

LORDS AMENDMENTS TO THE
CORPORATE INSOLVENCY AND GOVERNANCE BILL

[The page and line references are to HL Bill 113, the bill as first printed for the Lords]

Clause 1

- 1 Page 3, line 40, leave out “changing the definition of “the relevant documents”” and insert “adding to the list of documents”
- 2 Page 4, line 19, at end insert—
 “(c) in a case where the company is or has been an employer in respect of an occupational pension scheme that is not a money purchase scheme, the Pensions Regulator, and
 (d) in a case where the company is an employer in respect of such a pension scheme that is an eligible scheme within the meaning given by section 126 of the Pensions Act 2004, the Board of the Pension Protection Fund.”
- 3 Page 5, line 39, leave out from beginning to end of line 42
- 4 Page 6, leave out lines 27 to 30
- 5 Page 8, leave out lines 6 to 9
- 6 Page 10, line 42, at end insert—
 “(c) in a case where the company is or has been an employer in respect of an occupational pension scheme that is not a money purchase scheme, the Pensions Regulator, and
 (d) in a case where the company is an employer in respect of such a pension scheme that is an eligible scheme within the meaning given by section 126 of the Pensions Act 2004, the Board of the Pension Protection Fund.”
- 7 Page 15, line 12, at end insert—
 “(7) This section does not apply in relation to a floating charge that is—
 (a) a collateral security (as defined by section A27);
 (b) a market charge (as defined by section A27);

- (c) a security financial collateral arrangement (within the meaning of regulation 3 of the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226));
- (d) a system-charge (as defined by section A27).”

8 Page 22, line 27, at end insert –

- “(c) in a case where the company is or has been an employer in respect of an occupational pension scheme that is not a money purchase scheme, the Pensions Regulator, and
- (d) in a case where the company is an employer in respect of such a pension scheme that is an eligible scheme within the meaning given by section 126 of the Pensions Act 2004, the Board of the Pension Protection Fund.”

9 Page 24, line 31, at end insert –

“A44A Challenge brought by Board of the Pension Protection Fund

- (1) This section applies where –
 - (a) a moratorium –
 - (i) is in force in relation to a company that is an employer in respect of an eligible scheme, or
 - (ii) is or has been in force in relation to a company that has been an employer in respect of an eligible scheme at any time during the moratorium, and
 - (b) the trustees or managers of the scheme are a creditor of the company.
- (2) The Board of the Pension Protection Fund may make any application under section A42(1) or A44(1) that could be made by the trustees or managers as a creditor.
- (3) For the purposes of such an application, any reference in section A42(1) or A44(1) to the interests of the applicant is to be read as a reference to the interests of the trustees or managers as a creditor.
- (4) In this section “eligible scheme” has the meaning given by section 126 of the Pensions Act 2004.”

10 Page 30, line 7, at end insert –

“A49A Power to make provision in connection with pension schemes

- (1) The Secretary of State may by regulations provide that, in a case where –
 - (a) a moratorium –
 - (i) is in force in relation to a company that is an employer in respect of an eligible scheme, or
 - (ii) is or has been in force in relation to a company that has been an employer in respect of an eligible scheme at any time during the moratorium, and
 - (b) the trustees or managers of the scheme are a creditor of the company,the Board of the Pension Protection Fund may exercise any of the following rights.

- (2) The rights are those which are exercisable by the trustees or managers as a creditor of the company under or by virtue of –
 - (a) section A12, or
 - (b) a court order under section A44(4)(c).
- (3) Regulations under subsection (1) may provide that the Board may exercise any such rights –
 - (a) to the exclusion of the trustees or managers of the scheme, or
 - (b) in addition to the exercise of those rights by the trustees or managers of the scheme.
- (4) Regulations under subsection (1) –
 - (a) may specify conditions that must be met before the Board may exercise any such rights;
 - (b) may provide for any such rights to be exercisable by the Board for a specified period;
 - (c) may make provision in connection with any such rights ceasing to be so exercisable at the end of such a period.
- (5) Regulations under subsection (1) are subject to the affirmative resolution procedure.
- (6) In this section “eligible scheme” has the meaning given by section 126 of the Pensions Act 2004.”

11 Page 30, line 21, at end insert –

- “(4) Subsection (1) does not apply to a provision in an instrument creating a floating charge that is –
- (a) a collateral security (as defined by section A27);
 - (b) a market charge (as defined by section A27);
 - (c) a security financial collateral arrangement (within the meaning of regulation 3 of the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226));
 - (d) a system-charge (as defined by section A27).”

12 Page 31, line 25, at end insert –

- ““employer”, in relation to a pension scheme –
- (a) in sections A8(2)(c), A17(8)(c) and A39(8)(c), means an employer within the meaning of section 318(1) of the Pensions Act 2004;
 - (b) elsewhere in this Part, has the same meaning that it has for the purposes of Part 2 of the Pensions Act 2004 (see section 318(1) and (4) of that Act);”

13 Page 31, line 34, at end insert –

- ““money purchase scheme” has the meaning given by section 181(1) of the Pension Schemes Act 1993;”

14 Page 31, line 40, at end insert –

- ““occupational pension scheme” has the meaning given by section 1 of the Pension Schemes Act 1993;
 “pension scheme” has the meaning given by section 1 of the Pension Schemes Act 1993;”

Clause 4

- 15 Page 35, line 15, leave out “changing the definition of “the relevant documents”” and insert “adding to the list of documents”
- 16 Page 35, line 40, at end insert –
 “(c) in a case where the company is or has been an employer in respect of an occupational pension scheme that is not a money purchase scheme, the Pensions Regulator, and
 (d) in a case where the company is an employer in respect of such a pension scheme that is an eligible scheme within the meaning given by Article 110 of the Pensions (Northern Ireland) Order 2005, the Board of the Pension Protection Fund.”
- 17 Page 37, leave out lines 19 to 23
- 18 Page 38, leave out lines 2 to 6
- 19 Page 39, leave out lines 34 to 38
- 20 Page 42, line 22, at end insert –
 “(c) in a case where the company is or has been an employer in respect of an occupational pension scheme that is not a money purchase scheme, the Pensions Regulator, and
 (d) in a case where the company is an employer in respect of such a pension scheme that is an eligible scheme within the meaning given by Article 110 of the Pensions (Northern Ireland) Order 2005, the Board of the Pension Protection Fund.”
- 21 Page 46, line 35, at end insert –
 “(7) This Article does not apply in relation to a floating charge that is –
 (a) a collateral security (as defined by Article 13DI);
 (b) a market charge (as defined by Article 13DI);
 (c) a security financial collateral arrangement (within the meaning of regulation 3 of the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226));
 (d) a system-charge (as defined by Article 13DI).”
- 22 Page 53, line 41, at end insert –
 “(c) in a case where the company is or has been an employer in respect of an occupational pension scheme that is not a money purchase scheme, the Pensions Regulator, and
 (d) in a case where the company is an employer in respect of such a pension scheme that is an eligible scheme within the meaning given by Article 110 of the Pensions (Northern Ireland) Order 2005, the Board of the Pension Protection Fund.”
- 23 Page 56, line 2, at end insert –
“13FC Challenge brought by Board of the Pension Protection Fund
 (1) This Article applies where –
 (a) a moratorium –
 (i) is in force in relation to a company that is an employer in respect of an eligible scheme, or

- (ii) is or has been in force in relation to a company that has been an employer in respect of an eligible scheme at any time during the moratorium, and
- (b) the trustees or managers of the scheme are a creditor of the company.
- (2) The Board of the Pension Protection Fund may make any application under Article 13F(1) or 13FB(1) that could be made by the trustees or managers as a creditor.
- (3) For the purposes of such an application, any reference in Article 13F(1) or 13FB(1) to the interests of the applicant is to be read as a reference to the interests of the trustees or managers as a creditor.
- (4) In this Article “eligible scheme” has the meaning given by Article 110 of the Pensions (Northern Ireland) Order 2005.”

24 Page 60, line 20, leave out from “Assembly” to end of line 24

25 Page 60, line 24, at end insert –

“13HAA Power to make provision in connection with pension schemes

- (1) A Northern Ireland department may by regulations provide that, in a case where –
 - (a) a moratorium –
 - (i) is in force in relation to a company that is an employer in respect of an eligible scheme, or
 - (ii) is or has been in force in relation to a company that has been an employer in respect of an eligible scheme at any time during the moratorium, and
 - (b) the trustees or managers of the scheme are a creditor of the company,
 the Board of the Pension Protection Fund may exercise any of the following rights.
- (2) The rights are those which are exercisable by the trustees or managers as a creditor of the company under or by virtue of –
 - (a) Article 13CC, or
 - (b) a court order under Article 13FB(4)(c).
- (3) Regulations under paragraph (1) may provide that the Board may exercise any such rights –
 - (a) to the exclusion of the trustees or managers of the scheme, or
 - (b) in addition to the exercise of those rights by the trustees or managers of the scheme.
- (4) Regulations under paragraph (1) –
 - (a) may specify conditions that must be met before the Board may exercise any such rights;
 - (b) may provide for any such rights to be exercisable by the Board for a specified period;
 - (c) may make provision in connection with any such rights ceasing to be so exercisable at the end of such a period.

(5) Regulations may not be made under paragraph (1) unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.

(6) In this Article “eligible scheme” has the meaning given by Article 110 of the Pensions (Northern Ireland) Order 2005.”

26 Page 60, line 38, at end insert –

“(4) Paragraph (1) does not apply to a provision in an instrument creating a floating charge that is –

(a) a collateral security (as defined by Article 13DI);

(b) a market charge (as defined by Article 13DI);

(c) a security financial collateral arrangement (within the meaning of regulation 3 of the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226));

(d) a system-charge (as defined by Article 13DI).”

27 Page 61, line 42, at end insert –

““employer”, in relation to a pension scheme –

(a) in Articles 13BE(2)(c), 13CH(8)(c) and 13EE(8)(c), means an employer within the meaning of Article 2(2) of the Pensions (Northern Ireland) Order 2005;

(b) elsewhere in this Part, has the same meaning that it has for the purposes of Part 3 of the Pensions (Northern Ireland) Order 2005 (see Article 2(2) and (5) of that Order);”

28 Page 61, line 44, at end insert –

““money purchase scheme” has the meaning given by section 176(1) of the Pension Schemes (Northern Ireland) Act 1993;”

29 Page 62, line 2, at end insert –

““occupational pension scheme” has the meaning given by section 1 of the Pension Schemes (Northern Ireland) Act 1993;

“pension scheme” has the meaning given by section 1 of the Pension Schemes (Northern Ireland) Act 1993;”

After Clause 7

30 Insert the following new Clause –

“Administration in Great Britain: revival of power about sales to connected persons

(1) Paragraph 60A of Schedule B1 to the Insolvency Act 1986 (which expired in May 2020) is revived.

(2) For sub-paragraph (10) of that paragraph substitute –

“(10) This paragraph expires at the end of June 2021 unless the power conferred by it is exercised before then.””

31 Insert the following new Clause –

“Administration in Northern Ireland: power about sales to connected persons

(1) The Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) is amended as follows.

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- (2) Schedule B1 (administration) is amended in accordance with subsections (3) to (5).
 - (3) Paragraph 61 (powers of administrator) becomes sub-paragraph (1) of that paragraph.
 - (4) After that sub-paragraph insert –
 - “(2) But the power to sell, hire out or otherwise dispose of property is subject to any regulations that may be made under paragraph 61A.”
 - (5) After paragraph 61 insert –
 - “61A(1) Regulations may make provision for –
 - (a) prohibiting, or
 - (b) imposing requirements or conditions in relation to, the disposal, hiring out or sale of property of a company by the administrator to a connected person in circumstances specified in the regulations.
 - (2) Regulations under this paragraph may in particular require the approval of, or provide for the imposition of requirements or conditions by –
 - (a) creditors of the company,
 - (b) the High Court, or
 - (c) a person of a description specified in the regulations.
 - (3) In sub-paragraph (1), “connected person”, in relation to a company, means –
 - (a) a relevant person in relation to the company, or
 - (b) a company connected with the company.
 - (4) For the purposes of sub-paragraph (3) –
 - (a) “relevant person”, in relation to a company, means –
 - (i) a director or other officer, or shadow director, of the company;
 - (ii) a non-employee associate of such a person;
 - (iii) a non-employee associate of the company;
 - (b) a company is connected with another if any relevant person of one is or has been a relevant person of the other.
 - (5) In sub-paragraph (4), “non-employee associate” of a person means a person who is an associate of that person otherwise than by virtue of employing or being employed by that person.
 - (6) Paragraph (11) of Article 4 (extended definition of company) applies for the purposes of sub-paragraphs (3) to (5) as it applies for the purposes of that Article.
 - (7) Regulations under this paragraph may make incidental, consequential, supplemental and transitional provision.
 - (8) Regulations may not be made under this paragraph unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.
 - (9) This paragraph expires at the end of June 2021 unless the power conferred by it is exercised before then.”

- (6) In Article 2(2), in the definition of “regulations”, after the words “and paragraph 16 of Schedule A1” (which are repealed by paragraph 3(b) of Schedule 7 to this Act) insert “and paragraph 61A of Schedule B1”.

Clause 10

- 32 Page 63, line 21, leave out from “30” to end of line 22 and insert “September 2020.”

Clause 11

- 33 Page 64, line 46, leave out from “30” to end of line 47 and insert “September 2020.”

Clause 13

- 34 Page 69, line 12, leave out from “30” to end of line 13 and insert “September 2020.”

Clause 17

- 35 Page 76, line 1, leave out from “30” to end of line 2 and insert “September 2020.”

Clause 20

- 36 Page 78, line 6, at end insert—
“() the need for the provision made by the regulations is urgent,”

Clause 22

- 37 Page 79, line 14, leave out from “which is” to end of line 15 and insert—
“(i) after the period of one year beginning with the date for the time being specified in subsection (1), or
(ii) after the period of two years beginning with the date on which this Act is passed, but”

Clause 24

- 38 Page 79, line 29, after “applies,” insert “or
(b) regulations made under section 23 which make provision by amending an Act or an Act of the Scottish Parliament,”.

- 39 Page 79, line 38, at end insert—

“(4A) Where regulations cease to have effect as a result of subsection (3) that does not—

- (a) affect anything previously done under or by virtue of the regulations, or
(b) prevent the making of new regulations.”

- 40 Page 80, line 6, after “section 23” insert “which do not make provision by amending an Act or an Act of the Scottish Parliament”

Clause 28

- 41 Page 82, line 5, at end insert—
“() the need for the provision made by the regulations is urgent,”

Clause 30

- 42 Page 83, line 11, leave out from “which is” to end of line 12 and insert –
- “(i) after the period of one year beginning with the date for the time being specified in subsection (1), or
 - (ii) after the period of two years beginning with the date on which this Act is passed, but”

Clause 32

- 43 Page 83, line 28, after “applies,” insert “and regulations made under section 31 by the Department which make provision by amending an Act or Northern Ireland legislation,”
- 44 Page 83, line 38, at end insert –
- “(4A) Where regulations cease to have effect as a result of subsection (3) that does not –
- (a) affect anything previously done under or by virtue of the regulations, or
 - (b) prevent the making of new regulations.”
- 45 Page 84, line 4, after “section 31” insert “which do not make provision by amending an Act or Northern Ireland legislation”

Clause 33

- 46 Page 84, line 22, after “applies,” insert “or
- (b) regulations made under section 31 by the Secretary of State which make provision by amending an Act,”
- 47 Page 84, line 31, at end insert –
- “(4A) Where regulations cease to have effect as a result of subsection (3) that does not –
- (a) affect anything previously done under or by virtue of the regulations, or
 - (b) prevent the making of new regulations.”
- 48 Page 84, line 43, after “section 31” insert “which do not make provision by amending an Act”

Clause 39

- 49 Page 87, line 43, at end insert “if the Secretary of State considers it reasonable to do so to mitigate an effect of coronavirus.”
- 50 Page 87, line 44, after “section” insert “–
- “coronavirus” means severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);”

Clause 40

- 51 Page 88, line 34, at end insert “if the Department considers it reasonable to do so to mitigate an effect of coronavirus.”

- 52 Page 88, line 35, after “section” insert “ –
“coronavirus” means severe acute respiratory syndrome coronavirus
2 (SARS-CoV-2);”

Clause 41

- 53 Page 89, line 39, leave out “negative resolution” and insert “made affirmative”
- 54 Page 89, line 43, at end insert –
“(aa) provision under section A49A(1) of the Insolvency Act 1986
(moratorium: power to make provision in connection with pension
schemes);”
- 55 Page 90, line 28, leave out paragraph (b) and insert –
“(b) “regulations that are subject to the made affirmative procedure”
means regulations that –
(i) are contained in a statutory instrument that must be laid
before Parliament as soon as reasonably practicable after
being made, and
(ii) cease to have effect at the end of the period of 40 days
beginning with the day on which the instrument is made,
unless during that period the instrument is approved by a
resolution of each House of Parliament.
- (6) In calculating the period of 40 days mentioned in subsection (5)(b)(ii), no
account is to be taken of any time during which –
(a) Parliament is dissolved or prorogued, or
(b) both Houses of Parliament are adjourned for more than 4 days.
- (7) Where by virtue of this section the Secretary of State makes regulations that
are subject to the made affirmative procedure and the regulations cease to
have effect because they are not approved within the period mentioned in
subsection (5)(b)(ii), the fact that the regulations cease to have effect does
not –
(a) affect anything previously done under or by virtue of the
regulations, or
(b) prevent the making of new regulations.”

Clause 42

- 56 Page 90, line 35, leave out “negative resolution” and insert “made affirmative”
- 57 Page 91, line 6, leave out paragraph (b) and insert –
“(b) “regulations that are subject to the made affirmative procedure”
means regulations that –
(i) are contained in a statutory instrument that must be laid
before Senedd Cymru as soon as reasonably practicable
after being made, and
(ii) cease to have effect at the end of the period of 40 days
beginning with the day on which the instrument is made,
unless during that period the instrument is approved by a
resolution of Senedd Cymru.
- (5) In calculating the period of 40 days mentioned in subsection (4)(b)(ii), no
account is to be taken of any time during which Senedd Cymru is –
(a) dissolved, or

- (b) in recess for more than 4 days.
- (6) Where by virtue of this section the Welsh Ministers make regulations that are subject to the made affirmative procedure and the regulations cease to have effect because they are not approved within the period mentioned in subsection (4)(b)(ii), the fact that the regulations cease to have effect does not—
 - (a) affect anything previously done under or by virtue of the regulations, or
 - (b) prevent the making of new regulations.”

Clause 43

- 58 Page 91, line 12, after “procedure” insert “(see section 29 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10))”
- 59 Page 91, line 13, leave out from “the” to end of line 15 and insert “made affirmative procedure”
- 60 Page 91, line 21, at end insert—
- “(3) For the purposes of this section “regulations that are subject to the made affirmative procedure” means regulations that—
 - (a) must be laid before the Scottish Parliament as soon as reasonably practicable after being made, and
 - (b) cease to have effect at the end of the period of 40 days beginning with the day on which the regulations are made, unless during that period the regulations are approved by a resolution of the Scottish Parliament.
 - (4) In calculating the period of 40 days mentioned in subsection (3)(b), no account is to be taken of any time during which the Scottish Parliament is—
 - (a) dissolved, or
 - (b) in recess for more than 4 days.
 - (5) Where by virtue of this section the Scottish Ministers make regulations that are subject to the made affirmative procedure and the regulations cease to have effect because they are not approved within the period mentioned in subsection (3)(b), the fact that the regulations cease to have effect does not—
 - (a) affect anything previously done under or by virtue of the regulations, or
 - (b) prevent the making of new regulations.
 - (6) Section 30 of the Interpretation and Legislative Reform (Scotland) Act 2010 does not apply in relation to regulations that are subject to the made affirmative procedure by virtue of this section.”

After Clause 43

61 Insert the following new Clause—

“Modified procedure for regulations of Northern Ireland departments

- (1) During the period of six months beginning with the day on which this section comes into force, any relevant provision that may be made by a Northern Ireland department by regulations that are subject to the affirmative resolution procedure may be made by regulations that are subject to the made affirmative procedure.
- (2) In subsection (1) “relevant provision” means—
 - (a) provision under Article 13HA(1) of the Insolvency (Northern Ireland) Order 1989 (power to modify moratorium provisions in relation to certain companies);
 - (b) provision under Article 13HAA(1) of that Order (moratorium: power to make provision in connection with pension schemes).
- (3) For the purposes of this section—
 - (a) “regulations that are subject to the affirmative resolution procedure” means regulations that may not be made unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly;
 - (b) “regulations that are subject to the made affirmative procedure” means regulations that—
 - (i) must be laid before the Assembly as soon as reasonably practicable after being made, and
 - (ii) cease to have effect at the end of the period of 40 days beginning with the day on which the regulations are made, unless during that period the regulations are approved by a resolution of the Assembly.
- (4) In calculating the period of 40 days mentioned in subsection (3)(b)(ii), no account is to be taken of any time during which the Assembly is—
 - (a) dissolved,
 - (b) in recess for more than 4 days, or
 - (c) adjourned for more than 6 days.
- (5) Where by virtue of this section a Northern Ireland department makes regulations that are subject to the made affirmative procedure and the regulations cease to have effect because they are not approved within the period mentioned in subsection (3)(b)(ii), the fact that the regulations cease to have effect does not—
 - (a) affect anything previously done under or by virtue of the regulations, or
 - (b) prevent the making of new regulations.
- (6) In this section “the Assembly” means the Northern Ireland Assembly.”

Schedule 1

62 Page 102, line 2, after “Schedule” insert “, apart from paragraph 2,”

Schedule 2

- 63 Page 104, line 15, at end insert “, and
(b) a master agreement for securities financing transactions.”
- 64 Page 104, line 24, leave out from “derivative” to end of line 25 and insert “, and
(b) a master agreement for derivatives.
(2) “Derivative” has the meaning given by Article 2(5) of Regulation (EU) No. 648/2012.”.
- 65 Page 104, line 27, at end insert “, and
(b) a master agreement for spot contracts.”
- 66 Page 104, line 35, leave out from “to” to end of line 36 and insert “an agreement which is, or forms part of, an arrangement involving the issue of a capital market investment.
(2) “Capital market investment” has the meaning given by paragraph 14 of Schedule ZA1.”

Schedule 3

- 67 Page 106, line 18, leave out from “debts” to end of line 21 and insert “(within the meaning given by section 174A);
(b) priority pre-moratorium debts (within the meaning given by section 174A).”
- 68 Page 106, line 24, leave out sub-paragraph (3)
- 69 Page 108, line 3, leave out from “and” to end of line 5 and insert “priority pre-moratorium debts.
(2A) In subsection (2)(b) “priority pre-moratorium debt” means –
(a) any pre-moratorium debt that is payable in respect of –
(i) the monitor’s remuneration or expenses,
(ii) goods or services supplied during the moratorium,
(iii) rent in respect of a period during the moratorium, or
(iv) wages or salary arising under a contract of employment, so far as relating to a period of employment before or during the moratorium,
(b) any pre-moratorium debt that –
(i) consists of a liability to make a redundancy payment, and
(ii) fell due before or during the moratorium, and
(c) any pre-moratorium debt that –
(i) arises under a contract or other instrument involving financial services,
(ii) fell due before or during the moratorium, and
(iii) is not relevant accelerated debt (see subsection (2B)).
(2B) For the purposes of subsection (2A)(c) –
“relevant accelerated debt” means any pre-moratorium debt that fell due during the relevant period by reason of the operation of, or the exercise of rights under, an acceleration or early termination clause in a contract or other instrument involving financial services;

“the relevant period” means the period –

- (a) beginning with the day on which the statement under section A6(1)(e) is made, and
- (b) ending with the last day of the moratorium.”

70 Page 108, line 8, at end insert –

“(3A) The Secretary of State may by regulations made by statutory instrument amend this section for the purposes of changing the definition of “moratorium debt” or “priority pre-moratorium debt” in this section.

(3B) Regulations under subsection (3A) may make consequential, supplementary, incidental or transitional provision or savings.

(3C) A statutory instrument containing regulations under subsection (3A) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

71 Page 108, leave out lines 13 and 14 and insert –

“(5) Any rules made under section A18(4) (meaning of supply of goods or services) apply also for the purposes of subsection (2A)(a)(ii) of this section.

(6) In this section –

“acceleration or early termination clause”, in relation to a contract or other instrument involving financial services, means a provision of the contract or other instrument –

- (a) under which, on the happening of an event –
 - (i) a debt or other liability falls due earlier than it otherwise would, or
 - (ii) a debt or other liability is terminated and replaced by another debt or liability, or
- (b) which confers on a party a right which, if exercised, will result in –
 - (i) a debt or other liability falling due earlier than it otherwise would, or
 - (ii) a debt or other liability being terminated and replaced by another debt or liability;

“contract or other instrument involving financial services” has the same meaning as it has for the purposes of section A18 (see Schedule ZA2);

“monitor’s remuneration or expenses” has the meaning given by section A18;

“moratorium debt” has the meaning given by section A51;

“pre-moratorium debt” has the meaning given by section A51;

“redundancy payment” has the meaning given by section A18;

“wages or salary” has the meaning given by section A18.”

72 Page 110, line 13, leave out from “debts” to end of line 16 and insert “(within the meaning given by section 174A), and

- (b) priority pre-moratorium debts (within the meaning given by section 174A).”

73 Page 110, line 25, leave out “pre-moratorium debts mentioned in sub-paragraph (2)” and insert “priority pre-moratorium debts”

74 Page 110, leave out lines 29 and 30

Schedule 4

75 Page 122, line 38, leave out from “30” to end of line 39 and insert “September 2020.”

Schedule 5

76 Page 152, line 19, after “Schedule” insert “, apart from paragraph 2,”

Schedule 6

77 Page 154, line 10, at end insert “, and
(b) a master agreement for securities financing transactions.”

78 Page 154, line 19, leave out from “derivative” to end of line 20 and insert “, and
(b) a master agreement for derivatives.

(2) “Derivative” has the meaning given by Article 2(5) of Regulation (EU) No. 648/2012.”

79 Page 154, line 22, at end insert “, and
(b) a master agreement for spot contracts.”

80 Page 154, line 30, leave out from “to” to end of line 31 and insert “an agreement which is, or forms part of, an arrangement involving the issue of a capital market investment.

(2) “Capital market investment” has the meaning given by paragraph 14 of Schedule ZA1.”

Schedule 7

81 Page 156, line 17, after ““Part 1A,” insert “Article 148A(3A),”

82 Page 156, line 40, leave out from “debts” to end of line 3 on page 157 and insert “(within the meaning given by Article 148A);

(b) priority pre-moratorium debts (within the meaning given by Article 148A);”

83 Page 157, line 8, leave out sub-paragraph (4)

84 Page 158, line 31, leave out from “and” to end of line 33 and insert “priority pre-moratorium debts.

(2A) In paragraph (2)(b) “priority pre-moratorium debt” means –

(a) any pre-moratorium debt that is payable in respect of –

- (i) the monitor’s remuneration or expenses,
- (ii) goods or services supplied during the moratorium,
- (iii) rent in respect of a period during the moratorium, or
- (iv) wages or salary arising under a contract of employment, so far as relating to a period of employment before or during the moratorium,

- (b) any pre-moratorium debt that—
 - (i) consists of a liability to make a redundancy payment, and
 - (ii) fell due before or during the moratorium, and
- (c) any pre-moratorium debt that—
 - (i) arises under a contract or other instrument involving financial services,
 - (ii) fell due before or during the moratorium, and
 - (iii) is not relevant accelerated debt (see paragraph (2B)).

(2B) For the purposes of paragraph (2A)(c)–

“relevant accelerated debt” means any pre-moratorium debt that fell due during the relevant period by reason of the operation of, or the exercise of rights under, an acceleration or early termination clause in a contract or other instrument involving financial services;

“the relevant period” means the period–

- (a) beginning with the day on which the statement under Article 13BC(1)(e) is made, and
- (b) ending with the last day of the moratorium.”

85 Page 158, line 36, at end insert–

“(3A) Regulations may amend this Article for the purposes of changing the definition of “moratorium debt” or “priority pre-moratorium debt” in this Article.

(3B) Regulations under paragraph (3A) may make consequential, supplementary, incidental or transitional provision or savings.

(3C) Regulations may not be made under paragraph (3A) unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.”

86 Page 158, leave out lines 41 and 42 and insert–

“(5) Any rules made under Article 13D(4) (meaning of supply of goods or services) apply also for the purposes of paragraph (2A)(a)(ii) of this Article.

(6) In this Article–

“acceleration or early termination clause”, in relation to a contract or other instrument involving financial services, means a provision of the contract or other instrument–

- (a) under which, on the happening of an event–
 - (i) a debt or other liability falls due earlier than it otherwise would, or
 - (ii) a debt or other liability is terminated and replaced by another debt or liability, or
- (b) which confers on a party a right which, if exercised, will result in –
 - (i) a debt or other liability falling due earlier than it otherwise would, or
 - (ii) a debt or other liability being terminated and replaced by another debt or liability;

“contract or other instrument involving financial services” has the same meaning as it has for the purposes of Article 13D (see Schedule ZA2);

“monitor’s remuneration or expenses” has the meaning given by Article 13D;

“moratorium debt” has the meaning given by Article 13HC;

“pre-moratorium debt” has the meaning given by Article 13HC;

“redundancy payment” has the meaning given by Article 13D;

“wages or salary” has the meaning given by Article 13D.”

- 87 Page 160, line 7, leave out from “debts” to end of line 10 and insert “(within the meaning given by Article 148A), and
 (b) priority pre-moratorium debts (within the meaning given by Article 148A).”

- 88 Page 160, line 18, leave out “pre-moratorium debts mentioned in sub-paragraph (2)” and insert “priority pre-moratorium debts”

- 89 Page 160, leave out lines 22 and 23

Schedule 8

- 90 Page 166, line 11, leave out from “30” to end of line 12 and insert “September 2020.”

Schedule 9

- 91 Page 184, line 24, leave out from second “a” to end of line 28 and insert “priority pre-moratorium debt.”

- 92 Page 184, line 43, leave out from “debt” to end of line 6 on page 185 and insert “–

(a) in the case of a moratorium under Part A1 of the Insolvency Act 1986, has the same meaning as in section 174A of that Act;

(b) in the case of a moratorium under Part 1A of the Insolvency (Northern Ireland) Order 1989, has the same meaning as in Article 148A of that Order;

“priority pre-moratorium debt” –

(a) in the case of a moratorium under Part A1 of the Insolvency Act 1986, has the same meaning as in section 174A of that Act;

(b) in the case of a moratorium under Part 1A of the Insolvency (Northern Ireland) Order 1989, has the same meaning as in Article 148A of that Order.”

- 93 Page 185, line 6, at end insert –

“901HA Pension schemes

- (1) In a case where the company in respect of which a compromise or arrangement is proposed is or has been an employer in respect of an occupational pension scheme that is not a money purchase scheme, any notice or other document required to be sent to a creditor of the company must also be sent to the Pensions Regulator.

- (2) In a case where the company in respect of which a compromise or arrangement is proposed is an employer in respect of an eligible scheme, any notice or other document required to be sent to a creditor of the company must also be sent to the Board of the Pension Protection Fund (“the Board”).
- (3) The Secretary of State may by regulations provide that, in a case where—
- (a) the company in respect of which a compromise or arrangement is proposed is an employer in respect of an eligible scheme, and
 - (b) the trustees or managers of the scheme are a creditor of the company,
- the Board may exercise any rights, or any rights of a specified description, that are exercisable under this Part by the trustees or managers as a creditor of the company.
- (4) Regulations under this section may provide that the Board may exercise any such rights—
- (a) to the exclusion of the trustees or managers of the scheme, or
 - (b) in addition to the exercise of those rights by the trustees or managers of the scheme.
- (5) Regulations under this section—
- (a) may specify conditions that must be met before the Board may exercise any such rights;
 - (b) may provide for any such rights to be exercisable by the Board for a specified period;
 - (c) may make provision in connection with any such rights ceasing to be so exercisable at the end of such a period.
- (6) Regulations under this section are subject to affirmative resolution procedure (but see subsection (7)).
- (7) During the period of six months beginning with the day on which this section comes into force, regulations under this section are subject to approval after being made (and subsection (6) does not apply).
- (8) For the purposes of subsection (7), section 1291 has effect as if any reference in that section to a period of 28 days were to a period of 40 days.
- (9) In this section—
- “eligible scheme” means any pension scheme that is an eligible scheme for the purposes of section 126 of the Pensions Act 2004 or Article 110 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1));
 - “employer”—
 - (a) in subsection (1), means an employer within the meaning of section 318(1) of the Pensions Act 2004 or Article 2(2) of the Pensions (Northern Ireland) Order 2005;

- (b) in subsections (2) and (3) –
- (i) in the case of a pension scheme that is an eligible scheme for the purposes of section 126 of the Pensions Act 2004, has the same meaning as it has for the purposes of Part 2 of that Act (see section 318(1) and (4) of that Act);
 - (ii) in the case of a pension scheme that is an eligible scheme for the purposes of Article 110 of the Pensions (Northern Ireland) Order 2005, has the same meaning as it has for the purposes of Part 3 of that Order (see Article 2(2) and (5) of that Order);

“money purchase scheme” means a pension scheme that is a money purchase scheme for the purposes of the Pension Schemes Act 1993 (see section 181(1) of that Act) or the Pension Schemes (Northern Ireland) Act 1993 (see section 176(1) of that Act);

“occupational pension scheme” and “pension scheme” have the meaning given by section 1 of the Pension Schemes Act 1993;

“specified” means specified in regulations under this section.”

94 Page 189, line 17, leave out “24(1) (insolvency)” and insert “24 (insolvency) –
(a) in sub-paragraph (1)”

95 Page 189, line 19, leave out “section 355A” and insert “sections 355A and 355B”

96 Page 189, line 20, at end insert –
“(b) in sub-paragraph (2), after “recognised investment exchange” insert “(other than the reference to “an authorised person” in section 355B(2)(a))”.”

97 Page 190, line 36, at end insert –

“355B Enforcement of requirements imposed by section 355A

- (1) For the purpose of enforcing a requirement imposed on a company by section 355A(2) or (3), the appropriate regulator may exercise any of the following powers (so far as it would not otherwise be exercisable) –
 - (a) the power to publish a statement under section 205 (public censure);
 - (b) the power to impose a financial penalty under section 206.
- (2) Accordingly, sections 205 and 206, and so much of this Act as relates to either of those sections, have effect in relation to a requirement imposed by section 355A(2) or (3) as if –
 - (a) any reference to an authorised person included (so far as would not otherwise be the case) a reference to a company falling within any of paragraphs (a) to (d) of section 355A(1),
 - (b) any reference to a relevant requirement included (so far as would not otherwise be the case) a reference to a requirement imposed by section 355A(2) or (3), and

(c) “the appropriate regulator” had the same meaning as in section 355A.

(3) In this section “the appropriate regulator” has the same meaning as in section 355A.””

98 Page 195, line 31, leave out from second “a” to end of line 35 and insert “priority pre-moratorium debt.”

99 Page 196, line 8, leave out from “debt”” to end of line 16 and insert “ –

(a) in the case of a moratorium under Part A1 of the Insolvency Act 1986, has the same meaning as in section 174A of that Act;

(b) in the case of a moratorium under Part 1A of the Insolvency (Northern Ireland) Order 1989, has the same meaning as in Article 148A of that Order;

“priority pre-moratorium debt” –

(a) in the case of a moratorium under Part A1 of the Insolvency Act 1986, has the same meaning as in section 174A of that Act;

(b) in the case of a moratorium under Part 1A of the Insolvency (Northern Ireland) Order 1989, has the same meaning as in Article 148A of that Order.””

100 Page 202, line 25, at end insert –

“() Sections 197, 198 and 202A of the Banking Act 2009, and sections 201 and 202 of that Act, so far as relating to those sections, apply in relation to a failure by an infrastructure company to comply with subsection (2) or (3) above as they apply in relation to a compliance failure within the meaning of Part 5 of that Act.””

Schedule 10

101 Page 203, line 15, leave out from “30” to end of line 16 and insert “September 2020.”

102 Page 209, line 36 , leave out from “30” to end of line 37 and insert “September 2020.”

Schedule 11

103 Page 211, line 2, leave out from “30” to end of line 3 and insert “September 2020.”

104 Page 216, line 25, leave out from “30” to end of line 26 and insert “September 2020.”

Schedule 12

105 Page 221, line 25, at end insert “and

(b) a master agreement for securities financing transactions”

106 Page 221, line 34, leave out from “derivative” to end of line 35 and insert “and

(b) a master agreement for derivatives.

(2) “Derivative” has the meaning given by Article 2(5) of Regulation (EU) No. 648/2012.”.

107 Page 221, line 37, at end insert “and

(b) a master agreement for spot contracts”.

108 Page 222, line 2, leave out from “to” to end of line 3 and insert “an agreement which is, or forms part of, an arrangement involving the issue of a capital market investment.

(2) “Capital market investment” has the meaning given by paragraph 14 of Schedule ZA1.”

109 Page 222, line 23, at end insert –

“Aircraft equipment

21 Nothing in section 233B affects the International Interests in Aircraft Equipment (Cape Town Convention) Regulations 2015 (S.I. 2015/912”).

Schedule 13

110 Page 227, line 35, at end insert “and

(b) a master agreement for securities financing transactions”.

111 Page 227, line 44, leave out from “derivative” to end of line 45 and insert “and

(b) a master agreement for derivatives.

(2) “Derivative” has the meaning given by Article 2(5) of Regulation (EU) No. 648/2012.”.

112 Page 228, line 2, at end insert “and

(b) a master agreement for spot contracts”.

113 Page 228, line 10, leave out from “to” to end of line 11 and insert “an agreement which is, or forms part of, an arrangement involving the issue of a capital market investment.

(2) “Capital market investment” has the meaning given by paragraph 14 of Schedule ZA1.”

114 Page 228, line 31, at end insert –

“Aircraft equipment

21 Nothing in Article 197B affects the International Interests in Aircraft Equipment (Cape Town Convention) Regulations 2015 (S.I. 2015/912”)

Schedule 14

115 Page 232, line 37, leave out “or the Treasury under” and insert “under paragraph 2(2)(a) of”

116 Page 232, line 39, leave out sub-paragraphs (3) to (5) and insert –

“(3) A statutory instrument containing regulations made by the Secretary of State under paragraph 2(2)(b) of this Schedule or containing regulations made by the Secretary of State or the Treasury under paragraph 4 or 6 of this Schedule must be laid before Parliament as soon as reasonably practicable after being made.

(4) Sub-paragraph (3) does not apply if a draft of the statutory instrument has been laid before and approved by a resolution of each House of Parliament.

- (5) Regulations contained in a statutory instrument laid before Parliament by virtue of sub-paragraph (3) cease to have effect at the end of the period of 40 days beginning with the day on which the instrument is made, unless during that period the instrument is approved by a resolution of each House of Parliament.
 - (6) In calculating the period of 40 days, no account is to be taken of any time during which—
 - (a) Parliament is dissolved or prorogued, or
 - (b) both Houses of Parliament are adjourned for more than 4 days.
 - (7) Where regulations cease to have effect as a result of sub-paragraph (5) that does not—
 - (a) affect anything previously done under or by virtue of the regulations, or
 - (b) prevent the making of new regulations.
- 7A
- (1) Regulations made by the Scottish Ministers under paragraph 2(2)(a) of this Schedule are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10)).
 - (2) Regulations made by the Scottish Ministers under paragraph 2(2)(b), 4 or 6 of this Schedule must be laid before the Scottish Parliament as soon as reasonably practicable after being made.
 - (3) Sub-paragraph (2) does not apply if the regulations have been subject to the affirmative procedure (see section 29 of the Interpretation and Legislative Reform (Scotland) Act 2010).
 - (4) Regulations laid before the Scottish Parliament by virtue of sub-paragraph (2) cease to have effect at the end of the period of 40 days beginning with the day on which they are made, unless during that period the regulations are approved by a resolution of the Scottish Parliament.
 - (5) In calculating the period of 40 days, no account is to be taken of any time during which the Scottish Parliament is—
 - (a) dissolved, or
 - (b) in recess for more than 4 days.
 - (6) Where regulations cease to have effect as a result of sub-paragraph (4) that does not—
 - (a) affect anything previously done under or by virtue of the regulations, or
 - (b) prevent the making of new regulations.
 - (7) Section 30 of the Interpretation and Legislative Reform (Scotland) Act 2010 does not apply in relation to regulations to which sub-paragraph (2) applies.
- 7B
- (1) Regulations made by the Department for the Economy in Northern Ireland under paragraph 2(2)(a) of this Schedule are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 (c. 33 (N.I.)).
 - (2) Regulations made by the Department for the Economy in Northern Ireland under paragraph 2(2)(b), 4 or 6 of this Schedule must be laid before the Assembly as soon as reasonably practicable after being made.

-
- (3) Sub-paragraph (2) does not apply if a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.
 - (4) Section 41(3) of the Interpretation Act (Northern Ireland) 1954 applies for the purposes of sub-paragraph (3) in relation to the laying of a draft as it applies in relation to the laying of a statutory document under an enactment.
 - (5) Regulations laid before the Assembly by virtue of sub-paragraph (2) cease to have effect at the end of the period of 40 days beginning with the day on which the regulations are made, unless during that period the regulations are approved by a resolution of the Assembly.
 - (6) In calculating the period of 40 days, no account is to be taken of any time during which the Assembly is –
 - (a) dissolved,
 - (b) in recess for more than 4 days, or
 - (c) adjourned for more than 6 days.
 - (7) Where regulations cease to have effect as a result of sub-paragraph (5) that does not –
 - (a) affect anything previously done under or by virtue of the regulations, or
 - (b) prevent the making of new regulations.
 - (8) A power of the Department for the Economy in Northern Ireland to make regulations under this Schedule is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)).
 - (9) In this paragraph “the Assembly” means the Northern Ireland Assembly.”

LORDS AMENDMENTS TO THE
Corporate Insolvency and Governance Bill

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