

To: Insolvency Practitioners

Northern Ireland Insolvency Service
Fermanagh House
Ormeau Avenue
Belfast
BT2 8NJ

Dear IP,

30 March 2022

MORATORIUM RULES

1. As you will be aware, the Corporate Insolvency & Governance Act 2020 (CIGA) introduced a new, stand-alone, moratorium procedure for companies needing protection from creditors while they pursue a rescue or restructuring plan. The CIGA also included temporary Rules to facilitate the operation of the procedure.
2. Permanent Rules were introduced to replace the temporary Rules in GB at the end of 2021. In Northern Ireland, the application of the temporary Rules was extended to 30 March 2022 while permanent Rules were adapted for introduction in this jurisdiction.
3. The Rules were drafted by the Insolvency Service, which is within the Department for the Economy (DfE), but were being taken through the Assembly by the Department of Justice (DoJ) as they deal with court procedure. Therefore, they are deemed to be cross-cutting and subject to Executive approval.
4. Work on the NI permanent Rules had concluded, however, the NI Executive was suspended before it could complete the approval process. Unfortunately, no mechanism could be identified to allow the Rules to be enacted so that our policy of parity with the rest of the UK on insolvency matters could be maintained.
5. Therefore, it has not been possible to bring the permanent Rules into operation before the expiration of the temporary Rules. A similar process would have been required to extend the temporary Rules, therefore, they will expire today.
6. Once a new Executive is established after the forthcoming Assembly elections, the necessary Regulations will be taken forward by both the DfE and DoJ. Regrettably, in the meantime, this means that the moratorium procedure will not be available to companies in Northern Ireland after today.



Richard Monds
Director of Insolvency