

Insolvency Service



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Dear IP 43

December 2016

Dear Insolvency Practitioner,

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

1. **Pre-pack Pool – Reminder About SIP 16 Requirements**
2. **Update on Replacement of ICT System - Insolvency Service Application for Administering Cases (ISAAC)**
3. **IVAs**

1. Pre-pack Pool – Reminder About SIP 16 Requirements

As advised in Dear IP 42 of August this year, following Teresa Graham's independent report into pre-pack administrations, the pre-pack pool was launched on 2 November 2015. This is part of a package of industry measures, including the revised SIP 16, which aims to improve the transparency of pre-pack administrations.

The pre-pack pool is a group of experienced business people who will offer an opinion on the purchase of a business and/or its assets by connected parties to a company where a pre-pack sale is proposed. It is a separate process from the work of insolvency practitioners and the intention is to give creditors increased confidence in the sale.

As part of the requirements of the revised SIP 16, insolvency practitioners should ensure that any connected party considering a pre-packaged purchase is aware of their ability to approach the pre-pack pool and of the potential that this may give to enhancing stakeholder confidence in the sale. All applications to the pool will receive a response within 48 hours.

The SIP 16 statement should include either a reference as to whether or not the pre-pack pool has been approached by the connected party or a statement that a copy of the pool's opinion has been given. Where an opinion has been given by the pool, this should be included within the SIP 16 statement, clearly indicating the date of the opinion.

Practitioners can find out more information about the pre-pack pool and how an application can be made by going to www.prepack.co.uk or by contacting Duncan Grubb, Director, Pre Pack Pool Ltd - Tel: 07713 680672 or e-mail: governance@prepackpool.co.uk.

If the pre-pack pool and other industry measures fail to improve transparency and stakeholder confidence, the Government has time-limited reserve powers which would enable it to restrict pre-pack administrations.

Any enquiries regarding this article should be directed towards Clare Doherty, Insolvency Practitioner Unit, Insolvency Service, Fermanagh House, Ormeau Avenue, Belfast, BT2 8NJ, telephone: 028 90 548532, Email: clare.doherty@economy-ni.gov.uk

2. Update on Replacement of ICT System - Insolvency Service Application for Administering Cases (ISAAC)

We previously informed in Dear IP 42, Article 2 - "Insolvency Service - Online Debtors Petition", that from 29th November 2016 all self petitioning Debtors will be required to complete the Statement of Affairs (form 6.31) online and submit to the Insolvency Service electronically. This requirement is taking place in conjunction with the replacement of our ICT system and will help ensure that full, legible and accurate information is received which will

automatically populate the system saving staff time in having to rekey the information contained on the printed form.

The article alluded to the possibility that the date may change. As the go-live date for the implementation of our new system (ISAAC) has been amended to 31st May 2017 the requirement for on-line submission of the Debtors Petition will be from the same date. Again should this date change we will keep you informed.

In advance of the new system coming into operation stakeholders are encouraged to use the current facility to submit the Statement of Affairs (form 6.31) online; [Complete Form 6.31 Statement of Affairs \(Debtor's Petition\) online](#)

IP training on the new system is included within the Project Plan and is scheduled to take place near the go-live date. The supplier will provide all IPs / Assistants with system enhancement training. In addition comprehensive End User Guides will also be contained electronically within the IP portal to ensure that all users have access to the relevant training materials and documents.

Any enquiries regarding this article should be directed towards Chris Nesbitt, Insolvency Service, Project Manager, telephone: 028 90548504, email: chris.nesbitt@economy-ni.gov.uk

3. IVAs

Were a Supervisor bound by a voluntary arrangement has, under Article 238(1)(c), petitioned to have an arranging debtor made bankrupt, the costs of the administration of the voluntary arrangement are to be a first charge on the bankrupts estate, provided for in Article 250(2).

Therefore, if unpaid IVA costs are paid out of the bankruptcy estate account they are treated as secured and fee B2 is not applicable on the assets used to recoup these costs.

In these circumstances can IPs ensure that when receipting assets to the system the description advises CAU that there are unpaid IVA costs and no fee is applicable.

Any enquiries regarding this article should be directed towards Pauline Brown Insolvency Service, Central Accounting Unit, telephone: 028 90548693, email: pauline.brown@economy-ni.gov.uk

Yours faithfully

A handwritten signature in black ink, appearing to read 'J Hasson'. The signature is written in a cursive style with a large initial 'J' and a long, sweeping underline.

J HASSON
PRINCIPAL EXAMINER