



The Insolvency
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DEAR INSOLVENCY PRACTITIONER Issue 122 – March 2021

Dear Reader

Please find enclosed the latest articles by the Insolvency Service. These include notice of draft regulations relating to pre-pack administrations which were laid in Parliament on 24 February 2021, and details of an exemption in the Victims' Payment Regulations 2020 which stipulates that payments made under the regulations do not form part of a bankrupt's estate.

<i>In this issue:</i>	
<i>Information/Notes page(s):</i>	
Chapter 1	Administration Proceedings
Article 29	Review of pre-pack sales in administration: Regulations
Chapter 17	Legislation
Article 64	Bankruptcy estates: exemption for payments made under the Victims' Payment Regulations 2020

29) Review of pre-pack sales in administration: Regulations

Further to issue No. 111 of Dear IP, which announced the Government's intention to regulate connected party sales in administrations, draft regulations entitled "The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021" were laid in Parliament on 24 February 2021. The regulations propose mandatory independent scrutiny of connected person sales, where the administrator considers the sale to be all or a substantial part of a company's business or assets, unless creditor approval of the sale has been obtained.

The regulations are subject to the draft affirmative procedure and will therefore be debated in both Houses of Parliament. A link to the draft regulations on legislation.gov.uk can be found here:

<https://www.legislation.gov.uk/ukdsi/2021/9780348220421/regulation/1>

Any enquiries regarding this article should be directed towards email:
Policy.Unit@insolvency.gov.uk

64) Bankruptcy estates: Exemption for payments made under the Victims' Payment Regulations 2020

The [Victims' Payments Regulations 2020 \(S.R. 2020 No. 103\)](#) came fully into force on 29 May 2020. The Regulations provide for the establishment of a 'Victims Payment Board' to make payments to persons injured in incidents related to the troubles in Northern Ireland.

Payments can be made to anyone injured in an incident in the United Kingdom. Subject to eligibility conditions, payments may also be made in respect of incidents which took place elsewhere in Europe. Payments will normally be made monthly but can also take the form of a lump sum.

Any payments made under the Victims' Payments Regulations 2020 are exempt from being treated as part of a bankrupt's estate. Regulation 28(2) provides:

“(2) On the bankruptcy of any person entitled to payments under these Regulations, no such payment, or entitlement to payments, is to pass to any trustee or person acting on behalf of the creditors”.

Any queries regarding this article should be directed towards email:
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