Draft Order laid before Parliament under section 145(7) of the Tribunals, Courts and Enforcement Act 2007 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2012 No. XXXX

DEBT MANAGEMENT AND RELIEF

DEBT RELIEF ORDERS

The Tribunals, Courts and Enforcement Act 2007 (Consequential Amendments) Order 2012

Made - - - -	***
Coming into force - -	***

The Secretary of State makes the following Order in exercise of the power conferred by section 145(1) and (2)(b) of the Tribunals, Courts and Enforcement Act 2007(**1**).

In accordance with section 145(7) of that Act, a draft of this Order has been laid before, and approved by a resolution of, each House of Parliament.

Citation, commencement and interpretation

1. This Order may be cited as the Tribunals, Courts and Enforcement Act 2007 (Consequential Amendments) Order 2012 and comes into force on 1st October 2012.

2. In this Order—

(a) a "debt relief order" means a debt relief order under Part 7A of the Insolvency Act 1986(**2**); and

(b) a "debt relief restrictions order", a "debt relief restrictions undertaking", an "interim debt relief restrictions order" and an "interim debt relief restrictions undertaking" are those made or given under section 251V of and Schedule 4ZB to the Insolvency Act 1986(**3**).

Consequential amendments to or in connection with disqualification provisions

3.—(1) Schedule 1, which amends the Company Directors Disqualification Act 1986(**4**), has effect.

(**1**) 2007 c.15.
(**2**) 1986 c.45; Part 7A was inserted by 2007 c. 15, section 108(1) and Schedule 17.
(**3**) Schedule 4ZB was inserted by 2007 c. 15, section 108(2) and Schedule 19.
(**4**) 1986 c.46.

(2) Schedule 2, which amends other Acts of Parliament, has effect.

(3) Schedule 3, which amends instruments made under Acts of Parliament, has effect.

Extent

4.—(1) The amendment in Schedule 1 extends to England and Wales only.

(2) An amendment in Schedule 2 or 3 extends to any part of the United Kingdom to which the amended enactment extends.

Transitional provisions

5. The amendments made by Schedule 2 apply only in relation to a debt relief order the application for which is made after the coming into force of this Order, except for the amendments made by the provisions listed in article 6 and as provided in article 9.

6. The amendments made by paragraphs 5, 9, 15, 26, 42, 48, 49, 50(2)(b), 50(3)(b), 51, 53(3)(b), 53(3)(e), 53(4), 54(3), 58(3), 60 and 62(3)(b) of Schedule 2 apply only in relation to a debt relief restrictions order, an interim debt relief restrictions order, a debt relief restrictions undertaking or interim debt relief restrictions undertaking where the order is made, or (as the case may be) the debtor gives the undertaking, after the coming into force of this Order.

7. The amendments made by Schedule 3 apply only in relation to a debt relief order the application for which is made after the coming into force of this Order, except for the amendments made by the provisions listed in article 8 and as provided in article 9.

8. The amendments made by paragraphs 4(4), 6, 8, 10, 12, 13, 14, 15, 17, 18, 24, 25, 31(2)(b), 31(3)(b), 32(2)(b), 32(3)(b), 33(2)(b), 33(3)(b), 37(2)(b), 38, 39(2)(b), 41, 42, 43, 44, 45(2)(b), 47(2)(b), 47(3)(b), 48(2)(b), 48(3)(b), 50(2)(b), 50(3)(b), 51(2)(b), 51(3)(b), 52(2)(b), 52(3)(b), 54, 55 and 56 of Schedule 3 apply only in relation to a debt relief restrictions order, an interim debt relief restrictions order, a debt relief restrictions undertaking or interim debt relief restrictions undertaking where the order is made, or (as the case may be) the debtor gives the undertaking, after the coming into force of this Order.

9. In relation to paragraph 34(3)(b) of Schedule 2 and paragraphs 1, 7(b) and 40 of Schedule 3—

(a) where the amendment applies in respect of a debt relief order, it applies only in relation to a debt relief order the application for which is made after the coming into force of this Order;

(b) where the amendment applies in respect of a debt relief restrictions order or interim debt relief restrictions order or a debt relief restrictions undertaking or interim debt relief restrictions undertaking, it applies only where the relevant order is made after the coming into force of this order or where the debtor gives the relevant undertaking after the coming into force of this order.

Name
Parliamentary Under Secretary of State for Employment Relations, Consumer and Postal Affairs
Department for Business, Innovation and Skills

Date

SCHEDULE 1

Consequential amendment of Company Directors Disqualification Act 1986

1. In section 11 of the Company Directors Disqualification Act 1986, for subsection (2) substitute —

"(2) For this purpose, the court is—

(a) in the case of a person adjudged bankrupt or, in Scotland, whose estate was sequestrated, the court by which the person was adjudged bankrupt or sequestration of the person's estate was awarded,

(b) in the case of a person in respect of whom a court made a debt relief restrictions order (under Schedule 4ZB of the Insolvency Act 1986), the court by which the order was made, and

(c) in the case of any other person, the court to which the person would make an application under section 251M(1) of the Insolvency Act 1986 (if the person were dissatisfied as mentioned there).".

SCHEDULE 2

Amendment of disqualification provision made by Act of Parliament

Public Trustee Act 1906

1. In section 13(4) of the Public Trustee Act 1906 (**5**) (investigation and audit of trust accounts), after "or dies," insert "or has a debt relief order made in respect of him (under Part 7A of the Insolvency Act 1986),".

Agriculture Act 1947

2. In paragraph 13(4) of Schedule 9 to the Agriculture Act 1947(**6**) (chairman of Agricultural Land Tribunal), after "creditors" insert ", or if a debt relief order (under Part 7A of the Insolvency Act 1986) is made in respect of the chairman".

Agriculture Act 1967

3. In paragraph 6(a) of Part II of Schedule 5 to the Agriculture Act 1967(**7**) (constitution and procedure of boards), after "bankrupt or" insert "has had a debt relief order made in respect of him (under Part 7A of the Insolvency Act 1986) or has".

Development of Tourism Act 1969

4.—(1) Schedule 1 to the Development of Tourism Act 1969(**8**) (incorporation and status of Tourist Boards) is amended as follows.

(2) After paragraph 5(1)(b) insert —

(**5**) 1906 c.55.
(**6**) 1947 c.48, Schedule 9, paragraph 13(4) amended by the Constitutional Reform Act 2005 (c.4), section 15(1), Schedule 4, part 1.
(**7**) 1967 c.22.
(**8**) 1969 c.51.

"(ba) has had a debt relief order made in respect of him (under Part 7A of the Insolvency Act 1986); or".

(3) After paragraph 5(2) insert —

"(3) In this paragraph, references to a member of the Board do not, in so far as sub-paragraph (1)(ba) applies, include persons who are members of VisitScotland."

Local Government Act 1972

5. In section 80(1)(b) of the Local Government Act 1972(**9**) (disqualifications for election etc), for "or interim order" substitute "or an interim bankruptcy restrictions order, or a debt relief restrictions order or interim debt relief restrictions order under Schedule 4ZB of the Insolvency Act 1986".

Health and Safety at Work Act etc 1974

6. In paragraph 5(b) of Schedule 2 to the Health and Safety at Work etc. Act 1974(**10**) (the Health and Safety Executive – terms of appointment), after "bankrupt or" insert "has had a debt relief order (under Part 7A of the Insolvency Act 1986) made in respect of him or".

Consumer Credit Act 1974

7. In section 37(1)(b) of the Consumer Credit Act 1974(**11**) (death, bankruptcy etc of licensee), after "bankrupt" insert "or has a debt relief order made in respect of him (under Part 7A of the Insolvency Act 1986)".

Solicitors Act 1974

8.—(1) The Solicitors Act 1974 (**12**) is amended as follows.

(2) In section 15(1) (suspension of practising certificate), after "bankruptcy of a solicitor" insert "or the making of a debt relief order (under Part 7A of the Insolvency Act 1986) in respect of a solicitor".

(3) In section 16 (duration of suspension)—

(a) after subsection (2) insert—

"(2A) The suspension of a practising certificate by virtue of section 15(1) by reason of the making of a debt relief order shall terminate—

(a) if the debt relief order is revoked on the ground mentioned in section 251L(2)(c) or (d) of the Insolvency Act 1986 and a copy of the notice provided to the debtor under Rule 5A.16 of the Insolvency Rules 1986 is served on the Society or the debt relief order is revoked by the court under section 251M(6)(e) of that Act and a copy of the court order is served on the Society;

(b) if the debt relief order is revoked and a period of one year has elapsed beginning with the effective date of that order. ".

(b) in subsection (3)(b) after "bankruptcy" insert "or the making of a debt relief order (under Part 7A of the Insolvency Act 1986) in respect of him".

(**9**) 1972 c.70, section 80(1)(b) was substituted by the Enterprise Act 2002 (c.40), section 267(1).
(**10**) 1974 c.37, Schedule 2 substituted by S.I. 2008/960 articles 3, 20 and Schedule 1.
(**11**) 1974 c.39.
(**12**) 1974 c.47.

Industry Act 1975

9. In paragraph 6(1)(c) of Schedule 3 to the Industry Act 1975(**13**) (establishment of a tribunal), for "or an interim order" substitute "or an interim bankruptcy restrictions order, or a debt relief restrictions order or interim debt relief restrictions order under Schedule 4ZB of the Insolvency Act 1986".

Estate Agents Act 1979

10.—(1) Section 23 of the Estate Agents Act 1979(**14**) (bankrupts) is amended as follows.

(2) After subsection (1), insert—

"(1A) An individual in respect of whom a debt relief order (under Part 7A of the Insolvency Act 1986) is made shall not engage in estate agency work of any description except as an employee of another person".

(3) After subsection (2), insert—

"(2A) The prohibition imposed on an individual by subsection (1A) shall cease to have effect if and when—

(a) the debt relief order is revoked for reasons falling within section 251(L)(2)(a) or (c) of the Insolvency Act 1986;

(b) the individual is discharged from all the qualifying debts specified under the debt relief order at the end of the moratorium period applicable to the order; or

(c) the debt relief order is revoked and a period of one year has elapsed beginning with the effective date for the order.".

(4) In subsection (3), for "The reference in subsection (1) above" substitute "The references in this section".

(5) In subsection (4), for "of subsection (1) above" substitute "of this section".

National Heritage Act 1980

11. In Schedule 1 to the National Heritage Act 1980(**15**) (trustees of National Heritage Memorial Fund – tenure of office), after paragraph 3(4)(b) insert—

"(ba) he is a person in relation to whom a moratorium period under a debt relief order applies (under Part 7A of the Insolvency Act 1986);".

Local Government, Planning and Land Act 1980

12. In paragraph 6(a) of Schedule 26 to the Local Government, Planning and Land Act 1980(**16**) (Urban Development Corporations – members), after "bankrupt or" insert "has had a debt relief order (under Part 7A of the Insolvency Act 1986) made in respect of him or has".

Public Passenger Vehicles Act 1981

13.—(1) The Public Passenger Vehicles Act 1981(**17**) is amended as follows.

(2) In section 19, after subsection (3)(a) insert—

(**13**) 1975 c.68, Schedule 3, paragraph 6(1)(c) amended by the Judicial Pensions Retirement Act 1993 (c.8) and S.I. 2006/1722 article 2(2), Schedule 2, part 1, paragraph 1(a).
(**14**) 1979 c.38.
(**15**) 1980 c.17.
(**16**) 1980 c.65.
(**17**) 1981 c.14, section 57(2) amended by the Transport Act 1985 (c. 67), sections 1, 139(3), Schedule 1 paragraph and Schedule 8.