

BANKRUPTCY AND COMPANIES MASTER'S COURT
NEW CREDITORS' BANKRUPTCY PETITIONS (Non-Crown)

COVID - 19 Guidance

10th May 2022

- This guidance supplements the Masters' Courts guidance available on the JudiciaryNI website. **Please note:** it applies only to Creditors' Bankruptcy petitions.
- Guidance on Creditors' Winding Up petitions has been deferred until after the new proposed permanent moratorium rules come into effect.

Introduction

As we remain in the midst of the Covid public health emergency, lifting the restriction on the filing of new creditors' bankruptcy petitions presents significant challenges to the court. In particular, the need to move from bulk, in-person hearings to remote hearings reduces the number of petitions which may be heard at any time. Lifting the restriction risks overwhelming the court with petitions and applications which could not realistically be processed, listed and heard.

Therefore a new protocol for dealing with new creditors' bankruptcy petitions is required. This will help the court to monitor the volume of petitions lodged and address the needs of all court users. It will also improve oversight of court resources and how these can best be allocated as part of wider Covid business recovery.

As always, Practitioners are reminded that the Insolvency (Northern Ireland) Order 1989 is a statutory scheme which governs insolvencies. The scheme is not a form of debt collection and ought not to be used as such.

The lifting of the restriction

The restriction on the presentation of new creditors' bankruptcy petitions will be lifted on **Monday 5th September 2022**. It will apply **ONLY** to those cases which meet the requirements set out below. Practitioners should read the following carefully and ensure that it is fully understood. They should also bear in mind that petitions can only be processed and listed in accordance with court resources. Delays in listing are to be expected, particularly if petitions are presented in significant numbers. Client expectation should be managed accordingly.

The new protocol: Requirements and Hearings

Requirements

1. For the time being, only petitions meeting the following criteria will be accepted when presented for hearing:
 - (i) the petition debt is grounded on a court judgment, decree or other court order. The relevant court order **MUST** accompany the petition for checking by court staff when the petition is presented; **AND**
 - (ii) the petition is grounded on a statutory demand dated and served on or after **1st June 2022**.

Petitions which do not comply with the above will not be accepted by the court office.

Hearings

2. Petitions will be heard remotely. The remote platform currently available is WebEx. **Parties must not attend court** on the date and time given for the hearing of the petition. Additional guidance on hearings will appear in updated Masters' Courts guidance available on the JudiciaryNI website.
3. Final orders will only be made on foot of petitions where the Master is satisfied that it is right and just in all the circumstances to do so.

MASTER KELLY