

JOELSON WILSON

LICENSING ACT 2003
EFFECT OF INSOLVENCY ON A
PREMISES LICENCE

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- The current economic climate unfortunately means that an increasing number of pub and bar operators are having to consider very carefully whether they have the financial wherewithal to continue trading
- A premises licence granted pursuant to the Licensing Act 2003 lapses if the holder is a company which becomes insolvent. A company becomes insolvent upon the occurrence of any one of the following:
 - the approval of a voluntary arrangement proposed by its directors
 - the appointment of an administrator in respect of the company
 - the appointment of an administrative receiver in respect of that company;
 - the company going into liquidation
- A premises licence that lapses can be reinstated, within a period of seven days, in one of two ways – by either:
 - giving an interim authority notice (“IAN”) to the licensing authority, or
 - transferring the premises licence with immediate effect
- The effect of an IAN is to reinstate the premises licence in the name of the person giving the notice and thereby allow licensable activities to continue to take place pending a formal application for transfer
- Although reinstatement of the premises licence has immediate effect on receipt of the IAN, the premises licence will lapse again if certain prescribed procedural steps are not subsequently taken
- The police can object within 48 hours of being notified of an IAN, but only if satisfied that exceptional circumstances mean that failure to cancel the IAN would undermine the crime prevention objective (i.e. one of the four licensing objectives under the Licensing Act 2003)
- If the police do object the local authority must hold a hearing within 5 working days to consider whether the IAN should be cancelled. If the IAN is cancelled the premises licence lapses
- To ensure that, in such circumstances, a premises licence is preserved, advance preparation is advisable to ensure that the necessary action is taken immediately on a premises licence holding company becoming insolvent
- With lawyers independently recommended for their “*great attention to detail*” and “*understanding of all the licensing processes to the core*”, we are well-placed to advise those operators who foresee insolvency looming, as well as insolvency practitioners faced with licensing challenges, whether in relation to a stand-alone pub or a large trading estate

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Need to know more?

Ask us. *“Truly proactive practitioners, well versed in licensing law, greatly knowledgeable and utterly dependable in fighting its clients’ battles ...”* – Chambers Guide to the UK Legal Profession 2008. For information/advice on alcohol or entertainment licensing matters, gaming, betting, lotteries or remote gambling, please contact:

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This document is not intended to be a comprehensive review of all developments in the law or practice, or to cover all aspects of those referred to. Readers should take legal advice before applying the information contained in this publication to specific issues or transactions.

Joelson Wilson LLP

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