

SCHEDULE 2

Consequential amendments to subordinate legislation

Insolvent Partnerships Order 1994

4.—(1) Part 1 of Schedule 1 (modified provisions of sections 1 to 7B of the Insolvency Act 1986) is amended as follows.

(2) In the substituted version of section 2(2) (nominee’s report on partnership’s proposal), for paragraphs (b) and (c) substitute—

- “(b) whether, in his opinion, the proposal should be considered by a meeting of the members of the partnership and by the partnership’s creditors, and
- (c) if in his opinion it should, the date on which, and time and place at which, he proposes a meeting should be held.”

(3) In the substituted version of section 3 (summoning of meetings)—

- (a) in subsection (1)—
 - (i) for the words from “that” to “summoned” substitute, “under section 2(2) that the proposal should be considered by a meeting of the members of the partnership and by the partnership’s creditors”; and
 - (ii) for the words from “directs)” to the end substitute—
 - “directs)—
 - (a) summon a meeting of the members of the partnership to consider the proposal for the time, date and place proposed in the report, and
 - (b) seek a decision from the partnership’s creditors as to whether they approve the proposal.”;

(b) in subsection (2), for the words from “shall” to the end substitute—

- “must—
- (a) summon a meeting of the members of the partnership to consider the proposal for such time, date and place as he thinks fit, and
- (b) seek a decision from the partnership’s creditors as to whether they approve the proposal.”; and

(c) for subsection (3), substitute—

- “(3) A decision of the partnership’s creditors as to whether they approve the proposal is to be made by a qualifying decision procedure.
- (4) Notice of the qualifying decision procedure must be given to every creditor of the partnership of whose claim and address the person summoning the meeting is aware.”.

(4) In the substituted version of section 4 (decisions of meetings)—

- (a) for subsection (1) substitute—
 - “(1) This section applies where, under section 3—
 - (a) a meeting of the members of the partnership is summoned to consider the proposed voluntary arrangement, and
 - (b) the partnership’s creditors are asked to decide whether to approve the proposed voluntary arrangement.
 - (1A) The members of the partnership and its creditors may approve the proposed voluntary arrangement with or without modifications.”;

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (b) in subsection (3) for “A meeting so summoned shall not” substitute “Neither the members of the partnership nor its creditors may”;
- (c) in subsection (4)—
 - (i) for “a meeting so summoned shall not” substitute “neither the members of the partnership nor its creditors may”; and
 - (ii) for “the meeting may approve such a proposal or modification” substitute “such a proposal or modification may be approved”;
- (d) in subsection (5) for “each of the meetings” substitute “the meeting of the members of the partnership and the qualifying decision procedure”;
- (e) in subsection (6) for “either meeting” substitute “the meeting of the members of the partnership”;
- (f) after subsection (6) insert—
 - “(6A) After the partnership’s creditors have decided whether to approve the proposed voluntary arrangement the person who sought the decision must—
 - (a) report the creditors’ decision to the court, and
 - (b) immediately after reporting to the court, give notice of the creditors’ decision to everyone who was invited to consider the proposal or to whom notice of a decision procedure or meeting was delivered.”; and
 - (g) in the heading, for “meetings” substitute “the members of the partnership and its creditors”.
- (5) In the substituted version of section 4A (approval of arrangement)—
 - (a) in subsection (2)—
 - (i) in paragraph (a) for “both meetings summoned under section 3” substitute “the meeting of the members of the partnership summoned under section 3 and by the partnership’s creditors pursuant to that section”;
 - (ii) in paragraph (b) for “creditors’ meeting summoned under” substitute “partnership’s creditors pursuant to”; and
 - (b) in subsections (3), (4)(a) and (6)(a) for “creditors’ meeting” substitute “partnership’s creditors”.
- (6) In the substituted version of section 5 (effect of approval)—
 - (a) in subsection (2)—
 - (i) in paragraph (a) for “creditors’ meeting” substitute “time the creditors decided to approve the voluntary arrangement”;
 - (ii) in paragraph (b)(i) for the words from “at that” to “it” substitute “in the qualifying decision procedure by which the creditors’ decision to approve the voluntary arrangement was made”; and
 - (iii) in paragraph (b)(ii), for “it” substitute “the procedure”; and
 - (b) in subsection (4)(a) after “4(6)” insert “and (6A)”.
- (7) in the substituted version of section 6 (challenge of decisions)—
 - (a) in subsection (1)(b) for “either of the meetings” substitute “the meeting of the members of the partnership or in the relevant qualifying decision procedure”;
 - (b) in subsection (2)—
 - (i) in paragraph (a) for “either of the meetings” substitute “the meeting of the members of the partnership or in the relevant qualifying decision procedure”; and

- (ii) in paragraph (b) for “at the creditors’ meeting” substitute “in the relevant qualifying decision procedure”;
 - (c) in subsection (3)(a) after “4(6)” insert “and (6A)”;
 - (d) in subsection (3)(b)—
 - (i) for “creditors’ meeting” substitute “relevant qualifying decision procedure”; and
 - (ii) for “the meeting” substitute “the relevant qualifying decision procedure”;
 - (e) in subsection (4) for “one or both” substitute “any”;
 - (f) in subsection (4)(a) for “in question” substitute “of the members of the partnership, or in the relevant qualifying decision procedure.”;
 - (g) in subsection (4)(b)—
 - (i) for “further meetings” substitute “a further meeting of the members of the partnership”; and
 - (ii) for “, a further meeting of the members of the partnership or (as the case may be) of the partnerships creditors” substitute “and relating to the meeting of the members of the partnership, a further meeting of the members of the partnership”;
 - (h) in subsection (4), after paragraph (b) insert—
 - “(c) direct any person—
 - (i) to seek a decision from the partnership’s creditors (using a qualifying decision procedure) as to whether they approve any revised proposal the person who made the original proposal may make, or
 - (ii) in a case falling within subsection (1)(b) and relating to the relevant qualifying decision procedure, to seek a decision from the partnership’s creditors (using a qualifying decision procedure) as to whether they approve the original proposal.”;
 - (i) in subsection (5) for “for the summoning of meetings to consider” substitute “or (c) in relation to”;
 - (j) in subsection (6)—
 - (i) after “meeting” insert “or relevant qualifying decision procedure”; and
 - (ii) in paragraph (a) after “(4)(b)” insert “or (c)”; and
 - (k) in subsection (7)—
 - (i) the words from “a decision” to the end become paragraph (a);
 - (ii) in that paragraph (a) after “at a meeting” insert “of the members of the partnership”; and
 - (iii) after that paragraph (a) insert—
 - “, and
 - (b) a decision of the creditors of the partnership made in the relevant qualifying decision procedure is not invalidated by any irregularity in relation to the relevant qualifying decision procedure.”.
- (8) In section 7(2)(a) for “given at one or both of the meetings summoned under” substitute “of the voluntary arrangement by the members of the partnership or its creditors (or both) pursuant to”.