



The Insolvency
Service

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DEAR INSOLVENCY PRACTITIONER

Issue 97 – April 2020

Message from the Insolvency Service

Dear Reader

Please find enclosed the latest updates from the Insolvency Service including the steps being taken during the COVID-19 pandemic.

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82) Payments against Proofs of Debts

Owing to government instructions to stay at home our offices are closed. Therefore, we cannot currently receive cheques from insolvency practitioners for payments against proof of debts..

As an alternative, insolvency practitioners can submit receipts and make payments electronically. Practitioners will need to add the CN reference number to the payment so that we can match the receipt to the right account.

Practitioners should use the following payment information:

Bank: National Westminster Bank
Account name: INSS RP Receipts
Sort code: 60-70-80
Account number: 10002448
IBAN: GB14NWBK60708010002448

Enquiries regarding this article may be sent to:
CustomerServices.EAS@insolvency.gov.uk

67) Bankrupts' Estates – Exemption for Payments made under the Victims' Payments Regulations 2020

The Victims' Payments Regulations 2020 (S.R. 2020 No. 103) were made on 31 January 2020.

These Regulations provide for the establishment of a Victims Payment Board to make payments to persons injured in incidents related to the troubles in Northern Ireland.

Payments will normally be made monthly but can also take the form of a lump sum.

Payments can be made to anyone injured in an incident in the United Kingdom. Subject to eligibility conditions, payments may also be made in respect of incidents which took place elsewhere in Europe.

Any payments made under the Victims Payments Regulations 2020 are exempt from being treated as part of a bankrupt's estate as Regulation 28(2) provides;

“(2) On the bankruptcy of any person entitled to payments under these Regulations, no such payment, or entitlement to payments, is to pass to any trustee or person acting on behalf of the creditors”.

Enquiries regarding this article may be sent to:

IPRegulation.Section@insolvency.gov.uk

9) Fee Requests to the Redundancy Payments Service (RPS)

The RPS is currently receiving fee requests and voting forms from insolvency practitioners with one- or two-day deadlines attached. We would like to remind practitioners that there is a 15 working days turnaround for insolvency practitioner fee requests and voting forms.

In light of the unusual circumstances caused by the COVID-19 pandemic we will continue to work towards processing requests within 15 working days, however we are unable to meet next day requests.

Enquiries regarding this article may be sent to:

RPS.POD@insolvency.gov.uk

10) Parliamentary Hub App - Alert

It has been brought to our attention that a parliamentary hub app has been launched with claims that it can provide up-to-date information on governmental and parliamentary initiatives and contact information to provide quick and efficient connection points between government and industry.

Promotional material via email relating to the parliamentary hub app invites potential users to pay a one off fee of £2,500 plus VAT in order to gain access.

We have been advised by the Cabinet Office Fraud Advisory Panel that this is a scam related to the COVID-19 pandemic and therefore insolvency practitioners should not respond to any such communications nor make any payment.

Enquiries regarding this article may be sent to:
IPRegulation@insolvency.gov.uk

11) Guidance to accompany the Straightforward Individual Voluntary Arrangement (IVA) Protocol

Guidance has been produced by the IVA Standing Committee (IVASC), to provide support for consumers who are currently in a protocol compliant IVA and to those who are proposing a new IVA during the COVID-19 pandemic. It should be read in conjunction with whichever issue of the protocol the IVA proposal was prepared under.

The IVASC consists of representatives from insolvency practitioner firms, advice agencies, major creditor institutions, R3, and two Recognised Professional Bodies (RPBs).

RPBs that license insolvency practitioners at volume IVA providers support this guidance and will be able to use it to ensure that consumers are being assisted through this pandemic appropriately and consistently.

The COVID-19 pandemic is a unique situation and all members of the IVASC have recognised that flexibility to support consumers through this financially difficult period is required.

A statement of support from the creditor representatives of the IVASC has also been published as part of the guidance. If a supervisor wishes to use their discretion under the guidance to vary an IVA for COVID-19 related reasons a meeting of creditors need not be called. All variations that do not fall within the parameters of the guidance should be dealt with as per the terms of the IVA.

The guidance will initially be in place for six months commencing 20 April 2020 and will be regularly reviewed by the IVASC to ensure it remains relevant to the circumstances and appropriate. The IVASC will withdraw the guidance when appropriate to do so.

The key features of the guidance are:

- A three-month payment break can be granted without the need for a formal variation.
- A reduction in contributions into the IVA by up to 25% to be granted without the need for a formal variation at the discretion of the supervisor.
- Critical workers who receive overtime of more than 10% of their usual salary will not have to increase their monthly contribution into the IVA.
- The supervisor will have the discretion not to issue a notice of breach if it can be shown to be as a result of financial difficulties stemming from the COVID-19 pandemic.

The IVASC hope that this guidance will assist with many of the challenges consumers will inevitably face at this time and will enable practitioners to make appropriate changes to IVAs quickly. Practitioners are urged to utilise the guidance first, when possible, before proposing alternative variations to IVAs as a result of pandemic specific issues.

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