

**INSOLVENCY (AMENDMENT No. 1) REGULATIONS 2021**



**INSOLVENCY (AMENDMENT NO. 1) REGULATIONS 2021**

Regulations amending the Insolvency Regulations 2015

Date of Enactment: **01 April 2021**

The Board of Directors of the Abu Dhabi Global Market, in exercise of its powers under Article 6(1) of Law No. 4 of 2013 concerning the Abu Dhabi Global Market issued by His Highness the Ruler of the Emirate of Abu Dhabi, hereby enacts the following—

**1. Amendments to the Insolvency Regulations 2015**

The Insolvency Regulations 2015 are amended as follows:

1. Section 76(2) shall be deleted in its entirety and replaced in full by the following:
  - “(2) Subsection (1) does not prevent a secured creditor from realising or otherwise dealing with security, except so far as—
    - (a) the Deed of Company Arrangement so provides in relation to a secured creditor who voted in favour of the resolution of creditors because of which the Company executed the Deed of Company Arrangement; or
    - (b) the Court orders under Section 79(2) (Court may limit rights).
2. Sections 110(12) shall be deleted in its entirety and replaced in full by the following:
  - “(12) Notwithstanding the other provisions of this Section, the appointment of an administrator of a Company which is in administration shall cease to have effect when a Deed of Company Arrangement is executed by both the Company and the administrator of the Deed of Company Arrangement unless
    - (a) the Court directs otherwise; or
    - (b) without prejudice to the power of the Court to grant a further extension of the administration, the executed Deed of Company Arrangement provides for the continuation of the appointment of the administrator of the Company for a specified period in which case the administration shall be extended for such specified period, provided that such specified period shall not exceed twelve (12) months.”
3. Section 205(1)(a) shall be deleted in its entirety and replaced in full by the following:
  - “(a) if the petitioner is not the Company, not less than seven (7) business days after service of the petition on the Company, nor less than seven (7) business days before the day appointed for the hearing; or”
4. Section 259(3)(d) shall be deleted in its entirety and replaced in full by the following:
  - “(d) in a case where Section 257 (Transactions at an undervalue) or 258 (Preferences) applies by reason of a Company going into liquidation at a time when either—
    - (i) the appointment of an administrator, or

(ii) the Deed of Company Arrangement executed by the Company

ceases to have effect, the date on which the Company entered administration (or, if relevant, the date on which the application for the administration order was made or a copy of the notice of intention to appoint was filed); and”

5. Section 253A shall be inserted as follows:

**253A Power to assign**

(1) This section applies in the case of a company where—

(a) the company enters administration, or

(b) the company goes into liquidation;

and “the office-holder” means the administrator or the liquidator, as the case may be.

(2) The office-holder may assign a right of action, including the proceeds of an action, arising under or by virtue of any of the following—

(a) section 251 (fraudulent trading);

(b) section 252 (wrongful trading);

(c) section 257 (transactions at an undervalue);

(d) section 258 (preferences).