

## Insolvency Service

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### Dear IP 61

Dear Insolvency Practitioner,

In this, the Sixty First of the “Dear IP (NI)” series, I should like to deal with the following issues:

- 1. Property Action to be Taken by IPs When Trustee of Insolvency Cases.**
- 2. Reform of the Framework for Insolvency Practitioner Bonding.**
- 3. Redundancy Payment Service (RPS), Within the Department for the Economy, is Preparing to Introduce a new Online System.**
- 4. New IVA Protocol 2025.**

### 1. Property Action to be Taken by IPs When Trustee of Insolvency Cases

The Property Team within the Insolvency Service has been required to resolve property matters that should have been addressed by Insolvency Practitioners during the period of their appointment as Trustee. The team is increasingly receiving enquiries from solicitors and bankrupts seeking the completion of disclaimers or re-vesting documentation in cases where no formal action was taken in respect of family homes within the three-year period, or where IPs indicated that they had no interest in secondary properties but failed to complete the necessary disclaimers.

Please see further details below:

- **Failing to take Formal Action on Family Homes Within 3 years**  
IPs not taking any action with family homes within the 3 years. On their final reports, IPs are stating that there is no equity in the property and it will automatically be

revested with the bankrupt after 3 years. Whilst this is correct, the IP needs to complete the formal documentation and issue this to Land Registry.

- **Failing to take Formal Action on Secondary Properties that are in Negative Equity**

IPs have advised on their final reports that there is no equity in the secondary property but have failed to formally disclaim the property. Although the IPs had no interest in secondary properties the necessary disclaimers have not been completed.

- **Failing to Complete Transfer Deed if Equity in the Property has been Realised**

IPs have advised on their report that they have received £X for the Trustee's interest in a property but there is no mention of whether a Transfer Deed has been completed.

- **Receiving Queries/info on Properties and not Taking any Action on them after they were Appointed Trustee**

- **Revisionary Interest in Property**

IPs have failed to take action on revisionary interest in property, i.e. common areas around a property owned by bankrupt.

This places additional and avoidable demands on the Property Team, which is required to manage these issues alongside ongoing property matters in live OR cases. As a result, cases have to be reopened, the necessary documentation completed, and arrangements made for the cases to be closed again. Where an IP is appointed as Trustee, they have overall control of the case and must ensure that, in relation to property, all necessary action is taken and all required documentation completed so that any interest held by the Trustee is formally and conclusively removed.

Many of the examples outlined above have only come to light when a property is being sold or when the Insolvency Service receives a vesting application. There may be further properties similarly affected where Trustee's have failed to register their actions with Land Registry. These cases may therefore represent only a portion of the wider issue, with the risk that the Insolvency Service is required to address outstanding property matters long after Trustees have obtained their release.

### **Action Required by IPs Whilst Trustee of a case**

- Take formal action on all properties known within a bankruptcy case. This includes properties that are known at the date of appointment, or any property matters that IPs become aware of or get queries on whilst they are Trustee.
- If a family home is in negative equity, formal reversioning procedures must be followed and confirmation received from Land Registry that everything has been completed.

- If a secondary property is in negative equity, formal disclaimer procedures must be followed. Court Stamped copy of disclaimer should be saved on the Portal.
- If the Trustee realises interest in a property, a transfer deed is to be completed. If a transfer deed is not sent by the purchasing solicitor, the IP must advise on the final report that it has not been completed and set aside funds to cover cost of transfer if transfer deed is received in the future, after they have received their release as Trustee.
- All aspects of a property need to be dealt with including reversionary interest i.e. common areas in respect of apartments etc.
- Save all documentation completed in respect of properties on the ISAAC Portal:
  - Revesting forms
  - Correspondence to/from Land Registry
  - Court stamped disclaimers
  - Completed Transfer Deeds
  - Land Registry searches
  - Property Valuations
  - Mortgage Redemption
  - Charges placed on Properties
  - Inhibitions placed on properties
- Make sure that all property is accounted for on the final report to creditors and detailed explanations given of decisions made in respect of all properties.

*Any enquiries regarding this article should be directed towards Denise Anderson, Deputy Official Receiver, telephone 02890 548563, email [Denise.Anderson@economy-ni.gov.uk](mailto:Denise.Anderson@economy-ni.gov.uk)*

## **2. Reform of the framework for Insolvency Practitioner Bonding.**

The Insolvency Practitioners (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2025 came into operation on 9 December 2025 and corresponds to the Insolvency Practitioners (Amendment and Transitional Provisions) Regulations 2024 which came into force in Great Britain on 1 December 2024 and were made following a consultation on reform of insolvency regulation, [The future of insolvency regulation - GOV.UK](#). Stakeholders advocated for reforms to the bonding framework, which has not been substantively updated in almost 40 years. A bond is made up of two parts: a Specific Penalty Sum (SPS), which provides separate cover for each insolvency case, and a General Penalty Sum (GPS), which provides general cover for any cases where the SPS cover is insufficient.

The bonding reforms will be incorporated into Schedule 2 to the Insolvency Practitioners Regulations (Northern Ireland) 2006 as follows:

- GPS to be increased from £250,000 to £750,000, and to apply across all cases where the SPS is insufficient, including those where no SPS cover is in place (paragraph 3(2)(b)).

- Minimum statutory requirements for bonds to include provisions for the payment of costs and expenses reasonably incurred or charged by the successor insolvency practitioner, including parallel costs (paragraph 3(2)(f)).
- Bonds to include a clause on calculation of interest from the date of relevant loss to the date of claim for that loss, with Sterling Overnight Index Average (SONIA) as the benchmark (paragraphs 3(2)(a) and 8ZB).
- Bonds to include a run-off period of at least 2 years from release or discharge from office (paragraph 8ZA).
- Where a maximum indemnity period is provided for, this should be no less than 6 years, with the ability to extend with the agreement of the bond provider (paragraph 8ZC).
- Surety or cautioner to give at least 60 days' notice to the IP and authorising body before a bond expires or is cancelled due to non-payment of a premium (paragraph 8ZD).

The reforms came into operation on 9 December 2025, with transitional arrangements in place until 31 December 2025:

- Existing bonds issued on the old approved wording will remain valid until the bond expires.
- From 1 December 2024, bonds may either be issued with the new provisions (once approved by the Secretary of State), or on the old approved wording.
- From 1 January 2026, all bonds will need to have their wording approved by the Secretary of State in line with the new provisions of the amended Insolvency Practitioners Regulations 2005.

Any enquiries regarding this article should be directed towards Amanda Waring, Insolvency Practitioner Unit, telephone 02890 548629, email [Amanda.Waring@economy-ni.gov.uk](mailto:Amanda.Waring@economy-ni.gov.uk)

### **3. Redundancy Payment Service (RPS), Within the Department for the Economy, is Preparing to Introduce a new Online System.**

The Northern Ireland Redundancy Payment Service (RPS), within the Department for the Economy, is preparing to introduce a new online system that will significantly enhance how redundancy and insolvency pay claims are created, submitted, and processed across Northern Ireland. As a key partner in this work, we want to ensure you are fully informed ahead of the system's rollout and understand what this change will mean for your engagement with RPS.

#### **What Is Changing**

RPS has been developing a modernised, two phase digital solution to replace the legacy payments support system.

- **Phase One**, our new case management and payment system, is now operational and already enabling RPS to process statutory redundancy and insolvency payments more efficiently.
- **Phase Two**, now nearing completion, will introduce two new online portals:
  - **An Insolvency Practitioner Portal**, enabling IPs to directly enter redundancy related information for each case.
  - **A Claimant Portal**, allowing claimants to view, confirm, and track their claim details online.

These portals are designed to streamline communication, reduce duplication, and improve the accuracy and timeliness of information submitted to RPS.

### **What This Means for Insolvency Practitioners**

The current process relies heavily on manual forms, email exchanges, and RPS staff re-entering data, which can lead to inefficiencies and a higher risk of error. The new portals place greater control with the Insolvency Practitioner, ensuring information is supplied digitally and enabling RPS to process claims more accurately and effectively.

The new portal will:

- Allow you to enter redundancy details directly into the system.
- Reduce the need for follow up queries and manual data checks.
- Provide a clearer, more transparent process for both IPs and claimants.
- Improve the overall speed and accuracy of payments made from the National Insurance Fund.
- Align Northern Ireland with digital services already available in the rest of the UK.

Feedback from IPs who participated in early engagement through the Department's Innovation Lab has been extremely positive, and your continued involvement will be central to a smooth transition.

### **End to End System Demonstration**

To support onboarding, RPS will be offering Insolvency Practitioners the opportunity to attend a full end to end demonstration of the new system. This session will:

- Walk through the full claims journey.
- Show how information is entered, validated, and processed.
- Demonstrate how claimants will interact with the Claimant Portal.
- Provide space for questions, feedback, and clarification.

Details on dates, format, and registration will be issued shortly.

### **Action Required: User Access Details**

To ensure your organisation is ready for onboarding, please send the **first name, last name, and email address** of all Insolvency Practitioner employees who will require access to the RPS Portal to create and manage pay claims to [RPSNIPortal@economy-ni.gov.uk](mailto:RPSNIPortal@economy-ni.gov.uk). This will allow us to set up user accounts in advance and support a smooth transition.

## What You Can Expect Next

Over the coming weeks, RPS will provide:

- Dates for the end to end demonstration sessions.
- Confirmation of the system's go live timeline.
- Guidance on how to access and use the new portal.

You will have sufficient time to familiarise yourself with the system before it becomes the primary method for submitting redundancy and insolvency claim information.

## Our Commitment

This modernisation represents a significant step forward for the Redundancy Payment Service. It will enhance service quality for claimants, reduce administrative burden for Insolvency Practitioners, and ensure Northern Ireland's redundancy payment processes remain robust, transparent, and aligned with legislative requirements.

*We appreciate your cooperation and engagement as we move toward implementation. If you have any questions at this stage, please contact the RPS team at [RPSNIPortal@economy-ni.gov.uk](mailto:RPSNIPortal@economy-ni.gov.uk).*

## 4. New IVA Protocol 2025

A revised IVA protocol has now been published on [Individual voluntary arrangement \(IVA\) protocol - GOV.UK](#)

### Effective Date

- The 2025 IVA Protocol comes into effect from 31 March 2025.
- The 2021 IVA Protocol remains valid until 30 June 2025. Either the 2025 or 2021 IVA Protocol may be used until 30 June 2025.
- The 2025 protocol must be used for all new IVAs proposed on or after 01 July 2025.

## What Has Been Published

The following documents are now available on [Individual voluntary arrangement \(IVA\) protocol - GOV.UK](#)

- The IVA Protocol 2025
- The IVA Protocol 2025 – Key facts
- Annex 1 - IVA Protocol 2025 - Standard terms and conditions
- Annex 2 - IVA Protocol 2025 - Regulatory framework
- Annex 3 - IVA Protocol 2025 - Template letter to consumers
- Annex 4 – [Withdrawn]
- Annex 5 - IVA Protocol 2025 - Standard report sheets
- Annex 6 - IVA Protocol 2025 - IVA distributions
- Annex 7 - IVA Protocol 2025 - Estimated outcome proforma
- Annex 8 - IVA Protocol 2025 – IVA Standing Committee Terms of reference

## Key Changes

- Creation of a new 'Key facts' document, which must be given to consumers before they agree the IVA proposal.
- Clearer guidance on when a protocol IVA is not suitable. For example, if the consumer qualifies for a Debt Relief Order, or where total debt is under £7,000.
- The consumer's family home will no longer form part of their IVA. The amount of equity in a family home will inform the length of a protocol IVA (60 or 72 month), but equity will not be realised as part of the arrangement. This change brings certainty for the consumer and for creditors.  
The threshold (de minimis) for family homes is also increased from £5,000 to £10,000.

### Example scenarios:

- If the consumer's family home has equity of £10,000 or less, the length of the protocol IVA will be 60-months.
- Equity is calculated based on 85% of the market value less any secured borrowings, charges, etc.
- If the consumer's family home has equity above £10,000, the length of the protocol IVA will be 72-months.
- Equity is calculated based on 85% of the market value less any secured borrowings, charges, etc.

***NOTE:** When making this change, the IVA Standing Committee considered that only a minority 2021 protocol IVAs saw realisation of a family home, balancing this against the potential negative impact on the consumer of the 2021 provisions.*

- An explicit requirement for the IVA proposal to explain why it is appropriate for the consumer's interest in a family home to be excluded.
- Recognition of the annual review as the primary tool for reassuring creditors that the IVA can be sustained and remains appropriate.
- Increased discretion for the Supervisor to allow a payment holiday or a reduction in regular payments, without the need to consult creditors.
- Where a protocol IVA is terminated, a requirement that the Supervisor should signpost the consumer to free, regulated debt advice.
- A requirement for the Supervisor to consider whether to propose that a protocol IVA is considered as satisfied if termination is likely.
- Certificates of completion (or certificate of termination) to be issued within 28-days.
- Removal of 'Annex 4: template simplified IVA proposal' and 'Annex 5: IVA Protocol annex with flow chart'.

## Accessing the 2021 IVA Protocol

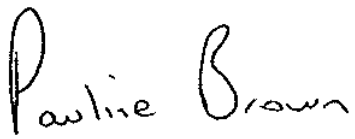
The 2021 IVA Protocol and associated annexes are available on [Individual voluntary arrangement \(IVA\) protocol 2021 - GOV.UK](#)

**Enquiries**

Enquiries about this article should be sent to

[IPRegulation.Section@insolvency.gov.uk](mailto:IPRegulation.Section@insolvency.gov.uk)

Yours faithfully,



**Pauline Brown**  
Principal Examiner