less efficient process, as workload would not be managed by a dedicated judicial officer and court staff team, but would be added to the already significant judicial burdens of County Court Judges and District Judges.

66. The Committee noted the above and agreed that amendments in respect of post-petition transactions and the jurisdiction of the High court were not required.

Delegated Powers

67. In respect of the delegated powers in the Bill, the Committee considered Clause 119 which includes powers to make consequential provisions. Clause 119(3) indicates that where such provisions amend Northern Ireland legislation, draft affirmative resolution shall apply. However, Clause 119(4) indicates that any other regulations will be subject to negative resolution. The Committee felt that draft affirmative resolution should apply to all of the delegated legislation powers associated with Clause 119.

68. The Department advised that in order to ensure that Clause 119(3) applies comprehensively to all forms of primary legislation including Westminster legislation (where this applies in Northern Ireland only) an amendment will be brought forward at consideration or further consideration stage.

69. The Committee agreed to accept the Departmental amendment to Clause 119(3).

70. The Committee also considered paragraph 93 of Schedule 4, which inserts a new modified Article 23 into the Company Directors Disqualification Order 2002 (the 2002 Order). The new Article 23(4) requires that regulations need only be laid in the Assembly and would not be subject to any form of Assembly resolution. The Committee suggested that negative resolution should apply to the delegated legislation powers associated with the new Article 23(4).

71. The Department advised that the 2002 Order enables company directors to be disqualified. Article 23 of the 2002 Order makes provision about the admissibility of evidence in subsequent criminal proceedings. The Insolvency (Amendment) Bill at Clause 115 allows for director disqualification action where a partnership has entered administration. At Schedule 4, the Bill also creates a new and additional version of Article 23. The original Article 23 will apply in the case of disqualification arising from company insolvency. The new and additional Article 23 will apply in the case of disqualification arising from partnership insolvency.

72. The original Article 23 is not subject to any form of Assembly proceedings. The Department pointed out that this is the same as identical provision in GB legislation - the Company Directors Disqualification Act 1986 (“the CDDA”) .

73. The Department advised that it would be legally and administratively extremely inconvenient if the Assembly procedures applying in the case of the new and additional Article 23 applying in the case of insolvent partnerships were to be different from those applying in the case of regulations made under the existing version of Article 23 which applies in the case of insolvent companies. The Department argued that 2 different sets of regulations would have to be made and there would be a risk of this giving rise to different rules applying to different statements.

74. The Committee agreed that as the provisions were of narrow effect, it would not pursue a related amendment.

Drafting Amendment

75. The Department advised of a drafting error in Clause 13.

76. The Committee noted that the error was minor and agreed that it was content for this to be dealt with in a subsequent reprint of the Bill.

Clause by Clause Scrutiny of the Bill

The Committee's formal clause by clause scrutiny of the Insolvency (Amendment) Bill is set out below.

Part 1: Introductory

Agreed: The Committee agreed that it was content with Clause 1 as drafted.

Part 2: Office Holder Actions

Agreed: The Committee agreed that it was content with Clause 2 to Clause 4 as drafted.

Part 3 Removing requirements to seek sanctions

Agreed: The Committee agreed that it was content with Clause 5 to Clause 6 as drafted.

Part 4 Position of Creditors

The Committee noted Departmental assurances in respect of virtual meetings and protections for creditors with limited access to digital assets or limited understanding of their use.

Agreed: The Committee agreed that it was content with Clause 7 as drafted.

Agreed: The Committee agreed that it was content with Clause 8 as drafted.

Agreed: The Committee agreed that it was content with Clause 9 to Clause 10 as drafted.

Moratoriums

Agreed: The Committee agreed that it was content with Clause 11 to Clause 13 as drafted.

Company voluntary arrangements

Agreed: The Committee agreed that it was content with Clause 14 to Clause 20 as drafted.

Administration

Agreed: The Committee agreed that it was content with Clause 21 to Clause 22 as drafted.

Receivers and managers

Agreed: The Committee agreed that it was content with Clause 23 to Clause 24 as drafted.

Winding Up

Agreed: The Committee agreed that it was content with Clause 25 to Clause 58 as drafted.

Other Provision

Agreed: The Committee agreed that it was content with Clause 59 to Clause 62 as drafted.

Individual Voluntary Arrangements

Agreed: The Committee agreed that it was content with Clause 63 to Clause 73 as drafted.

Bankruptcy

The Committee noted Departmental assurances indicating that case law suggested that bankrupts were less likely to lose their homes in Northern Ireland than in England and Wales.

Agreed: The Committee agreed that it was content with Clause 74 to Clause 87 as drafted.

Part 5 Administration

Agreed: The Committee agreed that it was content with Clause 88 to Clause 89 as drafted.

Part 6 Small Debts

Agreed: The Committee agreed that it was content with Clause 90 to Clause 91 as drafted.

Part 7 Trustees in bankruptcy

Agreed: The Committee agreed that it was content with Clause 92 as drafted.

Part 8 Voluntary arrangements

Agreed: The Committee agreed that it was content with Clause 93 as drafted.

Part 9 Protection of essential supplies

Agreed: The Committee agreed that it was content with Clause 94 to Clause 100 as drafted.

Part 10 Remote attendance

Agreed: The Committee agreed that it was content with Clause 101 as drafted.

Part 11 Other insolvency amendments

Agreed: The Committee agreed that it was content with Clause 102 to Clause 106 as drafted.

Part 12 Insolvent partnerships etc.

Agreed: The Committee agreed that it was content with Clause 107 to Clause 117 as drafted.

Part 13 General

Agreed: The Committee agreed that it was content with Clause 118 as drafted.

The Committee noted a Departmental amendment altering the regulation-making power from negative to draft affirmative.

Agreed: The Committee agreed that it was content with the Departmental amendment to Clause 119.

Agreed: The Committee agreed that it was content with clause 119 as amended.

Agreed: The Committee agreed that it was content with Clause 120 to Clause 121 as drafted.

Schedules

Agreed: The Committee agreed that it was content with Schedule 1 to Schedule 4 as drafted.

Other matters

The Committee noted a Departmental explanation that practices relating to petitioning for insolvency without a court judgement are the court's discretion and should not be in the Bill.

Agreed: The Committee agreed to forego a related amendment.

Long title

Agreed: The Committee agreed that it was content with the Long Title of the Bill as drafted.

Appendices

Appendix 1: Minutes of Proceedings

Minutes of Proceedings – 15 October 2025

Minutes of Proceedings – 22 October 2025

Minutes of Proceedings – 5 November 2025

Minutes of Proceedings – 12 November 2025

Minutes of Proceedings – 26 November 2025

Minutes of Proceedings – 10 December 2025

Appendix 2: Minutes of Evidence

Minutes of Evidence – 15 October 2025, session 1

Minutes of Evidence – 15 October 2025, session 2

Minutes of Evidence – 22 October 2025

Minutes of Evidence – 5 November 2025

Minutes of Evidence – 12 November 2025

Minutes of Evidence – 26 November 2025

Appendix 3: Written Submissions

Insolvency Practitioners Association

Bar of Northern Ireland

Law Society of Northern Ireland

Statutory Committees of the Northern Ireland Assembly

Appendix 4: Written Departmental Submissions

Delegated Powers, Keeling Schedule, Equality Screening

Commentary on Law Society observations re statement of affairs

Commentary on Delegated Powers

Commentary on Bar of NI observations on deemed consent, appointment of official receiver etc.

Commentary on Bar of NI observations in respect of bankrupt homes, virtual meetings etc.

Appendix 5: Other Papers

Assembly Legal Services - Memorandum on ECHR and Windsor Framework

Assembly Research Services – Insolvency (Amendment) Bill paper

Appendix 6: List of Witnesses

Claire McNamee, Conveyancing and Non-Contentious Business Lead, Law Society NI;
Richard Craig, Partner, Mills Selig and Non-Contentious Business Committee Member, Law Society NI;
Maria Glover, Director, Napier Solicitors, Member, Law Society NI

William Gowdy KC – Bar of NI

Antoinette Thorpe, Director, Insolvency Practitioners Association;
Lyn Green, Director of Regulation & Policy, Insolvency Practitioners Association.

Ian Leonard, former Chairperson of R3, Insolvency Practitioner