

# Tribunals, Courts and Enforcement Act 2007

## 2007 CHAPTER 15

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## CHAPTER 3 DEBT RELIEF ORDERS

108 Debt relief orders and debt relief restrictions orders etc.

(1) In the Second Group of Parts of the Insolvency Act 1986 (c. 45) (insolvency of individuals), before Part 8 there is inserted, as Part 7A, the Part set out in Schedule 17.

(2) After Schedule 4 to that Act there is inserted, as Schedules 4ZA and 4ZB, the Schedules set out in Schedules 18 and 19.

(3) Schedule 20 (which makes amendments consequential on provisions contained in Schedule 17) has effect.

## SCHEDULE 17 PART 7A OF THE INSOLVENCY ACT 1986

“Part 7A Debt relief orders

Preliminary

251A Debt relief orders

(1) An individual who is unable to pay his debts may apply for an order under this Part (“a debt relief order”) to be made in respect of his qualifying debts.

- (2) In this Part “qualifying debt” means (subject to subsection (3)) a debt which—
- (a) is for a liquidated sum payable either immediately or at some certain future time; and
  - (b) is not an excluded debt.
- (3) A debt is not a qualifying debt to the extent that it is secured.
- (4) In this Part “excluded debt” means a debt of any description prescribed for the purposes of this subsection.

Applications for a debt relief order

#### 251B Making of application

- (1) An application for a debt relief order must be made to the official receiver through an approved intermediary.
- (2) The application must include—
- (a) a list of the debts to which the debtor is subject at the date of the application, specifying the amount of each debt (including any interest, penalty or other sum that has become payable in relation to that debt on or before that date) and the creditor to whom it is owed;
  - (b) details of any security held in respect of any of those debts; and
  - (c) such other information about the debtor’s affairs (including his creditors, debts and liabilities and his income and assets) as may be prescribed.
- (3) The rules may make further provision as to—
- (a) the form of an application for a debt relief order;
  - (b) the manner in which an application is to be made; and
  - (c) information and documents to be supplied in support of an application.
- (4) For the purposes of this Part an application is not to be regarded as having been made until—
- (a) the application has been submitted to the official receiver; and
  - (b) any fee required in connection with the application by an order under section 415 has been paid to such person as the order may specify.

#### 251C Duty of official receiver to consider and determine application

- (1) This section applies where an application for a debt relief order is made.
- (2) The official receiver may stay consideration of the application until he has received answers to any queries raised with the debtor in relation to anything connected with the application.
- (3) The official receiver must determine the application by—

- (a) deciding whether to refuse the application;
  - (b) if he does not refuse it, by making a debt relief order in relation to the specified debts he is satisfied were qualifying debts of the debtor at the application date; but he may only refuse the application if he is authorised or required to do so by any of the following provisions of this section.
- (4) The official receiver may refuse the application if he considers that—
- (a) the application does not meet all the requirements imposed by or under section 251B;
  - (b) any queries raised with the debtor have not been answered to the satisfaction of the official receiver within such time as he may specify when they are raised;
  - (c) the debtor has made any false representation or omission in making the application or on supplying any information or documents in support of it.
- (5) The official receiver must refuse the application if he is not satisfied that—
- (a) the debtor is an individual who is unable to pay his debts;
  - (b) at least one of the specified debts was a qualifying debt of the debtor at the application date;
  - (c) each of the conditions set out in Part 1 of Schedule 4ZA is met.
- (6) The official receiver may refuse the application if he is not satisfied that each condition specified in Part 2 of Schedule 4ZA is met.
- (7) If the official receiver refuses an application he must give reasons for his refusal to the debtor in the prescribed manner.
- (8) In this section “specified debt” means a debt specified in the application.

#### 251D Presumptions applicable to the determination of an application

- (1) The following presumptions are to apply to the determination of an application for a debt relief order.
- (2) The official receiver must presume that the debtor is an individual who is unable to pay his debts at the determination date if—
- (a) that appears to the official receiver to be the case at the application date from the information supplied in the application and he has no reason to believe that the information supplied is incomplete or inaccurate; and
  - (b) he has no reason to believe that, by virtue of a change in the debtor’s financial circumstances since the application date, the debtor may be able to pay his debts.
- (3) The official receiver must presume that a specified debt (of the amount specified in the application and owed to the creditor so specified) is a qualifying debt at the application date if—
- (a) that appears to him to be the case from the information supplied in the application; and

- (b) he has no reason to believe that the information supplied is incomplete or inaccurate.
- (4) The official receiver must presume that the condition specified in paragraph 1 of Schedule 4ZA is met if—
- (a) that appears to him to be the case from the information supplied in the application;
  - (b) any prescribed verification checks relating to the condition have been made; and
  - (c) he has no reason to believe that the information supplied is incomplete or inaccurate.
- (5) The official receiver must presume that any other condition specified in Part 1 or 2 of Schedule 4ZA is met if—
- (a) that appears to him to have been the case as at the application date from the information supplied in the application and he has no reason to believe that the information supplied is incomplete or inaccurate;
  - (b) any prescribed verification checks relating to the condition have been made; and
  - (c) he has no reason to believe that, by virtue of a change in circumstances since the application date, the condition may no longer be met.
- (6) References in this section to information supplied in the application include information supplied to the official receiver in support of the application.
- (7) In this section “specified debt” means a debt specified in the application.

#### Making and effect of debt relief order

#### 251E Making of debt relief orders

- (1) This section applies where the official receiver makes a debt relief order on determining an application under section 251C.
- (2) The order must be made in the prescribed form.
- (3) The order must include a list of the debts which the official receiver is satisfied were qualifying debts of the debtor at the application date, specifying the amount of the debt at that time and the creditor to whom it was then owed.
- (4) The official receiver must—
- (a) give a copy of the order to the debtor; and
  - (b) make an entry for the order in the register containing the prescribed information about the order or the debtor.
- (5) The rules may make provision as to other steps to be taken by the official receiver or the debtor on the making of the order.
- (6) Those steps may include in particular notifying each creditor to whom a qualifying debt specified in the order is owed of—
- (a) the making of the order and its effect,

- (b) the grounds on which a creditor may object under section 251K, and
- (c) any other prescribed information.

(7) In this Part the date on which an entry relating to the making of a debt relief order is first made in the register is referred to as “the effective date”.

#### 251F Effect of debt relief order on other debt management arrangements

(1) This section applies if—

- (a) a debt relief order is made, and
- (b) immediately before the order is made, other debt management arrangements are in force in respect of the debtor.

(2) The other debt management arrangements cease to be in force when the debt relief order is made.

(3) In this section “other debt management arrangements” means—

- (a) an administration order under Part 6 of the County Courts Act 1984;
- (b) an enforcement restriction order under Part 6A of that Act;
- (c) a debt repayment plan arranged in accordance with a debt management scheme that is approved under Chapter 4 of Part 5 of the Tribunals, Courts and Enforcement Act 2007.

#### 251G Moratorium from qualifying debts

(1) A moratorium commences on the effective date for a debt relief order in relation to each qualifying debt specified in the order (“a specified qualifying debt”).

(2) During the moratorium, the creditor to whom a specified qualifying debt is owed—

- (a) has no remedy in respect of the debt, and
- (b) may not—
  - (i) commence a creditor’s petition in respect of the debt, or
  - (ii) otherwise commence any action or other legal proceedings against the debtor for the debt, except with the permission of the court and on such terms as the court may impose.

(3) If on the effective date a creditor to whom a specified qualifying debt is owed has any such petition, action or other proceeding as mentioned in subsection (2)(b) pending in any court, the court may—

- (a) stay the proceedings on the petition, action or other proceedings (as the case may be), or
- (b) allow them to continue on such terms as the court thinks fit.

(4) In subsection (2)(a) and (b) references to the debt include a reference to any interest, penalty or other sum that becomes payable in relation to that debt after the application date.

(5) Nothing in this section affects the right of a secured creditor of the debtor to enforce his security.

#### 251H The moratorium period

(1) The moratorium relating to the qualifying debts specified in a debt relief order continues for the period of one year beginning with the effective date for the order, unless—

(a) the moratorium terminates early; or

(b) the moratorium period is extended by the official receiver under this section or by the court under section 251M.

(2) The official receiver may only extend the moratorium period for the purpose of—

(a) carrying out or completing an investigation under section 251K;

(b) taking any action he considers necessary (whether as a result of an investigation or otherwise) in relation to the order; or

(c) in a case where he has decided to revoke the order,

providing the debtor with the opportunity to make arrangements for making payments towards his debts.

(3) The official receiver may not extend the moratorium period for the purpose mentioned in subsection (2)(a) without the permission of the court.

(4) The official receiver may not extend the moratorium period beyond the end of the period of three months beginning after the end of the initial period of one year mentioned in subsection (1).

(5) The moratorium period may be extended more than once, but any extension (whether by the official receiver or by the court) must be made before the moratorium would otherwise end.

(6) References in this Part to a moratorium terminating early are to its terminating before the end of what would otherwise be the moratorium period, whether on the revocation of the order or by virtue of any other enactment.

#### 251I Discharge from qualifying debts

(1) Subject as follows, at the end of the moratorium applicable to a debt relief order the debtor is discharged from all the qualifying debts specified in the order (including all interest, penalties and other sums which may have become payable in relation to those debts since the application date).

(2) Subsection (1) does not apply if the moratorium terminates early.

(3) Subsection (1) does not apply in relation to any qualifying debt which the debtor incurred in respect of any fraud or fraudulent breach of trust to which the debtor was a party.

(4) The discharge of the debtor under subsection (1) does not release any other person from—

- (a) any liability (whether as partner or co-trustee of the debtor or otherwise) from which the debtor is released by the discharge; or
  - (b) any liability as surety for the debtor or as a person in the nature of such a surety.
- (5) If the order is revoked by the court under section 251M after the end of the moratorium period, the qualifying debts specified in the order shall (so far as practicable) be treated as though subsection (1) had never applied to them.

#### Duties of debtor

#### 251J Providing assistance to official receiver etc

- (1) The duties in this section apply to a debtor at any time after the making of an application by him for a debt relief order.
- (2) The debtor must—
- (a) give to the official receiver such information as to his affairs,
  - (b) attend on the official receiver at such times, and
  - (c) do all such other things, as the official receiver may reasonably require for the purpose of carrying out his functions in relation to the application or, as the case may be, the debt relief order made as a result of the application.
- (3) The debtor must notify the official receiver as soon as reasonably practicable if he becomes aware of—
- (a) any error in, or omission from, the information supplied to the official receiver in, or in support of, the application;
  - (b) any change in his circumstances between the application date and the determination date that would affect (or would have affected) the determination of the application.
- (4) The duties under subsections (2) and (3) apply after (as well as before) the determination of the application, for as long as the official receiver is able to exercise functions of the kind mentioned in subsection (2).
- (5) If a debt relief order is made as a result of the application, the debtor must notify the official receiver as soon as reasonably practicable if—
- (a) there is an increase in his income during the moratorium period applicable to the order;
  - (b) he acquires any property or any property is devolved upon him during that period;
  - (c) he becomes aware of any error in or omission from any information supplied by him to the official receiver after the determination date.
- (6) A notification under subsection (3) or (5) must give the prescribed particulars (if any) of the matter being notified.

#### Objections, investigations and revocation

#### 251K Objections and investigations

(1) Any person specified in a debt relief order as a creditor to whom a specified qualifying debt is owed may object to—

- (a) the making of the order;
- (b) the inclusion of the debt in the list of the debtor's qualifying debts; or
- (c) the details of the debt specified in the order.

(2) An objection under subsection (1) must be—

- (a) made during the moratorium period relating to the order and within the prescribed period for objections;
  - (b) made to the official receiver in the prescribed manner;
  - (c) based on a prescribed ground;
  - (d) supported by any information and documents as may be prescribed;
- and the prescribed period mentioned in paragraph (a) must not be less than 28 days after the creditor in question has been notified of the making of the order.

(3) The official receiver must consider every objection made to him under this section.

(4) The official receiver may—

- (a) as part of his consideration of an objection, or
- (b) on his own initiative,

carry out an investigation of any matter that appears to the official receiver to be relevant to the making of any decision mentioned in subsection (5) in relation to a debt relief order or the debtor.

(5) The decisions to which an investigation may be directed are—

- (a) whether the order should be revoked or amended under section 251L;
- (b) whether an application should be made to the court under section 251M; or
- (c) whether any other steps should be taken in relation to the debtor.

(6) The power to carry out an investigation under this section is exercisable after (as well as during) the moratorium relating to the order.

(7) The official receiver may require any person to give him such information and assistance as he may reasonably require in connection with an investigation under this section.

(8) Subject to anything prescribed in the rules as to the procedure to be followed in carrying out an investigation under this section, an investigation may be carried out by the official receiver in such manner as he thinks fit.

#### 251L Power of official receiver to revoke or amend a debt relief order

(1) The official receiver may revoke or amend a debt relief order during the applicable moratorium period in the circumstances provided for by this section.

(2) The official receiver may revoke the order on the ground that—

- (a) any information supplied to him by the debtor—
    - (i) in, or in support of, the application, or
    - (ii) after the determination date,was incomplete, incorrect or otherwise misleading;
  - (b) the debtor has failed to comply with a duty under section 251J;
  - (c) a bankruptcy order has been made in relation to the debtor; or
  - (d) the debtor has made a proposal under Part 8 (or has notified the official receiver of his intention to do so).
- (3) The official receiver may revoke the order on the ground that he should not have been satisfied—
- (a) that the debts specified in the order were qualifying debts of the debtor as at the application date;
  - (b) that the conditions specified in Part 1 of Schedule 4ZA were met;
  - (c) that the conditions specified in Part 2 of that Schedule were met or that any failure to meet such a condition did not prevent his making the order.
- (4) The official receiver may revoke the order on the ground that either or both of the conditions in paragraphs 7 and 8 of Schedule 4ZA (monthly surplus income and property) are not met at any time after the order was made.
- For this purpose those paragraphs are to be read as if references to the determination date were references to the time in question.
- (5) Where the official receiver decides to revoke the order, he may revoke it either—
- (a) with immediate effect, or
  - (b) with effect from such date (not more than three months after the date of the decision) as he may specify.
- (6) In considering when the revocation should take effect the official receiver must consider (in the light of the grounds on which the decision to revoke was made and all the other circumstances of the case) whether the debtor ought to be given the opportunity to make arrangements for making payments towards his debts.
- (7) If the order has been revoked with effect from a specified date the official receiver may, if he thinks it appropriate to do so at any time before that date, revoke the order with immediate effect.
- (8) The official receiver may amend a debt relief order for the purpose of correcting an error in or omission from anything specified in the order.
- (9) But subsection (8) does not permit the official receiver to add any debts that were not specified in the application for the debt relief order to the list of qualifying debts.
- (10) The rules may make further provision as to the procedure to be followed by the official receiver in the exercise of his powers under this section.

## Role of the court

### 251M Powers of court in relation to debt relief orders

- (1) Any person may make an application to the court if he is dissatisfied by any act, omission or decision of the official receiver in connection with a debt relief order or an application for such an order.
- (2) The official receiver may make an application to the court for directions or an order in relation to any matter arising in connection with a debt relief order or an application for such an order.
- (3) The matters referred to in subsection (2) include, among other things, matters relating to the debtor's compliance with any duty arising under section 251J.
- (4) An application under this section may, subject to anything in the rules, be made at any time.
- (5) The court may extend the moratorium period applicable to a debt relief order for the purposes of determining an application under this section.
- (6) On an application under this section the court may dismiss the application or do one or more of the following—
  - (a) quash the whole or part of any act or decision of the official receiver;
  - (b) give the official receiver directions (including a direction that he reconsider any matter in relation to which his act or decision has been quashed under paragraph (a));
  - (c) make an order for the enforcement of any obligation on the debtor arising by virtue of a duty under section 251J;
  - (d) extend the moratorium period applicable to the debt relief order;
  - (e) make an order revoking or amending the debt relief order;
  - (f) make an order under section 251N; or
  - (g) make such other order as the court thinks fit.
- (7) An order under subsection (6)(e) for the revocation of a debt relief order—
  - (a) may be made during the moratorium period applicable to the debt relief order or at any time after that period has ended;
  - (b) may be made on the court's own motion if the court has made a bankruptcy order in relation to the debtor during that period;
  - (c) may provide for the revocation of the order to take effect on such terms and at such a time as the court may specify.
- (8) An order under subsection (6)(e) for the amendment of a debt relief order may not add any debts that were not specified in the application for the debt relief order to the list of qualifying debts.

### 251N Inquiry into debtor's dealings and property

- (1) An order under this section may be made by the court on the application of the official receiver.
- (2) An order under this section is an order summoning any of the following persons to appear before the court—
  - (a) the debtor;
  - (b) the debtor's spouse or former spouse or the debtor's civil partner or former civil partner;
  - (c) any person appearing to the court to be able to give information or assistance concerning the debtor or his dealings, affairs and property.
- (3) The court may require a person falling within subsection (2)(c)—
  - (a) to provide a written account of his dealings with the debtor; or
  - (b) to produce any documents in his possession or under his control relating to the debtor or to the debtor's dealings, affairs or property.
- (4) Subsection (5) applies where a person fails without reasonable excuse to appear before the court when he is summoned to do so by an order under this section.
- (5) The court may cause a warrant to be issued to a constable or prescribed officer of the court—
  - (a) for the arrest of that person, and
  - (b) for the seizure of any records or other documents in that person's possession.
- (6) The court may authorise a person arrested under such a warrant to be kept in custody, and anything seized under such a warrant to be held, in accordance with the rules, until that person is brought before the court under the warrant or until such other time as the court may order.

## Offences

### 251O False representations and omissions

- (1) A person who makes an application for a debt relief order is guilty of an offence if he knowingly or recklessly makes any false representation or omission in making the application or providing any information or documents to the official receiver in support of the application.
- (2) A person who makes an application for a debt relief order is guilty of an offence if—
  - (a) he intentionally fails to comply with a duty under section 251J(3) in connection with the application; or
  - (b) he knowingly or recklessly makes any false representation or omission in providing any information to the official receiver in connection with such a duty or otherwise in connection with the application.
- (3) It is immaterial for the purposes of an offence under subsection (1) or (2) whether or not a debt relief order is made as a result of the application.
- (4) A person in respect of whom a debt relief order is made is guilty of an offence if—

- (a) he intentionally fails to comply with a duty under section 251J(5) in connection with the order; or
  - (b) he knowingly or recklessly makes any false representation or omission in providing information to the official receiver in connection with such a duty or otherwise in connection with the performance by the official receiver of functions in relation to the order.
- (5) It is immaterial for the purposes of an offence under subsection (4)—
- (a) whether the offence is committed during or after the moratorium period; and
  - (b) whether or not the order is revoked after the conduct constituting the offence takes place.

#### 251P Concealment or falsification of documents

- (1) A person in respect of whom a debt relief order is made is guilty of an offence if, during the moratorium period in relation to that order—
- (a) he does not provide, at the request of the official receiver, all his books, papers and other records of which he has possession or control and which relate to his affairs;
  - (b) he prevents the production to the official receiver of any books, papers or other records relating to his affairs;
  - (c) he conceals, destroys, mutilates or falsifies, or causes or permits the concealment, destruction, mutilation or falsification of, any books, papers or other records relating to his affairs;
  - (d) he makes, or causes or permits the making of, any false entries in any book, document or record relating to his affairs; or
  - (e) he disposes of, or alters or makes any omission in, or causes or permits the disposal, altering or making of any omission in, any book, document or record relating to his affairs.
- (2) A person in respect of whom a debt relief order is made is guilty of an offence if—
- (a) he did anything falling within paragraphs (c) to (e) of subsection (1) during the period of 12 months ending with the application date; or
  - (b) he did anything falling within paragraphs (b) to (e) of subsection (1) after that date but before the effective date.
- (3) A person is not guilty of an offence under this section if he proves that, in respect of the conduct constituting the offence, he had no intent to defraud or to conceal the state of his affairs.
- (4) In its application to a trading record subsection (2)(a) has effect as if the reference to 12 months were a reference to two years.
- (5) In subsection (4) “trading record” means a book, document or record which shows or explains the transactions or financial position of a person’s business, including—

- (a) a periodic record of cash paid and received,
  - (b) a statement of periodic stock-taking, and
  - (c) except in the case of goods sold by way of retail trade, a record of goods sold and purchased which identifies the buyer and seller or enables them to be identified.
- (6) It is immaterial for the purposes of an offence under this section whether or not the debt relief order in question is revoked after the conduct constituting the offence takes place (but no offence is committed under this section by virtue of conduct occurring after the order is revoked).

#### 251Q Fraudulent disposal of property

- (1) A person in respect of whom a debt relief order is made is guilty of an offence if he made or caused to be made any gift or transfer of his property during the period between—
- (a) the start of the period of two years ending with the application date; and
  - (b) the end of the moratorium period.
- (2) The reference in subsection (1) to making a transfer of any property includes causing or conniving at the levying of any execution against that property.
- (3) A person is not guilty of an offence under this section if he proves that, in respect of the conduct constituting the offence, he had no intent to defraud or to conceal the state of his affairs.
- (4) For the purposes of subsection (3) a person is to be taken to have proved that he had no such intent if—
- (a) sufficient evidence is adduced to raise an issue as to whether he had such intent; and
  - (b) the contrary is not proved beyond reasonable doubt.
- (5) It is immaterial for the purposes of this section whether or not the debt relief order in question is revoked after the conduct constituting an offence takes place (but no offence is committed by virtue of conduct occurring after the order is revoked).

#### 251R Fraudulent dealing with property obtained on credit

- (1) A person in respect of whom a debt relief order is made is guilty of an offence if during the relevant period he disposed of any property which he had obtained on credit and, at the time he disposed of it, had not paid for it.
- (2) Any other person is guilty of an offence if during the relevant period he acquired or received property from a person in respect of whom a debt relief order was made (the “debtor”) knowing or believing—
- (a) that the debtor owed money in respect of the property, and
  - (b) that the debtor did not intend, or was unlikely to be able, to pay the money he so owed.
- (3) In subsections (1) and (2) “relevant period” means the period between—

- (a) the start of the period of two years ending with the application date; and
  - (b) the determination date.
- (4) A person is not guilty of an offence under subsection (1) or (2) if the disposal, acquisition or receipt of the property was in the ordinary course of a business carried on by the debtor at the time of the disposal, acquisition or receipt.
- (5) In determining for the purposes of subsection (4) whether any property is disposed of, acquired or received in the ordinary course of a business carried on by the debtor, regard may be had, in particular, to the price paid for the property.
- (6) A person is not guilty of an offence under subsection (1) if he proves that, in respect of the conduct constituting the offence, he had no intent to defraud or to conceal the state of his affairs.
- (7) In this section references to disposing of property include pawning or pledging it; and references to acquiring or receiving property shall be read accordingly.
- (8) It is immaterial for the purposes of this section whether or not the debt relief order in question is revoked after the conduct constituting an offence takes place (but no offence is committed by virtue of conduct occurring after the order is revoked).

#### 251S Obtaining credit or engaging in business

- (1) A person in respect of whom a debt relief order is made is guilty of an offence if, during the relevant period—
- (a) he obtains credit (either alone or jointly with any other person) without giving the person from whom he obtains the credit the relevant information about his status; or
  - (b) he engages directly or indirectly in any business under a name other than that in which the order was made without disclosing to all persons with whom he enters into any business transaction the name in which the order was made.
- (2) For the purposes of subsection (1)(a) the relevant information about a person's status is the information that—
- (a) a moratorium is in force in relation to the debt relief order,
  - (b) a debt relief restrictions order is in force in respect of him, or
  - (c) both a moratorium and a debt relief restrictions order is in force,
- as the case may be.
- (3) In subsection (1) “relevant period” means—
- (a) the moratorium period relating to the debt relief order, or
  - (b) the period for which a debt relief restrictions order is in force in respect of the person in respect of whom the debt relief order is made,
- as the case may be.
- (4) Subsection (1)(a) does not apply if the amount of the credit is less than the prescribed amount (if any).

(5) The reference in subsection (1)(a) to a person obtaining credit includes the following cases—

(a) where goods are bailed to him under a hire-purchase agreement, or agreed to be sold to him under a conditional sale agreement;

(b) where he is paid in advance (in money or otherwise) for the supply of goods or services.

#### 251T Offences: supplementary

(1) Proceedings for an offence under this Part may only be instituted by the Secretary of State or by or with the consent of the Director of Public Prosecutions.

(2) It is not a defence in proceedings for an offence under this Part that anything relied on, in whole or in part, as constituting the offence was done outside England and Wales.

(3) A person guilty of an offence under this Part is liable to imprisonment or a fine, or both (but see section 430).

#### Supplementary

#### 251U Approved intermediaries

(1) In this Part “approved intermediary” means an individual for the time being approved by a competent authority to act as an intermediary between a person wishing to make an application for a debt relief order and the official receiver.

(2) In this section “competent authority” means a person or body for the time being designated by the Secretary of State for the purposes of granting approvals under this section.

(3) Designation as a competent authority may be limited so as to permit the authority only to approve persons of a particular description.

(4) The Secretary of State may by regulations make provision as to—

(a) the procedure for designating persons or bodies as competent authorities;

(b) descriptions of individuals who are ineligible to be approved under this section;

(c) the procedure for granting approvals under this section;

(d) the withdrawal of designations or approvals under this section;

and provision made under paragraph (a) or (c) may include provision requiring the payment of fees.

(5) The rules may make provision about the activities to be carried out by an approved intermediary in connection with an application for a debt relief order, which may in particular include—

(a) assisting the debtor in making the application;

(b) checking that the application has been properly completed;

(c) sending the application to the official receiver.

(6) The rules may also make provision about other activities to be carried out by approved intermediaries.

(7) An approved intermediary may not charge a debtor any fee in connection with an application for a debt relief order.

(8) An approved intermediary is not liable to any person in damages for anything done or omitted to be done when acting (or purporting to act) as an approved intermediary in connection with a particular application by a debtor for a debt relief order.

(9) Subsection (8) does not apply if the act or omission was in bad faith.

(10) Regulations under subsection (4) shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

#### 251V Debt relief restrictions orders and undertakings

Schedule 4ZB (which makes provision about debt relief restrictions orders and debt relief restrictions undertakings) has effect.

#### 251W Register of debt relief orders etc

The Secretary of State must maintain a register of matters relating to—

- (a) debt relief orders;
- (b) debt relief restrictions orders; and
- (c) debt relief restrictions undertakings.

#### 251X Interpretation

(1) In this Part—

- “the application date”, in relation to a debt relief order or an application for a debt relief order, means the date on which the application for the order is made to the official receiver;
- “approved intermediary” has the meaning given in section 251U(1);
- “debt relief order” means an order made by the official receiver under this Part;
- “debtor” means—
  - (a) in relation to an application for a debt relief order, the applicant; and
  - (b) in relation to a debt relief order, the person in relation to whom the order is made;
- “debt relief restrictions order” and “debt relief restrictions undertaking” means an order made, or an undertaking accepted, under Schedule 4ZB;

- “the determination date”, in relation to a debt relief order or an application for a debt relief order, means the date on which the application for the order is determined by the official receiver;
- “the effective date” has the meaning given in section 251E(7);
- “excluded debt” is to be construed in accordance with section 251A;
- “moratorium” and “moratorium period” are to be construed in accordance with sections 251G and 251H;
- “qualifying debt”, in relation to a debtor, has the meaning given in section 251A(2);
- “the register” means the register maintained under section 251W;
- “specified qualifying debt” has the meaning given in section 251G(1).

(2) In this Part references to a creditor specified in a debt relief order as the person to whom a qualifying debt is owed by the debtor include a reference to any person to whom the right to claim the whole or any part of the debt has passed, by assignment or operation of law, after the date of the application for the order.”

#### SCHEDULE 18 SCHEDULE 4ZA TO THE INSOLVENCY ACT 1986

#### “SCHEDULE 4ZA Conditions for making a debt relief order

##### Part 1 Conditions which must be met

##### *Connection with England and Wales*

##### 1 (1) The debtor—

- (a) is domiciled in England and Wales on the application date; or
- (b) at any time during the period of three years ending with that date—
  - (i) was ordinarily resident, or had a place of residence, in England and Wales; or
  - (ii) carried on business in England and Wales.

##### (2) The reference in sub-paragraph (1)(b)(ii) to the debtor carrying on business includes—

- (a) the carrying on of business by a firm or partnership of which he is a member;
- (b) the carrying on of business by an agent or manager for him or for such a firm or partnership.

##### *Debtor’s previous insolvency history*

##### 2 The debtor is not, on the determination date—

- (a) an undischarged bankrupt;
- (b) subject to an interim order or voluntary arrangement under Part 8; or
- (c) subject to a bankruptcy restrictions order or a debt relief restrictions order.

##### 3 A debtor’s petition for the debtor’s bankruptcy under Part 9—

- (a) has not been presented by the debtor before the determination date;
- (b) has been so presented, but proceedings on the petition have been finally disposed of before that date; or
- (c) has been so presented and proceedings in relation to the petition remain before the court at that date, but the court has referred the debtor under section 274A(2) for the purposes of making an application for a debt relief order.

4 A creditor's petition for the debtor's bankruptcy under Part 9—

- (a) has not been presented against the debtor at any time before the determination date;
- (b) has been so presented, but proceedings on the petition have been finally disposed of before that date; or
- (c) has been so presented and proceedings in relation to the petition remain before the court at that date, but the person who presented the petition has consented to the making of an application for a debt relief order.

5 A debt relief order has not been made in relation to the debtor in the period of six years ending with the determination date.

*Limit on debtor's overall indebtedness*

6 (1) The total amount of the debtor's debts on the determination date, other than unliquidated debts and excluded debts, does not exceed the prescribed amount.

(2) For this purpose an unliquidated debt is a debt that is not for a liquidated sum payable to a creditor either immediately or at some future certain time.

*Limit on debtor's monthly surplus income*

7 (1) The debtor's monthly surplus income (if any) on the determination date does not exceed the prescribed amount.

(2) For this purpose "monthly surplus income" is the amount by which a person's monthly income exceeds the amount necessary for the reasonable domestic needs of himself and his family.

(3) The rules may—

- (a) make provision as to how the debtor's monthly surplus income is to be determined;
- (b) provide that particular descriptions of income are to be excluded for the purposes of this paragraph.

*Limit on value of debtor's property*

8 (1) The total value of the debtor's property on the determination date does not exceed the prescribed amount.

(2) The rules may—

- (a) make provision as to how the value of a person's property is to be determined;
- (b) provide that particular descriptions of property are to be excluded for the purposes of this paragraph.

## Part 2 Other conditions

9 (1) The debtor has not entered into a transaction with any person at an undervalue during the period between—

- (a) the start of the period of two years ending with the application date; and
- (b) the determination date.

(2) For this purpose a debtor enters into a transaction with a person at an undervalue if—

- (a) he makes a gift to that person or he otherwise enters into a transaction with that person on terms that provide for him to receive no consideration;
- (b) he enters into a transaction with that person in consideration of marriage or the formation of a civil partnership; or
- (c) he enters into a transaction with that person for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the individual.

10 (1) The debtor has not given a preference to any person during the period between—

- (a) the start of the period of two years ending with the application date; and
- (b) the determination date.

(2) For this purpose a debtor gives a preference to a person if—

- (a) that person is one of the debtor's creditors to whom a qualifying debt is owed or is a surety or guarantor for any such debt, and
- (b) the debtor does anything or suffers anything to be done which (in either case) has the effect of putting that person into a position which, in the event that a debt relief order is made in relation to the debtor, will be better than the position he would have been in if that thing had not been done."

## SCHEDULE 18 SCHEDULE 4ZA TO THE INSOLVENCY ACT 1986

### "SCHEDULE 4ZA Conditions for making a debt relief order

#### Part 1 Conditions which must be met

##### *Connection with England and Wales*

1 (1) The debtor—

- (a) is domiciled in England and Wales on the application date; or
- (b) at any time during the period of three years ending with that date—
  - (i) was ordinarily resident, or had a place of residence, in England and Wales; or
  - (ii) carried on business in England and Wales.

(2) The reference in sub-paragraph (1)(b)(ii) to the debtor carrying on business includes—

- (a) the carrying on of business by a firm or partnership of which he is a member;

(b) the carrying on of business by an agent or manager for him or for such a firm or partnership.

*Debtor's previous insolvency history*

2 The debtor is not, on the determination date—

- (a) an undischarged bankrupt;
- (b) subject to an interim order or voluntary arrangement under Part 8; or
- (c) subject to a bankruptcy restrictions order or a debt relief restrictions order.

3 A debtor's petition for the debtor's bankruptcy under Part 9—

- (a) has not been presented by the debtor before the determination date;
- (b) has been so presented, but proceedings on the petition have been finally disposed of before that date; or
- (c) has been so presented and proceedings in relation to the petition remain before the court at that date, but the court has referred the debtor under section 274A(2) for the purposes of making an application for a debt relief order.

4 A creditor's petition for the debtor's bankruptcy under Part 9—

- (a) has not been presented against the debtor at any time before the determination date;
- (b) has been so presented, but proceedings on the petition have been finally disposed of before that date; or
- (c) has been so presented and proceedings in relation to the petition remain before the court at that date, but the person who presented the petition has consented to the making of an application for a debt relief order.

5 A debt relief order has not been made in relation to the debtor in the period of six years ending with the determination date.

*Limit on debtor's overall indebtedness*

6 (1) The total amount of the debtor's debts on the determination date, other than unliquidated debts and excluded debts, does not exceed the prescribed amount.

(2) For this purpose an unliquidated debt is a debt that is not for a liquidated sum payable to a creditor either immediately or at some future certain time.

*Limit on debtor's monthly surplus income*

7 (1) The debtor's monthly surplus income (if any) on the determination date does not exceed the prescribed amount.

(2) For this purpose "monthly surplus income" is the amount by which a person's monthly income exceeds the amount necessary for the reasonable domestic needs of himself and his family.

(3) The rules may—

- (a) make provision as to how the debtor's monthly surplus income is to be determined;

(b) provide that particular descriptions of income are to be excluded for the purposes of this paragraph.

*Limit on value of debtor's property*

8 (1) The total value of the debtor's property on the determination date does not exceed the prescribed amount.

(2) The rules may—

(a) make provision as to how the value of a person's property is to be determined;

(b) provide that particular descriptions of property are to be excluded for the purposes of this paragraph.

Part 2 Other conditions

9 (1) The debtor has not entered into a transaction with any person at an undervalue during the period between—

(a) the start of the period of two years ending with the application date; and

(b) the determination date.

(2) For this purpose a debtor enters into a transaction with a person at an undervalue if—

(a) he makes a gift to that person or he otherwise enters into a transaction with that person on terms that provide for him to receive no consideration;

(b) he enters into a transaction with that person in consideration of marriage or the formation of a civil partnership; or

(c) he enters into a transaction with that person for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the individual.

10 (1) The debtor has not given a preference to any person during the period between—

(a) the start of the period of two years ending with the application date; and

(b) the determination date.

(2) For this purpose a debtor gives a preference to a person if—

(a) that person is one of the debtor's creditors to whom a qualifying debt is owed or is a surety or guarantor for any such debt, and

(b) the debtor does anything or suffers anything to be done which (in either case) has the effect of putting that person into a position which, in the event that a debt relief order is made in relation to the debtor, will be better than the position he would have been in if that thing had not been done.”

SCHEDULE 19 SCHEDULE 4ZB TO THE INSOLVENCY ACT 1986

“SCHEDULE 4ZB Debt relief restrictions orders and undertakings

*Debt relief restrictions order*

1 (1) A debt relief restrictions order may be made by the court in relation to a person in respect of whom a debt relief order has been made.

(2) An order may be made only on the application of—

(a) the Secretary of State, or

(b) the official receiver acting on a direction of the Secretary of State.

*Grounds for making order*

2 (1) The court shall grant an application for a debt relief restrictions order if it thinks it appropriate to do so having regard to the conduct of the debtor (whether before or after the making of the debt relief order).

(2) The court shall, in particular, take into account any of the following kinds of behaviour on the part of the debtor—

(a) failing to keep records which account for a loss of property by the debtor, or by a business carried on by him, where the loss occurred in the period beginning two years before the application date for the debt relief order and ending with the date of the application for the debt relief restrictions order;

(b) failing to produce records of that kind on demand by the official receiver;

(c) entering into a transaction at an undervalue in the period beginning two years before the application date for the debt relief order and ending with the date of the determination of that application;

(d) giving a preference in the period beginning two years before the application date for the debt relief order and ending with the date of the determination of that application;

(e) making an excessive pension contribution;

(f) a failure to supply goods or services that were wholly or partly paid for;

(g) trading at a time, before the date of the determination of the application for the debt relief order, when the debtor knew or ought to have known that he was himself to be unable to pay his debts;

(h) incurring, before the date of the determination of the application for the debt relief order, a debt which the debtor had no reasonable expectation of being able to pay;

(i) failing to account satisfactorily to the court or the official receiver for a loss of property or for an insufficiency of property to meet his debts;

(j) carrying on any gambling, rash and hazardous speculation or unreasonable extravagance which may have materially contributed to or increased the extent of his inability to pay his debts before the application date for the debt relief order or which took place between that date and the date of the determination of the application for the debt relief order;

(k) neglect of business affairs of a kind which may have materially contributed to or increased the extent of his inability to pay his debts;

(l) fraud or fraudulent breach of trust;

(m) failing to co-operate with the official receiver.

(3) The court shall also, in particular, consider whether the debtor was an undischarged bankrupt at some time during the period of six years ending with the date of the application for the debt relief order.

(4) For the purposes of sub-paragraph (2)—

- “excessive pension contribution” shall be construed in accordance with section 342A;
- “preference” shall be construed in accordance with paragraph 10(2) of Schedule 4ZA;
- “undervalue” shall be construed in accordance with paragraph 9(2) of that Schedule.

*Timing of application for order*

3 An application for a debt relief restrictions order in respect of a debtor may be made—

- (a) at any time during the moratorium period relating to the debt relief order in question, or
- (b) after the end of that period, but only with the permission of the court.

*Duration of order*

4 (1) A debt relief restrictions order—

- (a) comes into force when it is made, and
- (b) ceases to have effect at the end of a date specified in the order.

(2) The date specified in a debt relief restrictions order under sub-paragraph (1)(b) must not be—

- (a) before the end of the period of two years beginning with the date on which the order is made, or
- (b) after the end of the period of 15 years beginning with that date.

*Interim debt relief restrictions order*

5 (1) This paragraph applies at any time between—

- (a) the institution of an application for a debt relief restrictions order, and
- (b) the determination of the application.

(2) The court may make an interim debt relief restrictions order if the court thinks that—

- (a) there are prima facie grounds to suggest that the application for the debt relief restrictions order will be successful, and
- (b) it is in the public interest to make an interim debt relief restrictions order.

(3) An interim debt relief restrictions order may only be made on the application of—

- (a) the Secretary of State, or

- (b) the official receiver acting on a direction of the Secretary of State.
  - (4) An interim debt relief restrictions order—
    - (a) has the same effect as a debt relief restrictions order, and
    - (b) comes into force when it is made.
  - (5) An interim debt relief restrictions order ceases to have effect—
    - (a) on the determination of the application for the debt relief restrictions order,
    - (b) on the acceptance of a debt relief restrictions undertaking made by the debtor, or
    - (c) if the court discharges the interim debt relief restrictions order on the application of the person who applied for it or of the debtor.
- 6 (1) This paragraph applies to a case in which both an interim debt relief restrictions order and a debt relief restrictions order are made.
- (2) Paragraph 4(2) has effect in relation to the debt relief restrictions order as if a reference to the date of that order were a reference to the date of the interim debt relief restrictions order.

*Debt relief restrictions undertaking*

- 7 (1) A debtor may offer a debt relief restrictions undertaking to the Secretary of State.
- (2) In determining whether to accept a debt relief restrictions undertaking the Secretary of State shall have regard to the matters specified in paragraph 2(2) and (3).
- 8 A reference in an enactment to a person in respect of whom a debt relief restrictions order has effect (or who is “the subject of” a debt relief restrictions order) includes a reference to a person in respect of whom a debt relief restrictions undertaking has effect.
- 9 (1) A debt relief restrictions undertaking—
  - (a) comes into force on being accepted by the Secretary of State, and
  - (b) ceases to have effect at the end of a date specified in the undertaking.
- (2) The date specified under sub-paragraph (1)(b) must not be—
  - (a) before the end of the period of two years beginning with the date on which the undertaking is accepted, or
  - (b) after the end of the period of 15 years beginning with that date.
- (3) On an application by the debtor the court may—
  - (a) annul a debt relief restrictions undertaking;
  - (b) provide for a debt relief restrictions undertaking to cease to have effect before the date specified under sub-paragraph (1)(b).

*Effect of revocation of debt relief order*

- 10 Unless the court directs otherwise, the revocation at any time of a debt relief order does not —
- (a) affect the validity of any debt relief restrictions order, interim debt relief restrictions order or debt relief restrictions undertaking which is in force in respect of the debtor;

(b) prevent the determination of any application for a debt relief restrictions order, or an interim debt relief restrictions order, in relation to the debtor that was instituted before that time;

(c) prevent the acceptance of a debt relief restrictions undertaking that was offered before that time; or

(d) prevent the institution of an application for a debt relief restrictions order or interim debt relief restrictions order in respect of the debtor, or the offer or acceptance of a debt relief restrictions undertaking by the debtor, after that time.”

## SCHEDULE 20 DEBT RELIEF ORDERS: CONSEQUENTIAL AMENDMENTS

### PART 1 AMENDMENTS TO THE INSOLVENCY ACT 1986

1 The Insolvency Act 1986 (c. 45) is amended as follows.

2 (1) In section 31 (disqualification of bankrupt) in subsection (1)—

(a) at the end of paragraph (a) (before “or”) insert—

“(aa) a moratorium period under a debt relief order applies in relation to him,”;

(b) in paragraph (b) after “order” insert “or a debt relief restrictions order”.

(2) In the heading to that section after “**bankrupt**” insert “**or person in respect of whom a debt relief order is made**”.

3 After section 274 insert—

“274A Debtor who meets conditions for a debt relief order

(1) This section applies where, on the hearing of a debtor’s petition—

(a) it appears to the court that a debt relief order would be made in relation to the debtor if, instead of presenting the petition, he had made an application under Part 7A; and

(b) the court does not appoint an insolvency practitioner under section 273.

(2) If the court thinks it would be in the debtor’s interests to apply for a debt relief order instead of proceeding on the petition, the court may refer the debtor to an approved intermediary (within the meaning of Part 7A) for the purposes of making an application for a debt relief order.

(3) Where a reference is made under subsection (2) the court shall stay proceedings on the petition on such terms and conditions as it thinks fit; but if following the reference a debt relief order is made in relation to the debtor the court shall dismiss the petition.”

4 In section 384(2) (meaning of prescribed amount)—

(a) at the beginning of the list of provisions insert “section 251S(4);”;

(b) in the list omit “and” after “section 361(2);” and

(c) at the end of the list insert “paragraphs 6 to 8 of Schedule 4ZA,”.

5 (1) Section 385(1) (definitions) is amended as follows.

(2) In the definition of “the debtor”, before paragraph (a) insert—

“(za) in relation to a debt relief order or an application for such an order, has the same meaning as in Part 7A,”.

(3) After the definition of “debtor’s petition” insert—

““debt relief order” means an order made by the official receiver under Part 7A;”.

6 (1) Section 390 (persons not qualified to act as insolvency practitioners) is amended as follows.

(2) In subsection (4) after paragraph (a) insert—

“(aa) a moratorium period under a debt relief order applies in relation of him,”.

(3) In subsection (5) after “order” insert “or a debt relief restrictions order”.

7 (1) Section 399 (appointment etc of official receivers) is amended as follows.

(2) In subsection (1) for “or individual voluntary arrangement” (in both places) substitute “, individual voluntary arrangement, debt relief order or application for such an order”.

(3) In subsection (4) for “or individual voluntary arrangement” substitute “, individual voluntary arrangement, debt relief order or application for such an order”.

8 In section 412(1) (individual insolvency rules) for “Parts VIII to XI” substitute “Parts 7A to 11”.

9 (1) Section 415 (fees orders) is amended as follows.

(2) In subsection (1) before paragraph (a) insert—

“(za) the costs of persons acting as approved intermediaries under Part 7A,”.

(3) In that subsection in paragraph (a) for “Parts VIII to XI” substitute “Parts 7A to 11”.

10 In section 415A (fees orders: general), before subsection (1) insert—

“(A1) The Secretary of State—

(a) may by order require a person or body to pay a fee in connection with the grant or maintenance of a designation of that person or body as a competent authority under section 251U, and

(b) may refuse to grant, or may withdraw, any such designation where a fee is not paid.”

11 In section 418(1) (monetary limits)—

(a) at the beginning of the list of provisions insert—

“section 251S(4) (maximum amount of credit which a person in respect of whom a debt relief order is made may obtain without disclosure of his status);”;

(b) at the end of the list of provisions insert—

“paragraphs 6 to 8 of Schedule 4ZA (maximum amount of a person’s debts, monthly surplus income and property for purposes of obtaining a debt relief order);”.

12 (1) Section 426A (disqualification from Parliament) is amended as follows.

(2) In subsection (1) after “bankruptcy restrictions order” insert “or a debt relief restrictions order”.

(3) In subsection (5) after “interim order” insert “, or a debt relief restrictions order or an interim debt relief restrictions order,”.

(4) In subsection (6) after “bankruptcy restrictions undertaking” insert “or a debt relief restrictions undertaking”.

13 (1) Section 426B (devolution) is amended as follows.

(2) In subsection (1) after “Wales,” insert “or makes a debt relief restrictions order or interim debt relief restrictions order in respect of such a member,”.

(3) In subsection (2) after “bankruptcy restrictions undertaking” insert “or a debt relief restrictions undertaking”.

14 (1) Schedule 9 is amended as follows.

(2) In paragraph 1 for “Parts VIII to XI” substitute “Parts 7A to 11”.

(3) In paragraph 5 for “Parts VIII to XI” substitute “Parts 7A to 11”.

(4) In paragraph 6 for “Parts VIII to XI” substitute “Parts 7A to 11”.

(5) After paragraph 7 insert—

*“Debt relief orders*

7A Provision as to the manner in which the official receiver is to carry out his functions under Part 7A.

7B Provision as to the manner in which any requirement that may be imposed by the official receiver on a person under Part 7A is to take effect.

7C Provision modifying the application of Part 7A in relation to an individual who has died at a time when a moratorium period under a debt relief order applies in relation to him.

*Debt relief restrictions orders and undertakings*

7D Provision about debt relief restrictions orders, interim orders and undertakings, including provision about evidence.

*Register of debt relief orders and debt relief restrictions orders etc*

7E Provision about the register required to be maintained by section 251W and the information to be contained in it, including provision—

(a) enabling the amalgamation of the register with another register;

(b) enabling inspection of the register by the public.”

15 (1) The Table in Schedule 10 (punishment of offences) is amended as follows.

(2) In the entry relating to section 31, in the column describing the general nature of the offence, after “bankrupt” insert “or person in respect of whom a debt relief order is made”.

(3) Insert the following entries after the entry relating to section 235(5)—

---

“251O(1) False representations or omissions in making an application for a debt relief order.	1. On 7 years or a indictment fine, or both.
	2. 12 months or Summary the statutory maximum, or both.
251O(2)(a) Failing to comply with duty in connection with an application for a debt relief order.	1. On 2 years or a indictment fine, or both.
	2. 12 months or Summary the statutory maximum, or both.
251O(2)(b) False representations or omissions in connection with a duty in relation to an application for a debt relief order.	1. On 7 years or a indictment fine, or both.
	2. 12 months or Summary the statutory maximum, or both.
251O(4)(a) Failing to comply with duty in connection with a debt relief order.	1. On 2 years or a indictment fine, or both.
	2. 12 months or Summary the statutory maximum, or both.
251O(4)(b) False representations or omissions in connection with a duty in relation to a debt relief order.	1. On 7 years or a indictment fine, or both.
	2. 12 months or Summary the statutory maximum, or both.
251P(1) Failing to deliver books, records and papers to official receiver, concealing or destroying them or making false entries in them by person in respect of whom a debt relief order is made.	1. On 7 years or a indictment fine, or both.
	2. 12 months or Summary the statutory maximum, or both.

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251P(2)	Person in respect of whom debt relief order is made 1. On7 years or a doing anything falling within paragraphs (c) to (e) of indictment fine, or both. section 251P(1) during the period of 12 months ending 2. 12 months or with the application date or doing anything falling Summary the statutory within paragraphs (b) to (e) of section 251P(1) after maximum, or that date but before the effective date. both.
251Q(1)	Fraudulent disposal of property by person in respect of 1. On2 years or a whom a debt relief order is made. indictment fine, or both. 2. 12 months or Summary the statutory maximum, or both.
251R(1)	Disposal of property that is not paid for by person in 1. On7 years or a respect of whom a debt relief order is made. indictment fine, or both. 2. 12 months or Summary the statutory maximum, or both.
251R(2)	Obtaining property in respect of which money is owed 1. On7 years or a by a person in respect of whom a debt relief order is indictment fine, or both. made. 2. 12 months or Summary the statutory maximum, or both.
251S(1)	Person in respect of whom a debt relief order is made 1. On2 years or a obtaining credit or engaging in business without indictment fine, or both. disclosing his status or name. 2. 12 months or Summary the statutory maximum, or both.”

(4) In the application of those entries in relation to offences committed before the commencement of section 154(1) of the Criminal Justice Act [2003 \(c. 44\)](#) (limit on magistrates' court powers to impose imprisonment), the references in the fourth column to “12 months” are to be read as references to “6 months”.

#### PART 2 AMENDMENTS TO OTHER LEGISLATION

16 (1) Section 11(1) of the Company Directors Disqualification Act 1986 (c. 46) (undischarged bankrupts) (as substituted in relation to England and Wales by the Enterprise Act [2002 \(c. 40\)](#)) is amended as follows.

(2) At the end of paragraph (a) (before “or”) insert—

“(aa) a moratorium period under a debt relief order applies in relation to him.”

(3) In paragraph (b) after “bankruptcy restrictions order” insert “or a debt relief restrictions order”.

17 In section 183(2) of the Employment Rights Act [1996 \(c. 18\)](#) (insolvency of an employer who is individual), in paragraph (a) before sub-paragraph (i) insert—

“(ai) a moratorium period under a debt relief order applies in relation to him,”.