

To: Insolvency Practitioners

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

Dear IP,

21 February 2023

MORATORIUM RULES

1. I am writing to advise you of the making of Insolvency (Amendment) Rules to prescribe permanent procedural rules for a company moratorium procedure, introduced into the Insolvency (Northern Ireland) Order 1989, by the Corporate Insolvency and Governance Act 2020.
2. The moratorium procedure was introduced to allow companies in financial distress a 'breathing space' in which to explore rescue and restructuring options free from creditor action. Procedural rules are required for the moratorium to operate effectively and to provide certainty to users such as directors, creditors and insolvency practitioners.
3. You will remember that the temporary rules lapsed at the end of March 2022, before permanent rules could be put in place. 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. The NI Executive was, however, suspended before it could complete the approval process.
4. Following the enactment of the Northern Ireland (Executive Formation Etc) Act 2022 and the recent guidance from the Secretary of State, Departments have limited powers to make legislation where it is considered to be in the public interest to do so.
5. The Department of Justice, with the concurrence of this Department and the Lady Chief Justice's Office, have considered these rules and deemed it is in the public interest to make them as they reintroduce a procedure that was previously in place and had been agreed by Ministers and the Assembly.
6. The rules have now been made and will be brought into operation on 13 March 2023.



Richard Monds
Director of Insolvency