

STATUTORY INSTRUMENTS

1989 No. 2405

The Insolvency (Northern Ireland) Order 1989

[^{F1}PART 1A

Moratorium

CHAPTER 4

Effects of moratorium

[^{F1}Restrictions on payments and disposal of property

F1 Pt. 1A inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), [ss. 4\(1\), 49\(1\)](#) (with [ss. 2\(2\), 5\(2\)](#))

Restrictions on payment of certain pre-moratorium debts

13DJ.—(1) During a moratorium, the company may make one or more relevant payments to a person that (in total) exceed the specified maximum amount only if—

- (a) the monitor consents,
- (b) the payment is in pursuance of a court order, or
- (c) the payment is required by Article 13DM(3) or 13DN(3).

(2) In paragraph (1)—

“relevant payments” means payments in respect of pre-moratorium debts for which the company has a payment holiday during the moratorium (see Article 13D);

“specified maximum amount” means an amount equal to the greater of—

- (a) £5000, and
- (b) 1% of the value of the debts and other liabilities owed by the company to its unsecured creditors when the moratorium began, to the extent that the amount of such debts and liabilities can be ascertained at that time.

(3) The monitor may give consent under paragraph (1)(a) only if the monitor thinks that it will support the rescue of the company as a going concern.

(4) In deciding whether to give consent under paragraph (1)(a), the monitor is entitled to rely on information provided by the company unless the monitor has reason to doubt its accuracy.

(5) If the company makes a payment to which paragraph (1) applies otherwise than as authorised by that paragraph—

- (a) the company commits an offence, and
- (b) any officer of the company who without reasonable excuse authorised or permitted the payment commits an offence.

Changes to legislation: *The Insolvency (Northern Ireland) Order 1989, Cross Heading: Restrictions on payments and disposal of property is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Restrictions on disposal of property

13DK.—(1) During a moratorium, the company may dispose of its property only if authorised by paragraph (2) or (5).

(2) In the case of property that is not subject to a security interest, the company may dispose of the property if—

- (a) the disposal is made in the ordinary way of the company's business,
- (b) the monitor consents, or
- (c) the disposal is in pursuance of a court order.

(3) The monitor may give consent under paragraph (2)(b) only if the monitor thinks that it will support the rescue of the company as a going concern.

(4) In deciding whether to give consent under paragraph (2)(b), the monitor is entitled to rely on information provided by the company unless the monitor has reason to doubt its accuracy.

(5) In the case of property that is subject to a security interest, the company may dispose of the property if the disposal is in accordance with—

- (a) Article 13DM(1), or
- (b) the terms of the security.

(6) If the company disposes of its property during the moratorium otherwise than as authorised by this Article—

- (a) the company commits an offence, and
- (b) any officer of the company who without reasonable excuse authorised or permitted the disposal commits an offence.

Restrictions on disposal of hire-purchase property

13DL.—(1) During a moratorium, the company may dispose of any goods in the possession of the company under a hire-purchase agreement only if the disposal is in accordance with —

- (a) Article 13DN(1), or
- (b) the terms of the agreement.

(2) If the company disposes of goods in the possession of the company under a hire-purchase agreement otherwise than as authorised by paragraph (1)—

- (a) the company commits an offence, and
- (b) any officer of the company who without reasonable excuse authorised or permitted the disposal commits an offence.]

Changes to legislation:

The Insolvency (Northern Ireland) Order 1989, Cross Heading: Restrictions on payments and disposal of property is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Instrument amended by [1998 c. 11 s. 23 Sch. 5 Pt.1 Ch. 3 para. 40](#)
- Instrument amended (prosp) by [S.I. 1994/279 \(N.I.\) art. 26\(1\)Sch. 2 para. 15](#)

Changes and effects yet to be applied to the whole Order associated Parts and Chapters:

Whole provisions yet to be inserted into this Order (including any effects on those provisions):

- Sch. 9 Pt. 2 para. 66 revoked by [1996 c. 23 s. 107\(2\)Sch. 4](#) (Amendment could not be applied. The relevant affected text is not available on [legislation.gov.uk](#))
- art. 2B inserted by [2016 c. 2 \(N.I.\) s. 2\(1\)](#)
- art. 208ZA applied (with modifications) by S.I. 2021/716, reg. 37A (as inserted) by [S.I. 2023/1399 reg. 12](#) (This amendment not applied to [Legislation.gov.uk](#). S. 208ZA is inserted by the Insolvency (Amendment) Act (Northern Ireland) 2016 (c. 2), s. 1(1) which is currently prospective.)
- art. 208ZA-208ZB inserted by [2016 c. 2 \(N.I.\) s. 1\(1\)](#)
- art. 208ZB applied (with modifications) by S.I. 2021/716, reg. 37A (as inserted) by [S.I. 2023/1399 reg. 12](#) (This amendment not applied to [Legislation.gov.uk](#). S. 208ZB is inserted by the Insolvency (Amendment) Act (Northern Ireland) 2016 (c. 2), s. 1(1) which is currently prospective.)
- art. 345A-345B inserted by [2016 c. 2 \(N.I.\) s. 1\(2\)](#)