



Northern Ireland
Assembly

**COMMITTEE FOR
ENTERPRISE, TRADE AND
INVESTMENT**

**OFFICIAL REPORT
(Hansard)**

Debt Relief Bill

10 June 2010

NORTHERN IRELAND ASSEMBLY

**COMMITTEE FOR
ENTERPRISE, TRADE AND
INVESTMENT**

Debt Relief Bill

10 June 2010

Members present for all or part of the proceedings:

Mr Alban Maginness (Chairperson)
Mr Paul Butler (Deputy Chairperson)
Mr Gregory Campbell
Mr Leslie Cree
Mr Gerry McHugh
Mr Stephen Moutray
Mr Sean Neeson

The Chairperson (Mr A Maginness):

The Committee has received a letter, dated 7 June 2010, from the Minister of Enterprise, Trade and Investment on the Debt Relief Bill. The letter sets out the Minister's views on an amendment to clause 2 that would allow debtors to obtain another debt relief order within six years in exceptional circumstances.

I remind members that it was agreed during clause-by-clause scrutiny at last week's meeting to defer consideration of clause 2 pending the Minister's views being obtained. She has now presented those views in her letter.

Clause 2 (Conditions for making a debt relief order)

The Chairperson:

The Minister states that there should not be such an amendment for three main reasons. First, there are issues of equity and fairness for debtors versus lenders and traders, particularly those who work in small businesses.

Secondly, there would be practical difficulties in determining exceptional circumstances. Thirdly, it would result in Northern Ireland's legislation differing from that in England and Wales.

Those are all important points. The one that strikes me as being the most difficult to deal with is how one determines what constitutes "exceptional circumstances". I do not know how one would do that or how one would frame such an amendment to clause 2. I know what Committee members are getting at, but it is very difficult to translate the concern into a legislative form that would cover the area.

Do members have any comments?

Mr Neeson:

The important thing is that the legislation will be kept under review.

The Chairperson:

In her letter, the Minister talks about a

"thorough review of the operation of the scheme after it has been in operation for three years."

However, a review could take place before that, and there could be intervening reviews. In any case, it does not appear to be an issue that has arisen in England or Wales, even though the legislation has been operational for only a fairly short time over there.

Jennifer McCann is not here to give her view. Even if she were present to propose an amendment and the Committee said that it would have nothing to do with it, she would still have an opportunity to table an amendment at the next legislative stage. Therefore, it is not unfair to her if we proceed. Obviously, I do not want to obstruct anything that any Committee member wants to do.

Mr Cree:

Jennifer is keen on including “exceptional circumstances”, but, as you said, Chairperson, it would be very difficult to do so. I am also opposed to changing the legislation from that which obtains across the water, because there is logic in having consistency. Your comment about reviewing the legislation is the best way forward, because it can be reviewed at a later stage.

The Chairperson:

The Bill is also a mechanism to provide cheaper and more effective relief for a fairly small number of people so that they might avoid the larger expense of going through bankruptcy proceedings in the High Court. It should not represent a change in bankruptcy law at large. That is not what we are dealing with, nor can we deal with it.

Question, That the Committee is content with the clause, put and agreed to.

Clause 2 agreed to.

The Chairperson:

We shall consider the first draft of the report on the Debt Relief Bill at next week’s Committee meeting.