

*These notes refer to the Small Business, Enterprise and Employment Act 2015 (c.26) which received Royal Assent on 26 March 2015*

# **SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015**

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## **EXPLANATORY NOTES**

### **BACKGROUND AND SUMMARY**

#### **Part 10: Insolvency**

##### **Regulation of the regulators**

72. The RPBs are recognised and regulated by the Secretary of State (acting through the Insolvency Service). The Secretary of State currently has only one sanction against an RPB which is not regulating effectively and that is to revoke its recognition as an RPB. This is the ultimate sanction. It would be disproportionate in all but the most serious circumstances and has never been used.
73. [Sections 137 to 146](#) amend Part 13 of the Insolvency Act 1986 to introduce:
- i. regulatory objectives for the RPBs when regulating IPs
  - ii. a range of sanctions so that proportionate action can be taken where the Secretary of State (as oversight regulator) is satisfied that an RPB is not adequately fulfilling its role as a regulator, or where it is in the public interest to do so, apply to court for a direct sanctions order against an IP and
  - iii. a reserve power for the Secretary of State to designate a single regulator of IPs. This power will lapse if not used within 7 years of it coming into force.