

SIP consultation questionnaire

[Please use the TAB key to move from one answer to the next, and the drop down menu to select responses where appropriate.]

Name of individual making the response: Caroline Sumner, Education and Technical Director
Organisation : R3, Association of Business Recovery Professionals
RPB (if applicable):

SIP 9

The revisions to SIP 9 (Scotland) and SIP 9 (Northern Ireland) follow the drafting of SIP 9 (England and Wales) except where there are legislative differences. The questions below first ask about the detailed drafting changes to all variants of SIP 9. Additional questions relevant to each jurisdiction then follow.

- 1 Do you believe that SIP 9 should apply to members' voluntary liquidations?** No
Please explain your answer below.

Comments

An MVL is a solvent liquidation with all creditors being paid in full and therefore creditors have no financial interest in an office holder's fees and expenses. Applying SIP9 to an MVL liquidator imposes an additional compliance burden on the IP with no associated benefit to creditors.

- 2 Do you agree with the change of approach to payments to associates?** Yes
Please explain your answer below.

Comments

Whilst we agree the change of approach is appropriate, some members have questioned whether the regular and legitimate use of solicitors and/or agents would fall under the term 'associate'? Clarification would be welcomed in this respect.

- 3 Do you believe that the revised version of SIP 9 identifies all appropriate principles?** Yes

Comments

- 4 If "no", what additions do you believe should be made to the principles contained in the SIP?**

- 5 Do you believe that the revised version of SIP 9 identifies the key compliance standards?** Yes

Comments

The majority of the changes are appropriate, however, we do have some comments on the changes. For ease of reference we attach the tracked change version of the SIP with our comments / concerns.

- 6 If “no”, what additions do you believe should be made to the key compliance standards contained in the SIP?**

- 7 Do you agree with the changes made to the section on expenses and disbursements?** Yes

Please explain your answer below.

Comments

Please see attached document for comments on the proposed changes.

- 8 Do you believe it is helpful for the SIP to distinguish between disbursements and other expenses?** Yes

Please explain your answer below.

Comments

Providing additional clarity should ensure that the provisions of SIP 9 are applied to all payments made from an estate regardless of how they are classified.

- 9 The SIP as drafted explains what is a disbursement. Should the SIP explain what is meant by disbursements (in the context of SIP 9)?** No

Please explain your answer below.

Comments

The explanation given for disbursements is adequate.

- 10 The SIP as drafted does not define what is an overhead. Should the SIP explain what is meant by overheads (in the context of SIP 9)?** Yes

Please explain your answer below.

Comments

Please see attached document.

- 11 Should any other changes be made to SIP 9?** Yes

Please explain the reasons for your answer below and set out the additional changes you wish to be made to the SIP.

Comments

Please see attached document.

SIP 9 (Scotland)

Please only answer these questions if you have comments which relate specifically to SIP 9 (Scotland) and not to any other jurisdiction.

- 1 Do you agree that the changes made to SIP 9 (Scotland) are appropriate?** Yes
Please explain the reason for your answer below.

Comments

The majority of the changes are appropriate, however, we do have some comments on the changes. For ease of reference we attach the tracked change version of the SIP with our comments / concerns.

- 2 Should any other changes be made to SIP 9 (Scotland)?** Yes
Please explain the reasons for your answer below and set out the changes you wish to be made to the SIP.

Comments:

Please see attached.

SIP 9 (Northern Ireland)

Please only answer these questions if you have comments which relate specifically to SIP 9 (Northern Ireland) and not to any other jurisdiction.

- 1 Do you agree that the changes made to SIP (Northern Ireland) are appropriate?** ---
Please explain the reason for your answer below.

Comments

- 2 Should any other changes be made to SIP 9 (Northern Ireland) ?** ---
Please explain the reasons for your answer below and set out the changes you wish to be made to the SIP.

Comments:

SIP 7 (all jurisdictions)

- 1. Do you agree that the changes made to SIP 7 are appropriate?** Yes
Please explain the reason for your answer below.

Comments

The majority of the proposed changes to the SIP are appropriate, however, we do have some comments on the changes. For ease of reference we attach the tracked change version of the SIP with our comments / concerns.

2. **Should any other changes be made to SIP 7?** Yes

Please explain the reasons for your answer below and set out the changes you wish to be made to the SIP.

Comments:

Whilst the attached document highlights our comments / concerns, the document does suggest changes to certain provisions. We would also like to draw your attention to some specific observations being that certain elements of the SIP appear to be a duplication of SIP9. The two SIPs are for different purposes and should remain so. Duplication can create confusion.

SIP 3.2 (all jurisdictions)

1. **Do you believe that the revised version of SIP 3.2 identifies all appropriate principles?** Yes

Comments

The majority of the proposed changes to the SIP are appropriate, however, we do have some comments on the changes. For ease of reference we attach the tracked change version of the SIP with our comments / concerns.

2. **If “no”, what additions do you believe should be made to the principles contained in the SIP?**

Comments

3. **Do you believe that the revised version of SIP 3.2 identifies the key compliance standards?** Yes

Comments

4. **If “no”, what additions do you believe should be made to the key compliance standards contained in the SIP?**

Comments

5. **Should any other changes be made to SIP 3.2?** Yes

Please explain the reasons for your answer below and set out the changes you wish to be made to the SIP.

Comments

Whilst the attached document highlights our comments / concerns, the document does suggest changes to certain provisions. We would also like to draw your attention to some specific observations:

The definition of associates is not included in the introduction as it is with other SIPs, but reference is made to associates throughout.

Since the publication of this consultation, COVID-19 has changed the way the profession and others undertake work. We have seen a rapid switch to a world of virtual working and we feel the SIP may need to be further changed to reflect the current, and future, working environment of the profession and others. For example, "an assessment should be made as to whether a face-to-face meeting with the debtor is required" - can this be undertaken by a virtual meeting or by telephone? Clarification is required.

SIP 3.1 (England and Wales and Northern Ireland)

1. Do you agree that the changes made to SIP 3.1 are appropriate? Yes

Please explain the reason for your answer below.

Comments

The majority of the proposed changes to the SIP are appropriate, however, we do have some comments on the changes. For ease of reference we attach the tracked change version of the SIP with our comments / concerns.

2. Should any other changes be made to SIP 3.1? Yes

Please explain the reasons for your answer below and set out the changes you wish to be made to the SIP.

Comments:

Whilst the attached document highlights our comments / concerns, the document does suggest changes to certain provisions. We would also like to draw your attention to some specific observations:

The definition of associates is not included in the introduction as it is with other SIPs, but reference is made to associates throughout.

Since the publication of this consultation, COVID-19 has changed the way the profession and others undertake work. We have seen a rapid switch to a world of virtual working and we feel the SIP may need to be further changed to reflect the current, and future, working environment of the profession and others. For example, "an assessment should be made as to whether a face-to-face meeting with the debtor is required" - can this be undertaken by a virtual meeting or by telephone? Clarification is required.

It may be useful to contact you to discuss your comments so please give your:

- telephone number 020 7566 4207 and
- email address caroline.sumner@r3.org.uk

Please email your completed comments to the secretary of the Joint Insolvency Committee (jic_sip_consultation@icaew.com)

Closing Date: 20 July 2020