

2006 No. 33

INSOLVENCY

**The Insolvency Practitioners Regulations (Northern Ireland)
2006**

Made - - - - - *9th February 2006*

Coming into operation - *27th March 2006*

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The Department of Enterprise, Trade and Investment^(a) in exercise of the powers conferred on it by Articles 349(3), 351(3), 352(2) and (3) and 363 of the Insolvency (Northern Ireland) Order 1989^(b) and of every other power enabling it in that behalf, hereby makes the following Regulations:

PART 1

Introductory

Citation and commencement

1. These Regulations may be cited as the Insolvency Practitioners Regulations (Northern Ireland) 2006 and shall come into operation on 27 March 2006.

Interpretation: general

2.—(1) In these Regulations—

“commencement date” means the date on which these Regulations come into operation;

“the Department” means the Department of Enterprise, Trade and Investment;

“initial capacity” shall be construed in accordance with regulation 3;

“insolvency practitioner” means a person who is authorised to act as an insolvency practitioner by virtue of—

(a) membership of a body recognised pursuant to Article 350 of the Order; or

(b) an authorisation granted pursuant to Article 352 of the Order;

“insolvent” means a person in respect of whom an insolvency practitioner is acting;

“the Order” means the Insolvency (Northern Ireland) Order 1989;

“subsequent capacity” shall be construed in accordance with regulation 3.

(2) In these Regulations a reference to the date of release or discharge of an insolvency practitioner includes—

(a) where the insolvency practitioner acts as nominee in relation to proposals for a voluntary arrangement under Part II or Chapter II of Part VIII of the Order, whichever is the earlier of the dates on which—

(i) the proposals are rejected by creditors;

(ii) he is replaced as nominee by another insolvency practitioner; or

(iii) the arrangement takes effect without his becoming supervisor in relation to it; and

(b) where an insolvency practitioner acts as supervisor of a voluntary arrangement, whichever is the earlier of the dates on which—

(i) the arrangement is completed or terminated; or

(ii) the insolvency practitioner otherwise ceases to act as supervisor in relation to the arrangement.

Interpretation – meaning of initial and subsequent capacity

3.—(1) In these Regulations an insolvency practitioner holds office in relation to an insolvent in a “subsequent capacity” where he holds office in relation to that insolvent in one of the capacities

(a) Formerly the Department of Economic Development; see the Departments (Northern Ireland) Order 1999 (S.I. 1999/283 (N.I. 1), Article 3(5))

(b) The Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I.19))

referred to in paragraph (3) and immediately prior to his holding office in that capacity, he held office in relation to that insolvent in another of the capacities referred to in that paragraph.

(2) The first office held by the insolvency practitioner in the circumstances referred to in paragraph (1) is referred to in these Regulations as the “initial capacity”.

(3) The capacities referred to in paragraph (1) are:

- (a) nominee in relation to proposals for a voluntary arrangement under Part II of the Order;
- (b) supervisor of a voluntary arrangement under Part II of the Order;
- (c) administrator;
- (d) provisional liquidator;
- (e) liquidator;
- (f) nominee in relation to proposals for a voluntary arrangement under Chapter II of Part VIII of the Order;
- (g) supervisor of a voluntary arrangement under Chapter II of Part VIII of the Order; and
- (h) trustee.

Revocations and transitional and saving provisions

4.—(1) Subject to paragraphs (2), (3) and (4), the Regulations listed in Schedule 1 shall be revoked.

(2) Parts I and II of the Insolvency Practitioners Regulations (Northern Ireland) 1991^(a) shall continue to apply in relation to an application for authorisation under Article 352 of the Order to act as an insolvency practitioner made to the Department before the commencement date and accordingly nothing in these Regulations shall apply to such an application.

(3) Parts I, III and IV of the Insolvency Practitioners Regulations (Northern Ireland) 1991 shall continue to apply in relation to any case in respect of which an insolvency practitioner is appointed—

- (a) before the commencement date; or
- (b) in a subsequent capacity and he was appointed in an initial capacity in that case before the commencement date.

(4) Only regulations 16 and 17 shall apply in relation to the cases mentioned in paragraph (3).

PART 2

Authorisation of Insolvency Practitioners by Competent Authorities and Related Matters

Interpretation of Part

5. In this Part—

“advisory work experience” means experience obtained in providing advice to the office-holder in insolvency proceedings or anyone who is a party to, or whose interests are affected by, those proceedings;

“application” means an application made by an individual to the competent authority for authorisation under Article 352 of the Order to act as an insolvency practitioner and “applicant” shall be construed accordingly;

“authorisation” means an authorisation to act as an insolvency practitioner granted under Article 352 of the Order;

(a) S.R. 1991 No. 302 as amended by S.R. 1993 No. 317 and S.R. 1993 No. 454

“continuing professional development” has the meaning given to it by regulation 8(3);

“higher insolvency work experience” means engagement in work in relation to insolvency proceedings where the work involves the management or supervision of the conduct of those proceedings on behalf of the office-holder acting in relation to them;

“insolvency legislation” means the provisions of, or any provision made under, the Order, and any other enactment past or present applying to Northern Ireland that relates to the insolvency of any person;

“insolvency practice” means the carrying on of the business of acting as an insolvency practitioner or in a corresponding capacity under the law of any country or territory outside Northern Ireland;

“insolvency proceedings” means any proceedings in which an office-holder acts under any provision of insolvency legislation or the corresponding provision of the law of any country or territory outside Northern Ireland;

“insolvency work experience” means engagement in work related to the administration of insolvency proceedings—

- (a) as the office-holder in those proceedings;
- (b) in the employment of a firm or body whose members or employees act as insolvency practitioners; or
- (c) in the course of employment in the Insolvency Service of the Department of Enterprise, Trade and Investment or the Insolvency Service of the Department of Trade and Industry;

“office-holder” means a person who acts as an insolvency practitioner or in a corresponding capacity under the law of any country or territory outside Northern Ireland and includes the official receiver acting as liquidator, provisional liquidator, trustee, interim receiver or nominee or supervisor of a voluntary arrangement; and

“regulatory work experience” means experience of work relating to the regulation of insolvency practitioners for or on behalf of a competent authority or a body recognised pursuant to Article 350 of the Order or experience of work in connection with any function of the Department under that Article.

Matters for determining whether an applicant for an authorisation is a fit and proper person

6. The matters to be taken into account by a competent authority in deciding whether an individual is a fit and proper person to act as an insolvency practitioner for the purpose of Article 352(2)(a) or 352(4)(a) of the Order shall include:—

- (a) whether the applicant has been convicted of any offence involving fraud or other dishonesty or violence;
- (b) whether the applicant has contravened any statutory provision contained in insolvency legislation;
- (c) whether the applicant has engaged in any practices in the course of carrying on any trade, profession or vocation or in the course of the discharge of any functions relating to any office or employment which appear to be deceitful or oppressive or otherwise unfair or improper, whether unlawful or not, or which otherwise cast doubt upon his probity or competence for discharging the duties of an insolvency practitioner;
- (d) whether in respect of any insolvency practice carried on by the applicant at the date of or at any time prior to the making of the application, there were established adequate systems of control of the practice and adequate records relating to the practice, including accounting records, and whether such systems of control and records have been or were maintained on an adequate basis;
- (e) whether the insolvency practice of the applicant is, has been, or, where the applicant is not yet carrying on such a practice, will be, carried on with the independence, integrity and the professional skills appropriate to the range and scale of the practice and the

proper performance of the duties of an insolvency practitioner and in accordance with generally accepted professional standards, practices and principles;

- (f) whether the applicant, in any case where he has acted as an insolvency practitioner, has failed to disclose fully to such persons as might reasonably be expected to be affected thereby circumstances where there is or appears to be a conflict of interest between his so acting and any interest of his own, whether personal, financial or otherwise, without having received such consent as might be appropriate to his acting or continuing to act despite the existence of such circumstances.

Requirements as to education and training – applicants who have never previously been authorised to act as insolvency practitioners

7.—(1) The requirements as to education, training and practical experience prescribed for the purposes of Article 352(2)(b) of the Order in relation to an applicant who has never previously been authorised to act as an insolvency practitioner (whether by virtue of membership of a body recognised under Article 350 of the Order or by virtue of an authorisation granted by a competent authority under Article 352 of the Order) shall be as set out in this regulation.

(2) An applicant must at the date of the making of his application have passed the Joint Insolvency Examination set by the Joint Insolvency Examination Board or have acquired in, or been awarded in, a country or territory outside Northern Ireland professional or vocational qualifications which indicate that the applicant has the knowledge and competence that is attested by a pass in that examination.

(3) An applicant must either—

- (a) have held office as an office-holder in at least 30 cases during the period of 10 years immediately preceding the date on which he made his application for authorisation; or
- (b) have acquired at least 7,000 hours of insolvency work experience of which at least 1,400 hours must have been acquired within the period of two years immediately prior to the date of the making of his application and show that he satisfies one of the three requirements set out in paragraph (4).

(4) The three requirements referred to in paragraph (3)(b) are—

- (a) the applicant has become an office-holder in at least 5 cases within the period of 5 years immediately prior to the date of the making of his application;
- (b) the applicant has acquired 1,000 hours or more of higher insolvency work experience or experience as an office-holder within the period referred to in sub-paragraph (a); and
- (c) the applicant can show that within the period referred to in sub-paragraph (a) he has achieved one of the following combinations of positions as an office-holder and hours acquired of higher insolvency work experience—
 - (i) 4 cases and 200 hours;
 - (ii) 3 cases and 400 hours;
 - (iii) 2 cases and 600 hours; or
 - (iv) 1 case and 800 hours.

(5) Where in order to satisfy all or any of the requirements set out in paragraphs (3) and (4) an applicant relies on appointment as an office-holder or the acquisition of insolvency work experience or higher insolvency work experience in relation to cases under the laws of a country or territory outside the United Kingdom, he shall demonstrate that he has no fewer than 1,400 hours of insolvency work experience in cases under the law of any part of the United Kingdom acquired within the period of two years immediately prior to the date of the making of his application.

(6) In ascertaining whether an applicant meets all or any of the requirements of paragraphs (3) and (4)—

- (a) no account shall be taken of any case where—

- (i) he was appointed to the office of administrative receiver (or to a corresponding office under the law of a country or territory outside Northern Ireland) by or on behalf of a creditor who at the time of the appointment was an associate of the applicant; or
 - (ii) in a members' voluntary winding up or in a corresponding procedure under the laws of a country or territory outside Northern Ireland he was appointed liquidator at a general meeting where his associates were entitled to exercise or control the exercise of one third or more of the voting power at that general meeting;
- (b) where the applicant has been an office-holder in relation to—
- (i) two or more companies which were associates at the time of appointment; or
 - (ii) two or more individuals who were carrying on business in partnership with each other at the time of appointment,

he shall be treated as having held office in only one case in respect of all offices held in relation to the companies which were associates or in respect of all offices held in relation to the individuals who were in partnership, as the case may be.

(7) An applicant shall have a good command of the English language.

Requirements relating to education and training etc.—applicants previously authorised to act as insolvency practitioners

8.—(1) The requirements prescribed for the purposes of Article 352(2)(b) of the Order in relation to an applicant who has at any time been authorised to act as an insolvency practitioner (whether by virtue of membership of a body recognised under Article 350 of the Order or an authorisation granted by a competent authority under Article 352 of the Order) shall be as set out in this regulation.

(2) The applicant shall—

- (a) satisfy the requirements set out in regulation 7(3) to (5) or have acquired within the period of three years preceding the date of the making of his application 500 hours of any combination of the following types of experience—
 - (i) experience as an office-holder;
 - (ii) higher insolvency work experience;
 - (iii) regulatory work experience; or
 - (iv) advisory work experience; and
- (b) subject to paragraph (4), have completed at least 108 hours of continuing professional development in the period of three years ending on the day before the date of the making of his application of which—
 - (i) a minimum of 12 hours shall have been completed in each of those years; and
 - (ii) 54 hours shall fall into the categories in paragraphs (3)(b)(i) to (v).

(3) “Continuing professional development” means any activities which—

- (a) relate to insolvency law or practice or the management of the practice of an insolvency practitioner; and
- (b) fall into any of the following categories—
 - (i) the production of written material for publication;
 - (ii) attendance at courses, seminars or conferences;
 - (iii) the viewing of any recording of a course, seminar or conference;
 - (iv) the giving of lectures or the presentation of papers at courses, seminars or conferences;
 - (v) the completion of on-line tests; and
 - (vi) the reading of books or periodical publications (including any on-line publication).

(4) The requirement in paragraph (2)(b) shall only apply in relation to any application made on or after the third anniversary of the commencement date.

(5) For the purposes of paragraph (3)(b)(i), “publication” includes making material available to a body recognised in pursuance of Article 350 of the Order or any association or body representing the interests of those who act as insolvency practitioners.

Records of continuing professional development activities

9.—(1) Every holder of an authorisation granted by the Department shall maintain a record of each continuing professional development activity undertaken by him for a period of six years from the date on which the activity was completed.

(2) The record shall contain details of—

- (a) which of the categories in regulation 8(3)(b) the activity comes within;
- (b) the date that the activity was undertaken;
- (c) the duration of the activity; and
- (d) the topics covered by the activity.

(3) Where the continuing professional development comprises—

- (a) attendance at a course, seminar or conference; or
- (b) the giving of a lecture or presentation of a paper at a course, seminar or conference,

the holder of the authorisation shall keep with the record evidence from the organiser of the course, seminar or conference of the attendance of the holder at the course, seminar or conference.

(4) The Department may, on the giving of reasonable notice, inspect and take copies of any records or evidence maintained pursuant to this regulation.

Maximum period of authorisation

10. For the purposes of Article 352(3) of the Order, the maximum period that an authorisation may continue in force shall be three years.

Returns by insolvency practitioners authorised by the Department

11.—(1) Every holder of an authorisation granted by the Department shall make a return to the Department in respect of each period of 12 months ending on 31st December during the whole or any part of which he held an authorisation granted by the Department containing the following information—

- (a) the number of cases in respect of whom the holder of the authorisation has acted as an insolvency practitioner during the period;
- (b) in respect of each case where the holder of the authorisation has acted as an insolvency practitioner—
 - (i) the name of the person in respect of whom the insolvency practitioner is acting,
 - (ii) the date of the appointment of the holder of the authorisation,
 - (iii) the type of proceedings involved, and
 - (iv) the number of hours worked in relation to the case by the holder of the authorisation and any person assigned to assist him in the case; and

(2) Every return required to be submitted pursuant to this regulation shall be submitted within one month of the end of the period to which it relates.

(3) The Department may at any time request the holder of an authorisation to provide any information relating to any matters of the kind referred to in paragraph (1) and any such request shall be complied with by the holder of the authorisation within one month of its receipt or such longer period as the Department may allow.

PART 3

The Requirements for Security for the Proper Performance of the Functions of an Insolvency Practitioner etc.

12.—(1) Schedule 2 shall have effect in respect of the requirements prescribed for the purposes of Article 349(3)(b) of the Order in relation to security for the proper performance of the functions of an insolvency practitioner and for related matters.

(2) Where two or more persons are appointed jointly to act as insolvency practitioners in relation to any person, the provisions of this regulation shall apply to each of them individually.

PART 4

Records to be maintained by Insolvency Practitioners – Inspection of Records

Records to be maintained by insolvency practitioners

13.—(1) In respect of each case in which he acts, an insolvency practitioner shall maintain records containing at least the information specified in Schedule 3 as is applicable to the case.

(2) Where at any time the records referred to in paragraph (1) do not contain all the information referred to in Schedule 3 as is applicable to the case, the insolvency practitioner shall forthwith make such changes to the records as are necessary to ensure that the records contain all such information.

(3) Each record maintained pursuant to paragraph (1) shall be capable of being produced by the insolvency practitioner separately from any other record.

(4) Any records created in relation to a case pursuant to this regulation shall be preserved by the insolvency practitioner until whichever is the later of—

- (a) the sixth anniversary of the date of the grant to the insolvency practitioner of his release or discharge in that case; or
- (b) the sixth anniversary of the date on which any security maintained in that case expires or otherwise ceases to have effect.

Notification of whereabouts of records

14. The insolvency practitioner shall notify the persons referred to in regulation 15(1)(a) and 15(1)(b) of the place where the records required to be maintained under this Part are so maintained and the place (if different) where they may be inspected pursuant to regulation 15.

Inspection of records

15.—(1) Any records maintained by an insolvency practitioner pursuant to this Part shall on the giving of reasonable notice be made available by him for inspection by—

- (a) any professional body recognised under Article 350 of the Order of which he is a member and the rules of membership of which entitle him to act as an insolvency practitioner;
- (b) any competent authority by whom the insolvency practitioner is authorised to act pursuant to Article 352 of the Order; and
- (c) the Department.

(2) Any person who is entitled to inspect any record pursuant to paragraph (1) shall also be entitled to take a copy of those records.

Inspection of practice records

16.—(1) This regulation applies to any relevant records which are held by—

- (a) the holder of an authorisation to act as an insolvency practitioner granted by the Department pursuant to Article 352 of the Order;
- (b) his employer or former employer; or
- (c) any firm or other body of which he is or was a member or partner.

(2) In this regulation “relevant records” means any records which relate to any case where the holder of the authorisation mentioned in paragraph (1) has acted as an insolvency practitioner and which—

- (a) record receipts and payments made in relation to, or in connection with, that case;
- (b) record time spent on that case by the holder of the authorisation or any person assigned to assist the holder;
- (c) relate to any business carried on in the case by or at the direction of the holder of the authorisation; or
- (d) otherwise relate to the management of that case.

(3) The Department may, on the giving of reasonable notice to their holder, inspect and take copies of any records to which this regulation applies.

Inspection of records in administration and administrative receiverships

17. On the giving of reasonable notice to the insolvency practitioner, the Department shall be entitled to inspect and take copies of any records in the possession or control of that insolvency practitioner which—

- (a) were required to be created by or under any provision of the Order (or any provision made under the Order); and
- (b) relate to an administration or an administrative receivership.

Sealed with the Official Seal of the Department of Enterprise, Trade and Investment on 9 February 2006



Michael J Bohill
A senior officer of the
Department of Enterprise, Trade and Investment

SCHEDULE 1

Regulation 4

Regulations revoked

The Insolvency Practitioners Regulations (Northern Ireland) 1991**(a)**

The Insolvency Practitioners (Amendment) Regulations (Northern Ireland) 1993**(b)**

The Insolvency Practitioners (Amendment No. 2) Regulations (Northern Ireland) 1993**(c)**

The Insolvency Practitioners (Amendment) Regulations (Northern Ireland) 2003**(d)**

(a) S.R. 1991/302
(b) S.R. 1993/317
(c) S.R. 1993/454
(d) S.R. 2003/547

SCHEDULE 2

Regulation 12

Requirements for Security and Related Matters

PART 1

Interpretation

Interpretation

1. In this Schedule—

“cover schedule” means the schedule referred to in paragraph 3(2)(c);

“the insolvent” means the individual or company in relation to which an insolvency practitioner is acting;

“general penalty sum” shall be construed in accordance with paragraph 3(2)(b);

“insolvent’s assets” means all assets comprised in the insolvent’s estate together with any monies provided by a third party for the payment of the insolvent’s debts or the costs and expenses of administering the insolvent’s estate;

“specific penalty sum” shall be construed in accordance with paragraph 3(2)(a).

PART 2

Requirements relating to security

Requirements in respect of security

2. The requirements in respect of security for the proper performance of the duties of insolvency practitioners prescribed for the purposes of Article 349(3)(b) of the Order shall be as set out in this Part.

Requirement for Bonding – Terms of the Bond

3.—(1) Where an insolvency practitioner is appointed to act in respect of an insolvent there shall be in force a bond in a form approved by the Department which—

(a) contains provision whereby a surety undertakes to be jointly and severally liable for losses in relation to the insolvent caused by—

(i) the fraud or dishonesty of the insolvency practitioner whether acting alone or in collusion with one or more persons; or

(ii) the fraud or dishonesty of any person committed with the connivance of the insolvency practitioner and

(b) otherwise conforms to the requirements of this Part.

(2) The term of the bond shall provide—

(a) for the payment, in respect of each case where the insolvency practitioner acts, of claims in respect of liabilities for losses of the kind mentioned in sub-paragraph (1) up to an aggregate maximum sum in respect of that case (“the specific penalty sum”) calculated in accordance with the provisions of this Schedule;

- (b) in the event that any amounts payable under (a) are insufficient to meet all claims arising out of any case, for a further sum of £250,000 (“the general penalty sum”) out of which any such claims are to be met;
 - (c) for a schedule containing the name of the insolvent and the value of the insolvent’s assets to be submitted to the surety within such period as may be specified in the bond;
 - (d) that where at any time before the insolvency practitioner obtains his release or discharge in respect of his acting in relation to an insolvent, he forms the opinion that the value of that insolvent’s assets is greater than the current specific penalty sum, a revised specific penalty sum shall be applicable on the submission within such time as may be specified in the bond of a cover schedule containing a revised value of the insolvent’s assets;
 - (e) for the payment of losses of the kind mentioned in sub-paragraph (1), whether they arise during the period in which the insolvency practitioner holds office in the capacity in which he was initially appointed or a subsequent period where he holds office in a subsequent capacity.
- (3) The terms of the bond may provide—
- (a) that total claims in respect of the acts of the insolvency practitioner under all bonds relating to him are to be limited to a maximum aggregate sum (which shall not be less than £25,000,000); and
 - (b) for a time limit within which claims must be made.

4. Subject to paragraphs 5, 6 and 7, the amount of the specific penalty in respect of a case in which the insolvency practitioner acts, shall equal at least the value of the insolvent’s assets as estimated by the insolvency practitioner as at the date of his appointment but ignoring the value of any assets—

- (a) charged to a third party to the extent of any amount which would be payable to that third party; or
- (b) held on trust by the insolvent to the extent that any beneficial interest in those assets does not belong to the insolvent.

5. In a case where an insolvency practitioner acts as a nominee or supervisor of a voluntary arrangement under Part II or Chapter II of Part VIII of the Order, the amount of the specific penalty shall be equal to at least the value of those assets subject to the terms of the arrangement (whether or not those assets are in his possession) including, where under the terms of the arrangement the debtor or a third party is to make payments, the aggregate of any payments to be made.

6. Where the value of the insolvent’s assets is less than £5,000, the specific penalty sum shall be £5,000.

7. Where the value of the insolvent’s assets is more than £5,000,000 the specific penalty sum shall be £5,000,000.

8. In estimating the value of an insolvent’s assets, unless he has reason to doubt their accuracy, the insolvency practitioner may rely upon any statement of affairs produced in relation to that insolvent pursuant to any provision of the Order.

PART 3

Records relating to bonding and connected matters

Record of specific penalty sums to be maintained by insolvency practitioner

9.—(1) An insolvency practitioner shall maintain a record of all specific penalty sums that are applicable in relation to any case where he is acting and such record shall contain the name of

each person to whom the specific penalty sum relates and the amount of each penalty sum that is in force.

(2) Any record maintained by an insolvency practitioner pursuant to this paragraph shall, on the giving of reasonable notice, be made available for inspection by—

- (a) any professional body recognised under Article 350 of the Order of which he is or was a member and the rules of membership of which entitle or entitled him to act as an insolvency practitioner;
- (b) any competent authority by whom the insolvency practitioner is or was authorised to act pursuant to Article 352 of the Order; and
- (c) the Department.

Retention of bond by recognised professional body or competent authority

10. The bond referred to in paragraph 3 shall be sent by the insolvency practitioner to—

- (a) any professional body recognised under Article 350 of the Order of which he is a member and the rules of membership of which entitle him to act as an insolvency practitioner; or
- (b) any competent authority by whom the insolvency practitioner is authorised to act pursuant to Article 352 of the Order.

Inspection and retention requirements relating to cover schedule

11.—(1) This regulation applies to an insolvency practitioner appointed in insolvency proceedings under the Order to act—

- (a) in relation to a company which the High Court has jurisdiction to wind up; or
- (b) in respect of an individual.

(2) The insolvency practitioner shall retain a copy of the cover schedule submitted by him in respect of his acting in relation to the company or, as the case may be, individual until the second anniversary of the date on which he is granted his release or discharge in relation to that company or, as the case may be, that individual.

(3) The copy of a schedule kept by an insolvency practitioner in pursuance of sub-paragraph (2) shall be produced by him on demand for inspection by—

- (a) any creditor of the person to whom the schedule relates;
- (b) where the schedule relates to an insolvent who is an individual, that individual;
- (c) where the schedule relates to an insolvent which is a company, any contributory or director or other officer of the company; and
- (d) the Department.

(4) In its application in relation to a building society within the meaning of the Building Societies Act 1986(a), paragraph 3(d) shall have effect as if for the reference to the Department there was substituted a reference to the Financial Services Authority.

Requirements to submit cover schedule to authorising body

12.—(1) Every insolvency practitioner shall submit to his authorising body not later than 20 days after the end of each month during which he holds office in a case—

- (a) the information submitted to a surety in any cover schedule related to that month;
- (b) where no cover schedule is submitted in relation to the month, a statement either that there are no relevant particulars to be supplied or, as the case may be, that it is not practicable to supply particulars in relation to any appointments taken in that month; and

(a) 1986 c.53

- (c) a statement identifying any case in respect of which he has been granted his release or discharge.
- (2) In this regulation “authorising body” means in relation to an insolvency practitioner—
- (a) any professional body recognised under Article 350 of the Order of which he is a member and the rules of membership of which entitle him to act as an insolvency practitioner; or
 - (b) any competent authority by whom he is authorised to act as an insolvency practitioner pursuant to Article 352 of the Order.

SCHEDULE 3

Regulation 13

Records to be Maintained-Minimum Requirements

Details of the insolvency practitioner acting in the case

1. The name of the insolvency practitioner acting in the case.
2. The identifying number or reference issued to the insolvency practitioner by a competent authority or any body recognised under Article 350 of the Order.
3. The principal business address of the insolvency practitioner.
4. The name of—
 - (a) any body by virtue of whose rules the insolvency practitioner is entitled to practise; or
 - (b) any competent authority by whom the insolvency practitioner is authorised.

Details of the insolvent

5. The name of the person in respect of whom the insolvency practitioner is acting.
6. The type of the insolvency proceedings.

Progress of administration

7. As regards the progress of the administration of the case the following details if applicable—
 - (a) the date of commencement of the proceedings;
 - (b) the date of appointment of the insolvency practitioner;
 - (c) the date on which the appointment was notified to the Registrar of Companies;
 - (d) the date on which the statutory declaration that the requisite majority of creditors of a debtor have consented to a deed of arrangement was filed.

Bonding arrangements in the case

8. As regards the arrangements for security in the case—
 - (a) the date of submission of the cover schedule which has the details of the specific penalty sum applicable in the case;
 - (b) the amount of the specific penalty sum;
 - (c) the name of the surety;
 - (d) the date of submission to surety of a cover schedule with any increase in the amount of the specific penalty sum;
 - (e) the amount of any revised specific penalty sum; and
 - (f) the date of submission to the surety of details of termination of the office held by the insolvency practitioner.

Matters relating to remuneration

9. As regards the remuneration of the insolvency practitioner—
- (a) the basis on which the remuneration of the insolvency practitioner is to be calculated; and
 - (b) the date and content of any resolution of creditors in relation to the remuneration of the insolvency practitioner.

Meetings (other than any final meeting of creditors)

10. The dates of—
- (a) the meeting of members;
 - (b) the date of first meeting of creditors—
 - (i) to consider an administrator's proposals;
 - (ii) to consider an administrative receiver's report;
 - (iii) in liquidation or bankruptcy; or
 - (iv) to consider a voluntary arrangement proposal; and
 - (c) the dates and purposes of any subsequent meetings.

Disqualification of Directors

11. As regards the insolvency practitioner's duties under Article 10 of the Company Directors Disqualification (Northern Ireland) Order 2002^(a) to report the conduct of directors—

- (a) the date a return under Article 10 is due;
- (b) the date a return is submitted to the Department;
- (c) the date a conduct report is submitted to the Department; and
- (d) the date on which any further reports are submitted to the Department.

Vacation of office etc

12. The following details regarding the completion of the case—
- (a) the date of the final notice to, or meeting of, creditors;
 - (b) the date that the insolvency practitioner vacates office; and
 - (c) the date of release or discharge of the insolvency practitioner (or if there is no final meeting of creditors, the date of the final return of receipts and payments to the Department).

Distributions to creditors etc.

13. As regards distributions—
- (a) in relation to each payment to preferential or preferred creditors—
 - (i) the name of the person to whom the payment was made;
 - (ii) the date of the payment;
 - (iii) the amount of the payment;
 - (b) in relation to each payment to unsecured creditors—
 - (i) the name of the person to whom the payment was made;
 - (ii) the date of the payment;
 - (iii) the amount of the payment; and

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- (c) in relation to each return of capital—
 - (i) the name of the person to whom the return of capital was made;
 - (ii) the date of the payment; and
 - (iii) the amount of capital returned or the value of any assets returned.

Statutory Returns

14. As regards any returns or accounts to be made to the Department or the Registrar of Companies—

- (a) as regards each interim return or abstract of receipts and payments—
 - (i) the date the return or abstract is due;
 - (ii) the date on which the return is filed; and
- (b) as regards any final return or abstract of receipts and payments—
 - (i) the date that the return or abstract is due; and
 - (ii) the date on which the return is filed.

Time recording

15. Records of the amount of time spent on the case by the insolvency practitioner and any persons assigned to assist in the administration of the case.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in connection with the regulation of insolvency practitioners. These Regulations replace the Regulations listed in Schedule 1 subject to the transitional and saving provisions in regulation 4. Regulation 6 makes provision as regards the matters to be taken into account by a competent authority in determining whether an individual is a fit and proper person to hold an authorisation under Article 352 of the Insolvency (Northern Ireland) Order 1989. Regulations 7 and 8 set out prescribed requirements as to education and training in relation to insolvency practitioners seeking an authorisation from a competent authority. Regulation 9 sets out obligations imposed on insolvency practitioners authorised by the Department of Enterprise, Trade and Investment (“the Department”) with regard to the keeping of records relating to continuing professional development. Regulation 10 sets the maximum period for an insolvency authorisation granted by a competent authority at 3 years. Regulation 11 makes provision in relation to annual returns to be made to the Department by insolvency practitioners authorised by it in relation to their insolvency practice. Regulation 12 and Schedule 2 make provision in relation to the security that an insolvency practitioner must obtain for the proper performance of his duties. This is in the form of a bond against which claims may be made in the event of losses caused or facilitated by the fraud or dishonesty of the insolvency practitioner.

Regulation 13 makes provision for the creation and maintenance of records containing the details set out in Schedule 3 to the Regulations. Regulations 14 and 15 make provision about the inspection of those records by the Department and others. Regulation 16 allows the Department to inspect and take copies of the records of any person which record receipts and payments, time spent on the case and other management matters in relation to any case where an insolvency practitioner authorised by the Department acts. Regulation 17 makes provision for the inspection by the Department of records relating to an administration or an administrative receivership.

No Regulatory Impact assessment has been prepared in relation to these Regulations as they will not impose any significant costs on business.