
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 section 393 of the Insolvency Act 1986. 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 Secretary of State 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 Secretary of State by insolvency practitioners authorised by her in relation to their insolvency practice. Regulation 12 and Schedule 2 make provision in relation to the security or caution 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 Secretary of State and others. Regulation 16 allows the Secretary of State 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 Secretary of State acts. Regulation 17 makes provision for the inspection by the Secretary of State 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.