

insolvency practitioner



The IPA Secretariat (and friends) fielded a team at the most recent Young Professionals' Networking Event held at Millwall Football Club's facilities on 21 June. Another photo may be found on the IPA's website – <http://www.insolvency-practitioners.org.uk/page.aspx?pageID=60>

IVAs – the story so far

THERE HAVE BEEN MANY SWIFT DEVELOPMENTS in the three months since the plenary session of the Insolvency Service/BBA IVA Forum was held: the Protocol and Standard Terms and Conditions for straightforward consumer IVAs have been drafted; a R3/DRF scoping document for a proposed new Debtors' Guide has been circulated; the IVA Standing Committee has met; and some creditors' agents' circulars have created much turmoil. Meanwhile, debtors have continued to ask for help to resolve their problems responsibly and insolvency practitioners have tried their best to provide appropriate advice under challenging conditions.

The IPA's view and approach has been explained largely by means of three emails to members – firstly on 10 July, when the IVA Protocol was progressing; then on 14 August, following TIX's announcement on fee proposals; and finally on 28 August, shortly after the Insolvency Service issued a statement on its view of the Protocol and TIX's proposals. We continue to support the

Insolvency Service's endeavours to progress the aims of the IVA Forum. However, we also feel that it is important to address individual creditors' actions that are unreasonably restricting some debtors' access to an IVA and, having raised this with the Insolvency Service, our current aim is to provide it with compelling evidence that these actions, contrary to public policy, are taking place.

Futile Proposals and "Still Born" IVAs

Members will recall that we asked for examples of potential IVAs – cases that warranted an IVA Proposal – but where it was considered futile to put one forward given the knowledge that some creditors' unreasonable stances would result in rejection. Our second request generated a flood of responses and, fortuitously, members interpreted our request widely to include IVA Proposals that had been rejected due to perverse voting. The responses have been illuminating and have reinforced our perception that [continued on page 2](#)



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“The responses have been illuminating and have reinforced our perception that many deserving debtors are being denied a perfectly appropriate IVA.”



News in brief

Court delays in processing bankruptcy petitions, and un-cooperative banks

IPA President, Simon Underwood, has discussed with the Insolvency Service Members' concerns regarding the wide variation in time taken by courts around the country to process bankruptcy petitions. The Service commented that in their experience the High Court in London was very efficient (1), and suggested that dissatisfied practitioners might best complain to the Chancellor of the High Court, Sir Andrew Morritt, and to the particular court manager in the case of rude or unhelpful court staff.

With regard to those banks with which practitioners experience delays in obtaining documents or money, the Service suggested that practitioners complain to the FSA and/or invoke banks' complaints procedures. The Service has also offered to supply us with details of the Official Receiver's contacts at call centres.

Credit Today Awards 2007

The 2007 Credit Today Awards took place on 17 May at London's Grosvenor House, with IPA Chief Executive Nick Sabin on the judging panel. IPA Member Firm, Haines Watts, sponsored the prize for Responsible Lender of the Year, which was won by National Australia Bank; Debt Counsellor of the Year was won by Claire King of the Money Advice Trust.

Insolvency Lawyers' Association

The IPA has reached agreement with the ILA to fulfil some of the ILA Secretariat's functions from July 2007.

Pre-packs

Members will be interested to learn that Brendan Guilfoyle, as chairman of the IPA's Practice Guidance, Ethics & Standards Committee, has written to ICAEW, ACCA, and the Insolvency Service requesting that the JIC instruct R3 to resume preparation of a draft SIP on pre-packs. R3's work was put on hold pending receipt of a report commissioned of University of Nottingham law academic Dr Sandra Frisby, the preliminary findings of which are due to be presented on 5 September. Dr Frisby's terms of reference were to "to evaluate the pre-pack, and look at the fairness of the accusations against the strategy, its strengths and weaknesses and look at its future in modern business administrations".

The IPA is keen that the new SIP addresses the ethical issues around pre-packs, for example self-interest and self-review issues for the IP involved, getting the proper price, and the risks of abuse in the process. We intend to report on Dr Frisby's research in the next edition of *Insolvency Practitioner*.

IVAs – the story so far

continued from front page many deserving debtors are being denied a perfectly appropriate IVA.

Here are some examples, elements of which we are sure many of our members will recognise in their own portfolios:

A young couple with three children sold their business and offered the proceeds under an IVA; no income contributions were possible, as the couple was living on state benefit. For joint creditors, the IVAs' outcome would be c.23p in the £, but under bankruptcy it would be only c.12p in the £. The insolvency practitioner was prepared to take the case on for a small fee, "a charity job almost". The bank's agent rejected the proposals, stating that its client's hurdle rate was "non-negotiable". The couple made themselves bankrupt in May this year.

A debtor's IVA Proposal simply comprised a third party contribution, which would result in a dividend of 15p in the £. Although two creditors' agents admitted that they were too busy to read the Proposal, they rejected it on the basis that it did not reach the 25p in the £ minimum that its clients required. The debtor made himself bankrupt and there is no prospect of a dividend to creditors.

Even when debtors take notice of apparent hurdle rates, it appears they cannot expect a positive response. One couple's IVA Proposals comprised a third party contribution, which would return 40p in the £ to joint creditors within six months. Although the joint income and expenditure account showed a modest monthly surplus, which the couple planned to use to repay the third party loan, agents representing a number of creditors felt that, with some savings, for example, from "mobile phone" and "housekeeping", as well as the amount that was planned to repay the loan, the couple could afford to pay c.£800 per month. They sought modifications that the IVAs last five years with monthly contributions starting at the surplus they felt could be achieved; the agents believed their "Proposal" would return 60p in the £. When asked if they would

reconsider their votes, the agents wrote: "I understand that the debtors may now have to apply for bankruptcy and our dividend reduce to next to nothing, but my instructions are to vote consistently using my best judgement, even if that means that sometimes our return is minimal".

One couple's Proposals were based around the home equity release, as described in the IVA Forum's draft standard terms and conditions. With voluntary contributions and equity release in year 5 estimated at 85% total value less existing mortgage, joint creditors could have expected dividends totalling 68p in the £. Solicitors acting for a bank rejected, as they felt the debt could be settled outside an IVA.

It is clear that the bankruptcy stigma continues to diminish and this is shifting the dynamics of the debtor's IVA-versus-bankruptcy deliberation. Whilst some debtors continue to offer better returns in IVA than in bankruptcy for little more reason than that they want to do the best for their creditors, it appears that, in many cases, the deal-breaker is the creditors' request for the year 4/5 re-mortgage. Several members have provided examples of debtors who have proposed sensible sums in the IVA to more than compensate creditors for the estimated home equity, but they have then chosen bankruptcy when faced with a proposed modification for a re-mortgage in an uncertain future.

The Future

In order to maintain pressure for the adoption of the IVA Protocol by all significant creditors and their representatives, we will be submitting these and other examples to the Insolvency Service who have expressed strong interest in taking up cases which appear to contravene public policy directly with the individual creditors concerned – so, please support this initiative by sending us any further examples which you come across. ■

Michelle Butler, IPA Regulation Manager

Why under the knife need not mean under the cosh, or "How to Grow your business by buying from a liquidator"

IPs disposing of specialist products need not despair if the example of Surgical Instrument Group Holdings is anything to go by: 40% of its acquisitions have come via Liquidators, and the remainder from retirement sales.

David Peddy, its M.D., set up the business in 1995 with the aim of improving the offering in the UK hospital surgical instrument supply and repair market, currently estimated to be worth up to £65 million per year. His strategy was to acquire niche businesses as and when they became available, assimilate them into the group, and improve their returns through economies of scale. In turn, the group gained customers and cross-selling opportunities. One of David's first purchases was instrument distributor, Caterham Surgical Supplies, whose original theatre of operations was – not

surprisingly – Caterham, nowadays headquarters of Jacqueline Gold's business empire. (Less Omaha, more Silicon Valley? – Ed.)

The attraction of Liquidation purchases – assuming finance is available – is that, to an extent, an experienced buyer can choose which assets to take. The downside is that customers who were aware of problems may have gone elsewhere already, particularly if the business had been struggling to fulfil orders. A purchaser will need to be able to act and complete quickly, so a practical disposition is helpful.

Aside from the "jungle telegraph" David rates the London Gazette online, which he checks daily. He thinks that if a business has to be sold prompt notice of the s.98 meeting is helpful for purchasers. ■

And from HM Revenue & Customs... introducing the new Insolvency Compliance & Securities team

On 1 April this year, a new HM Revenue & Customs (HMRC) team came into existence – Insolvency Compliance & Securities (ICS), with the key aim of reducing losses to the Exchequer as a result of insolvency.

It brings together a number of teams from HMRC's predecessor departments:

- Insolvency Compliance Units, PAYE Direction Units and the Special Trades Investigation Unit (from the Inland Revenue)
- VAT Securities, the National Asset Securities Team and the Civil Asset Recovery Team (from HM Customs & Excise).

It covers the full range of insolvency compliance issues for all direct and indirect taxes, as well as excise duties on alcohol, tobacco and oils.

How we are organised

ICS has over 340 staff spread across the UK. They are organised into:

- a national team that deals with serious non-compliance, including Missing Trader Intra Community (MTIC) fraud, labour providers and alcohol/tobacco/oils diversion;
- nine regional teams that deal with the full range of insolvency-related tax and VAT issues; and
- a technical team that provides specialist advice, and undertakes Civil Investigation of Fraud in appropriate circumstances.

Making decisions

Decisions about if, and when, to intervene, and the extent of that intervention, will be based on the risk to the Exchequer. Risk can be assessed using information from a wide range of sources, including the appointed liquidator, creditors' meetings, directors and business records, as well as HMRC systems and commercially available sources.

In certain circumstances, HMRC may support the appointment of an alternative liquidator. The team will also undertake provisional liquidations and interim receiverships, as well as seek freezing orders if the circumstances demand it.

A central risk team is being established that will risk assess every liquidation (including Members Voluntary Liquidations) and administration. It will also look to risk assess a selection of personal bankruptcy cases.

Leading ICS

Bob de Croos, who leads the new team and oversaw its development, said:

"For the first time, HMRC has a fully integrated insolvency compliance capability.

"We want to encourage non-compliant customers to change their behaviour, but will take appropriate compliance measures against those who fail to respond.

"All our decisions about intervention will be based on risk to the Exchequer. We will have a flexible approach to what we do, so we are able to respond to ever changing circumstances. We will explore and develop new ways of working, particularly in tackling the seriously non-compliant. In addition, we will work closely with our internal and external stakeholders, and raise the profile of what we do".

Explaining in more detail how the ICS team will focus its efforts, Bob added: "Our primary focus is on those directors who use an insolvency process – be it liquidation or administration – to avoid or evade paying their tax and duty, but continue in business through a new company without the burden of Crown debt. We want to create a level playing field for business, so those companies that don't pay their tax and duty don't gain a competitive edge over those businesses that comply."

Bob concludes: "By being joined up, we will have the ability to consider a range of intervention options and seek to use the most effective in securing a recovery and, perhaps more importantly, preventing further losses.

"We won't shy away from pursuing directors under Section 216/7 of the Insolvency Act, or issuing Personal Liability Notices on directors in appropriate circumstances. HMRC writes off considerable sums each year as a result of insolvency and we believe we can have a significant impact of reducing those losses and thereby reducing the tax gap".

Bob can be contacted at bob.decroos@hmrc.gsi.gov.uk

The ICS mission statement

"We will help and support those who try to comply, and come down hard on those who seek to gain an advantage from non-compliance."

Editor: Members may also be interested in the information on HMRC's website – <http://www.hmrc.gov.uk/manuals/insmanual/INS12105.htm#2> ■

Change at the top

THE PRIME MINISTER, Gordon Brown's new administration saw **Pat McFadden MP** promoted to Minister of State for Employment Relations and Postal Affairs (with responsibility for the Insolvency Service) at the Department of Business Enterprise & Regulatory Reform ("DBERR"). The IPA wishes Mr McFadden well in his new position, and looks forward to establishing a good working relationship with him.



Mr McFadden gave the following statement to *Insolvency Practitioner*: "I am pleased to have been given responsibility for the Insolvency Service and insolvency policy. I am aware of the good work the Service has done in recent times in both administering cases effectively and efficiently and in responding appropriately and flexibly to the needs of the marketplace. I am particularly pleased with the widespread support there has been for the proposals for Debt Relief Orders to meet the needs of those for whom bankruptcy is not an option, and I am also very supportive of the efforts the Service has made to facilitate a protocol for use by those involved in the IVA process. I hope to see progress on both of those fronts in the coming months.

The results of the evaluation of the Enterprise Act will be made available shortly and I look forward to a discussion about those results and what action flows from them."

Desmond Flynn

Many members will be aware that Desmond Flynn, who was to be retired as The Insolvency Service Inspector General at the end of September, has been battling with cancer over the last few months. Desmond and his wife, Kumari, who many of you will have met at insolvency events, will remain very much in our thoughts over the coming weeks and months.

Progress report on Money Laundering Regs supervision, and group consumer credit licence application

As previewed in the Winter edition of *Insolvency Practitioner* the IPA has been approved by HM Treasury for the purpose of supervising its authorised IPs' compliance with the Money Laundering Regulations 2007 which come into effect on 15 December 2007. R3 may be expected to publish guidance on complying with the Regulations in due course.

The IPA has also submitted a draft application to the Office of Fair Trading for a group consumer credit licence to cover its appointment taking IPs' Category C (credit brokerage) and D (debt counselling and adjustment) activities under the Consumer Credit Act 1974. Information on how an IP may request to be covered under the group licence (assuming it is granted) will follow shortly. ■

“Dear PGES...”

or Members’ Questions to PGES Committee

Conflict of Interest

“My unpaid S98 fees have been guaranteed by a director who is now seeking to propose an IVA with the plan that all his liabilities will be discharged in full within 12 months. Could I, or one of my partners, act as Nominee and/or Supervisor?”

The firm is effectively a creditor that would be bound by the IVA. Therefore, the Committee feels that you have a material professional relationship with the director of such overall significance that your objectivity would be, or would be seen to be, impaired to such a degree that you should not act as the director’s Nominee or Supervisor. The significant threat to objectivity exists also for any IPs connected with the firm.

Pre-Administration Time Costs

“Dear IP” no. 24 (September 2005) states that ‘time spent by a proposed administrator, prior to any appointment, in determining that it is reasonably likely that the purpose of the administration would be achieved and to enable them to complete Form 2.2B, are arguably costs and expenses of the appointer/applicant for the purposes of Rule 2.67(1)(c)’. Does this mean I can draw pre-Administration time costs from the estate? How does this fit in with the IPA’s summer 2006 magazine? Do I need creditors’ consent?”

This matter was discussed at a recent Meeting of Monitors hosted by The Insolvency Service with the aim of achieving a consistent approach by all authorising bodies.

As quoted above, Rule 2.67(1)(c) provides for an element of pre-appointment time spent by a proposed administrator to be paid from the estate. Dear IP also indicates that an IP is likely to be involved in pre-appointment activities that do not fall within this Rule, for example providing advice to the company/directors on the company’s financial situation.

If members intend to draw time costs under Rule 2.67(1)(c), we would expect them to analyse the pre-appointment time records to distinguish what time costs are allowable. This demonstrates the importance of ensuring that the time recording system provides for such analysis and that all staff allocate their time accurately against specific categories, with additional narrative, if necessary.

The Rules do not require costs allowable under Rule 2.67(1)(c) to be approved by creditors. However, given the principle of SIP9 that the party/parties responsible for approving an office holder’s remuneration under the Act and Rules should approve other (non-Category 1) payments to the office holder, his firm, or associated parties, we recommend that approval is sought similarly for an IP’s Rule 2.67(1)(c) costs.

We would also remind members that pre-appointment costs may be discharged in their entirety either prior to appointment or by a third party.

Material Modifications to an IVA

“A debtor has complained that I did not give him enough time to think over proposed modifications, but I discussed them with him over the telephone at the time of the creditors’ meeting, so I believe I complied with SIP3. What do you think?”

Paragraph 7.6 of SIP3 states: “The nominee should request the debtor to attend the creditors’ meeting in order to answer questions and to give consideration to proposed modifications. If the debtor is not available to consider modifications which are proposed, the meeting will have to be adjourned as his consent to them is required by law.” SIP3 does not prohibit attendance by telephone, but we would ask members to consider whether the proposed modifications are so material that it would be prudent – and fair on the debtor – to give him time to reflect on the consequences. This would be particularly relevant if the modifications involved the treatment of the equity in the debtor’s home.

We recommend that the meeting is adjourned to give the debtor time to reflect and to ensure that the debtor is made aware of the likely consequences of his either accepting or rejecting the proposed modifications so that he can make an informed decision on them. This additional time may also enable written exchanges to take place to evidence that the consequences have been explained to the debtor and that, as a result, the debtor has made a clear decision. Such written evidence should help to protect the member from criticism later.

We also remind members of the need to deal directly with each debtor who has proposed an IVA even if one debtor seeks to answer on behalf of another.

Again, this matter was discussed at the Meeting of Monitors to ensure that authorising bodies maintained a consistent approach and it was agreed that an adjournment would be recommended in the event that material modifications need to be considered. ■

Facebook

The Chief Executive has a bottle of champagne for the 1st IPA member to set up an IPA supporting or (sensible) insolvency themed group on Facebook.

Brian Mills – an appreciation

BRIAN MILLS passed away on 30 June 2007, aged 66. He will be mourned by all those who knew him, of whom there were very many in the insolvency profession.

Brian would describe himself as an “unreconstructed insolvency practitioner”, i.e. he covered all aspects of insolvency work, and although he would try to save a business whenever possible, he made no claim to being a corporate recovery specialist.

He learned his trade at Cork Gully, where he started at the bottom and worked his way up, becoming a valuable member of Norman Cork’s team. It was there that he learned the value of getting the support of creditors, subscribing to the old-fashioned belief that creditors should have the opportunity of choosing the person to wind up the affairs of the party that owed them the money.

Brian moved to Booth White, where his skills were quickly recognised by Ronald Booth and Patrick Granville White, who made him a partner. There he brought into play his other “cunning plan”. This was to entertain his rivals.

He realised that the insolvency profession was a small one, and therefore you were bound to cross the path of your professional competitors frequently. To make life tolerable, it was wise to try and keep on good terms with them. But Brian took it further. He knew that the insolvency business was competitive, but if you were competing for an assignment, your opponent’s competitive edge might well be blunted if he had been drinking your whisky the night before.

Much of the entertaining took place at Stamford Bridge, not the site of the battle of 1066 but the home of Brian’s favourite football club, Chelsea, where battles of a slightly less bloody nature took place.

Brian was an enthusiastic supporter of the Insolvency Practitioners Association, and particularly enjoyed its annual conferences where he could meet up with the many friends and colleagues that he had got to know from all over the country.

He became senior partner of Booth White in 1989 and coped with that awesome responsibility until 1995, when he retired to Cornwall. There he enjoyed a surprisingly uneventful retirement. He died peacefully, after a short illness, at the West Cornwall Hospital in the presence of his four children.

It was a quiet end to the life of Brian Mills, one of the big names of the insolvency world.

Patrick Hartigan

Richard Turton Award

Richard Turton had a unique role in the formation and management of INSOL Europe, INSOL International, the Insolvency Practitioners Association and R3, the Association of Business Recovery professionals. In recognition of his achievements the four organisations jointly created an award in his memory.

Richard Turton had a unique role in the formation and management of INSOL Europe, INSOL International, the Insolvency Practitioners Association and R3, the Association of Business Recovery professionals. In recognition of his achievements the four organisations jointly created an award in his memory. The Richard Turton Award is an annual award providing an educational opportunity for a qualifying participant to attend the annual INSOL Europe Conference.

In recognition of those aspects in which Richard had a special interest, the award for 2007 was open to applicants who fulfilled all of the following criteria:

- Work in and be a national of a developing or emerging nation;
- Work in or be actively studying insolvency law and practice;
- Be under 30 years of age at the date of the application;
- Have sufficient command of spoken English to benefit from the conference technical programme;
- Agree to the conditions below.

Applicants for the award were invited to write stating why they should be chosen – in less than 200 words. The applications were adjudicated by a panel representing the four associations. The panel members are as follows: Stephen Adamson

– INSOL Europe, Jan van Apeldoorn – INSOL International, Neil Cooper – INSOL Europe, Maurice Moses – IPA, and Tony Supperstone – R3.

The committee received a number of applications for the award and the decision was a very close run as the standard of applications was very high. The panel is delighted that the award was met with such enthusiasm by younger members of the profession and knows that Richard would also be extremely pleased that there has been such interest.

The committee is delighted to announce that the winner is Yanna Bakulina from Russia. Yanna attended the Moscow State University from 2001-2006 in the School of Public Administration where she specialised in crisis management. In July 2006 Yanna joined the Self-regulated Organisation of Arbitration Managers, the body which regulates Russian insolvency practitioners and which is registered under the Chamber of Commerce and Industry of the Russian Federation. She will be writing her paper on "The employee's rights to protection in the case of bankruptcy in Russia".

As part of the award Yanna has been invited to the INSOL Europe Conference on 11-14 October in Monaco. She will be writing a paper which will be published in summary in one or more of the member Associations' journals and in full on the website.

We would like to congratulate Yanna for her inspired application and also thank all the candidates who applied for the award this year. ■



Record number of CPI entrants in 2007

The IPA is delighted to report that a record 284 candidates applied to sit the Certificate of Proficiency in Insolvency examination in 2007 (2006: 235). The proportion of entrants passing the CPI in 2007 was 67% (2006: 62%). Results are available on the IPA website at <http://www.insolvency-practitioners.org.uk/uploads/Passlist%20CPI%202007.pdf>

"Search for a Member" and "Find an IPA IP" facilities on IPA website

IPA Members who visit the Association's website may be familiar with these search facilities which, it is hoped, help members of the public locate an IPA insolvency practitioner. It has come to light recently that Members who have previously asked to not publicise their membership are not appearing in search results, which is causing some confusion. Any Member who wishes to reconsider her/his decision to withhold their name is welcome to do so. The Insolvency Service website provides a "Find an IP" search facility which appears to list most authorised insolvency practitioners.

Members area of website

The Secretariat is developing proposals for the next phase of the IPA website – a section accessible solely to Members containing documents, information, booking forms etc. It is hoped that the Members' Area will be launched during 2007.

Arrangements for IPA Members in Scotland

Scottish Members have been notified of the members' meeting to be held in Edinburgh on 14 November 2007. The IPA's proposed representative on the Scottish Technical Committee is Ken Patullo, who will be contactable via the IPA Secretariat. It is intended that the new Members' Area of the IPA website will contain a section of particular relevance to Scottish members.

Training for LPA Receivership: Introductory Course for Trainees

Half-Day Course; 20th September 2007: 2.00–5.00pm; London

Course outline

- Background to the world of insolvency including types of procedure, types of practitioner, and basic principles.
- Guide to relevant statutes.
- LPA Receivership – what is it?
- Receivers Duties, Powers, Obligations, Liabilities.
- The role of NARA and the RPR scheme
- Why become a receiver?

Price

NARA Trainee members: **£50.00** + vat
Non members: **£130.00** +vat
(To include NARA membership to Dec 2008) with the added benefits of:

1. Entitlement to attend all NARA events at trainee rates.

2. Access to the NARA members Guidance Notes Library.
3. Access to the website helpline
4. Receipt of the NARATOR magazine.

Space is very limited on this session, and places will be allocated on a strictly first-come, first-served basis, so if you wish to book any places, please download the registration form from the website: <http://www.nara.org.uk/file/registration-form-tree-trng-07.pdf> and return it to the NARA office with the appropriate payment.

This course may qualify for CPD/E depending upon the requirements of the attendees' professional body.

Any further questions, please email to moya@nara.org.uk

REGULATORY REPORTS

Membership & Authorisation Committee: Restriction Order

On 13 July 2007, the Membership & Authorisation Committee confirmed an Order pursuant to Rule 18.1 against a member, **Alan Adie**, of Aberdeen, placing a limit upon the number of insolvency appointments he may hold at any one time. The Order will remain in force whilst improvements are effected to his practice's compliance and case administration procedures.

Investigation Committee: Consent Order

Publicity: On 24 July 2007, the Investigation Committee issued a Disciplinary Order by Consent against a member, **Shirley Jackson**, of London. Mrs Jackson received a reprimand, a fine of £2,500 and was also ordered to pay a contribution to costs of £500. Mrs Jackson was found to be liable to disciplinary action under Article 66.1.1 by reference to a breach on Fundamental Principle of "Due Skill" when acting as the Supervisor of an IVA. The administration of the IVA took several years to be brought to a conclusion and, whilst it was evident the Supervisor encountered difficulty when seeking to agree

certain creditor claims, the length of delay was unacceptable.

NOTE: The Committees would like to remind practitioners that The Association's Guide to Professional Conduct and Ethics requires practitioners to carry out their professional work with due skill, care, diligence and expedition and with proper regard for the technical and professional standards expected of him. Delays will inevitably occur and there will always be occasions when certain tasks need to be prioritized over others and practitioners need to ensure that their practice's systems and resources are adequate to properly administer their insolvency appointments. A robust file review system aimed at not only at ensuring statutory and practice compliance but also at identifying and planning a strategy for executing those tasks that need to be undertaken on a case will assist a practitioner in ensuring that his cases are administrated satisfactorily and progressed expeditiously. The Membership & Authorisation Committee recommends that practitioners adopt a file review system whereby cases are reviewed at an early stage and a minimum of once every six months thereafter.

Stephen Swaden 1950–2007



STEPHEN SWADEN, a partner in Leonard Curtis & Co and latterly a consultant to DTE Leonard Curtis Limited passed away on 21 May 2007.

Born and brought up in Liverpool, Stephen was lucky enough to find himself in a highly academic output of alumni of Quarry Bank Grammar which included the current Attorney General who was a classmate. Stephen was extremely proud of that fact but far more interested in letting anyone who would listen know that John Lennon attended the same school!

After studying economics at Leeds University he commenced his professional career in the Liverpool office of Arthur Young McClelland Moores and on qualifying as a Chartered Accountant decided in the early 70s to seek pastures new and he moved to London with his wife, Sharon.

Resuming his career with Cork Porritt in the City (an associated practice of W H Cork Gully) he had his first taste of insolvency which he found appealing. When, in 1974 Leonard Curtis & Co advertised for qualified senior staff Stephen was quick to respond. He joined the firm in 1975, became a partner in 1976 and, as the practice went from strength to strength, remained so until the business was sold to DTE Leonard Curtis Limited in November 2005, since when he was retained as a consultant.

Stephen, together with his colleagues at Leonard Curtis, were very early members of the IPA and, of course, became members of R3 upon its inception. The profession has seen many changes since those early days and it would be fair to say that Stephen was one of those "pragmatic" insolvency practitioners who believed that too much compliance, predicated by something inexplicably haunting those in authority, interfered with an IP's ability to get the best result for the creditors. He was a compassionate man and all of his dealings with clients and creditors were handled in a professional and understanding way.

His great passion was horse racing and he and several of his colleagues had interests in several race horses including the aptly named Floating Charge which, to most peoples surprise, was quite successful. One of Stephen's most pleasurable and ironic moments was when Floating Charge won the PricewaterhouseCoopers Stakes at Kempton Park.

His death followed quite a lengthy period of ill health and this highly talented man will be sadly missed by his many friends and business contacts. He was part of my life for over 32 years and things will never be quite the same. Everybody connected with him extend their condolences to his wife and childhood sweetheart, Sharon, his three children, his two brothers and sister, and perhaps most sadly of all, his parents.

Keith Goodman

Extraordinary General Meeting to be held on 4 October 2007: IPA membership and authorisation criteria, & CPE on non-statutory solutions

VOTING MEMBERS will receive notification from the Secretariat of an Extraordinary General Meeting to be held on 4 October 2007. The purpose of the meeting is to approve a number of changes to the IPA's constitution in preparation for recognition to authorise Voluntary Arrangement Nominees and Supervisors from April 2008. The President will write to Members, also setting out the requirements for authorisation under s.389A, as well as detailing the revised membership and experience requirements for authorisation as an Insolvency Practitioner.

Alongside the clarification issued by the JIEB that the JIE Personal Insolvency syllabus for the December 2007 sitting onwards includes the provision of advice on non-statutory (or "non-formal") insolvency solutions, the Insolvency Service requires Insolvency Practitioners (and will require Voluntary Arrangement Practitioners) who take appointments as nominee or supervisor of Individual Voluntary Arrangements to include advice on non-statutory solutions within their Continuing Professional Education portfolio.

At the time of going to press we understand that the Debt Resolution Forum is developing training for its members, and that the Money Advice Trust is also considering the training it provides.

Dates for your diary

4 October	Council meeting and Extraordinary General Meeting
23 November	Past Presidents' Luncheon
16 January 2008	Committees' Training Day
12 March	IPA Annual Lecture
16 April	IPA Members Conference
1 May	Annual General Meeting

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