THE HIGH COURT

[2025] IEHC 766

Record No. H.MCA.2025.0000534

IN THE MATTER OF THE RECOGNITION OF CROSS-BORDER INSOLVENCY PROCEEDINGS

AND IN THE MATTER OF THE INDIVIDUAL VOLUNTARY ARRANGEMENT OF RAYMOND HUGH GALLOGLY

ON THE APPLICATION OF SÉAMAS KEATING

APPLICANT

***Ex Tempore* Judgment of Mr. Justice Oisín Quinn delivered on 1 December, 2025**

I. INTRODUCTION

1. This judgment concerns an *ex parte* application by Mr. Séamas Keating, an insolvency practitioner based in Northern Ireland, to have an Individual Voluntary Arrangement (IVA) which was entered into by Mr. Raymond Hugh Gallogly (the "Debtor") in Northern Ireland, recognised and enforced in this jurisdiction.

2. The application was made in the Chancery 2 motion list before this Court on Monday 1 December, 2025. The decision was given on an *ex tempore* basis at the conclusion of the hearing. At the subsequent request of the Applicant the Court has issued this written note of the decision based on a review of the Digital Audio Recording (the "DAR") of the hearing.

3. The crucial point at the heart of this decision is that it concerns an application to extend the principles that have been previously applied in the context of recognition applications concerning cross border *corporate* insolvency arrangements to one concerning a *personal* insolvency arrangement.

II. BACKGROUND

4. Counsel for the Applicant, Mr. Keith Farry BL (instructed by Daly Hempenstall Solicitors LLP), outlined the background in his submissions. In summary, an IVA is a statutory debt resolution mechanism which, once approved, can bind creditors to its terms. In practice it can operate as an alternative to bankruptcy.

5. In this case, the Debtor entered an IVA in Northern Ireland and Mr. Keating, an authorised and licensed insolvency practitioner in Northern Ireland, was appointed by the Debtor. The Debtor's main creditor was Bank of Ireland. Mr. Keating submitted the proposals for an IVA pursuant to Part VIII, Chapter II of the Insolvency (Northern Ireland) Order 1989.

6. Mr. Keating was appointed as the nominee and supervisor and the IVA was then registered in the High Court in Northern Ireland in October 2023. The IVA was approved by creditors on the 19 October 2023 and became final in accordance with Northern Ireland insolvency law and the High Court in Northern Ireland has jurisdiction

of the proceedings. The Debtor's centre of main interest is in Northern Ireland and the Debtor's business was as a self-employed tiler.

7. The Affidavit of Mr. Keating grounding the application explained that the Debtor owed Bank of Ireland £150,000 and another creditor £8,000. Bank of Ireland voted in favour of the scheme which involved a proposal to pay out £10,000, which funds had been introduced by the Debtor's mother.

8. Counsel explained that Bank of Ireland required an Order from this Court to be able to accept and process the dividend payment and to afford the Debtor with the benefit of the write off. This complication is as a result of legal changes that flowed from Brexit. In a bankruptcy scenario, Counsel submitted that the creditors would receive nothing as the Debtor had no assets.

III. RELEVANT LEGAL PRINICPLES

9. Mr. Farry explained that the application was novel but he helpfully drew the Court's attention to two authorities which he submitted identified the approach that should be followed in relation to an application such as this.

10. The first was a decision of the High Court of Ms. Justice Laffoy in *Re Mount Capital Fund Limited (In Liquidation) and Another* [2012] IEHC 97 (*Re Mount Capital Funds*) which concerned an application to recognise an insolvency arrangement in relation to companies entered into in the British Virgin Islands, in other words outside the European Union.

11. The second was a decision of Mr. Justice Michael Quinn of 7 May 2025 in *Re Mercer Agencies Ltd. (In Administration)* [2025] IEHC 261 (*Re Mercer Agencies*) which concerned an application to recognise a corporate insolvency arrangement entered into in Northern Ireland post Brexit.

12. While these cases concerned applications for recognition of corporate insolvency arrangements made outside the EU, by analogy Mr. Farry BL submitted that they set out the principles that should be applied to an application involving a personal insolvency arrangement entered into outside the EU.

13. In *Re Mount Capital Funds*, Laffoy J. conducts a comprehensive analysis of the legal issues and concludes that the High Court has an inherent jurisdiction to give recognition to foreign insolvency proceedings. Importantly, she outlines the factors that should be considered when such an application is made. She states as follows at para 5.3:-

> *"5.3 I consider that the Court does have an inherent jurisdiction to give recognition to insolvency proceedings in jurisdictions outside the European Union. However, I consider that, in the exercise of that jurisdiction, the Court should be satisfied that recognition is being sought for a legitimate purpose. I believe that a legitimate purpose has been demonstrated in this case, in that the objective of the Liquidators is to seek to obtain relief of the nature provided for in s. 245 of the Act of 1963, having demonstrated that, there is equivalence between the law of the British Virgin Islands and the law in this jurisdiction in relation to corporate insolvency generally and, in particular, in relation to disclosure, production of documentation and such like for the purpose of performance by a liquidator of his principal duties of taking possession, protecting and realising the assets of the company and distributing the assets, or the proceeds of realisation, in accordance with law."*

14. Mr. Justice Michael Quinn in the *Re Mercer Agencies* cites and adopts the above approach in the context of a post Brexit application seeking recognition of a corporate insolvency arrangement made in Northern Ireland.

15. In both cases the decisions indicate that liberty to apply should be afforded in the event that any creditor might consider that the order adversely affects them.

16. Mr. Farry submitted that the various factors to be considered had been addressed appropriately in the affidavit of Mr. Keating and he took the Court through those averments.

IV. DECISION

17. Ms. Justice Laffoy in *Re Mount Capital Funds* indicates that she considers that the High Court has an inherent jurisdiction to give recognition to insolvency proceedings in jurisdictions outside the European Union.

18. The Court should be satisfied that recognition is being sought for a legitimate purpose. It is one of the factors and in the event, I am satisfied that the Debtor entered an IVA under Part VIII of the Insolvency Northern Ireland Order 1989, and as a result of that Mr Keating has a small dividend to pay out and the substantial creditor here is Bank of Ireland.

19. Bank of Ireland has been written to about this and have indicated that this application is required in order to have the insolvency proceedings recognised in this jurisdiction. In this scenario the small dividend which the Bank will receive is better than nothing, which would be the case in bankruptcy.

20. In terms of the factors identified in the jurisprudence referred to above I am satisfied based on the affidavit of Mr. Keating and the submissions of Mr. Farry that the following is the position in the context of this application:

    (i) this application is being made for a legitimate purpose as discussed above;

    (ii) this IVA complied with the law of Northern Ireland;

(iii) the procedures have been properly followed;

(iv) this IVA does not contravene any public policy in Ireland or any of the principles that would apply in our equivalent personal insolvency regime;

(v) for the reasons described above there is no unfairness (the creditors would do worse in a bankruptcy situation);

(vi) the IVA is final and not provisional; and

(vii) there has been proper notice to creditors.

21. I am satisfied that this Court has an inherent jurisdiction to make the orders sought and that the relevant factors have been satisfactorily addressed in Mr Keating's affidavit and in the submissions of Mr. Farry.

22. Accordingly, I will make the Orders sought pursuant to the Court's inherent jurisdiction as identified in *Re Mount Capital Funds* and also reiterated in the judgment in *Re Mercer Agencies*.

V. CONCLUSION AND FORM OF ORDERS

23. For the foregoing reasons, I will make the orders sought in paragraphs 1, 2 and 3 of the notice of motion as follows:-

IT IS ORDERED pursuant to the inherent jurisdiction of the High Court that:

1. THE COURT DOTH RECOGNISE the Insolvency Proceedings specifically the IVA of the Debtor (annexed as a Schedule hereto) approved by the creditors on the 19th day of October 2023 in accordance with Article 231 of the Insolvency (Northern Ireland) Order 1989 and registered in the High Court of Northern Ireland under No. 28207 of 2023;

2. THE COURT DOTH RECOGNISE AND ENFORCE the terms of the IVA in the Republic of Ireland specifically with respect to the Debtor's creditor Bank of Ireland Mortgages (hereinafter referred to as the "Bank") which has a claim of the sum of £150,000.00 against the Debtor; and

3. Any enforcement actions initiated by the creditor Bank in respect of the debt owed by the Debtor be stayed pending the fulfilment of the IVA terms as recognised by this Honourable Court.

24. I will grant liberty to apply and I will direct that the Applicant serve a copy of the Order on the Bank of Ireland and notify them that there is liberty to apply in the event that they wish to raise anything.