
STATUTORY INSTRUMENTS

1989 No. 2405

The Insolvency (Northern Ireland) Order 1989

PART I
INTRODUCTORY

Interpretation for Parts II to VII

Interpretation

5.—(1) In Parts II to VII—

“administrator” means a person appointed as defined in Article 21(2);

“administration order” means an order of the High Court under Article 21;

“administrative receiver” means—

- (a) a receiver or manager of the whole (or substantially the whole) of a company’s property appointed by or on behalf of the holders of any debentures of the company secured by a charge which, as created, was a floating charge, or by such a charge and one or more other securities; or
- (b) a person who would be such a receiver or manager but for the appointment of some other person as the receiver of part of the company’s property;

“business day” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday in Northern Ireland under the Banking and Financial Dealings Act 1971⁽¹⁾;

“chattel leasing agreement” means an agreement for the bailment of goods which is capable of subsisting for more than 3 months;

“debt”, in relation to the winding up of a company, means (subject to Article 2(3)) any of the following—

- (a) any debt or liability to which the company is subject at the date on which it goes into liquidation;
- (b) any debt or liability to which the company may become subject after that date by reason of any obligation incurred before that date; and
- (c) any interest on a debt proved in the liquidation which bears interest, except in so far as it is payable in respect of any period after the company went into liquidation;

“director” includes any person occupying the position of director, by whatever name called;

“floating charge” means a charge which, as created, was a floating charge;

“nominee” means a person acting as defined in Article 15(2);

“the official rate”, in relation to interest, means the rate payable under Article 160(4);

“the registrar” means the registrar of companies appointed under Article 653 of the Companies Order and, for the purpose of this Order, includes an assistant registrar;

“a resolution for voluntary winding up” means a resolution passed under any of the subparagraphs of Article 70(1);

“retention of title agreement” means an agreement for the sale of goods to a company being an agreement—

- (a) which does not constitute a charge on the goods, but
- (b) under which, if the seller is not paid and the company is wound up, the seller will have priority over all other creditors of the company as respects the goods or any property representing the goods;

“secured creditor”, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and “unsecured creditor” is to be read accordingly;

“security” means any mortgage, charge, lien or other security;

“shadow director”, in relation to a company, means a person in accordance with whose directions or instructions the directors of the company are accustomed to act (but so that a person is not deemed a shadow director by reason only that the directors act on advice given by him in a professional capacity);

“supervisor” means a person acting as defined in Article 20(2);

“voluntary arrangement” means an arrangement as defined in Article 14(1).

(2) Any expression for whose interpretation provision is made by Part I of the Companies Order, other than an expression defined in this Article, is to be construed in accordance with that provision.

“Insolvency” and “go into liquidation”

6.—(1) In Parts II to VII, “insolvency”, in relation to a company, includes the approval of a voluntary arrangement under Part II, the making of an administration order or the appointment of an administrative receiver.

(2) For the purposes of any provision in Parts II to VII, a company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the High Court at a time when it has not already gone into liquidation by passing such a resolution.

“Connected with a company”

7. For the purposes of any provision in Parts II to VII, a person is connected with a company if—
- (a) he is a director or shadow director of the company or an associate of such a director or shadow director, or
 - (b) he is an associate of the company.

“Member of a company”

8. For the purposes of any provision in Parts II to VII, a person who is not a member of a company but to whom shares in the company have been transferred, or transmitted by operation of law, is to be regarded as a member of the company, and references to a member or members are to be read accordingly.