



INSOLVENCY PRACTITIONERS ASSOCIATION CERTIFICATE OF PROFICIENCY IN PERSONAL INSOLVENCY

SYLLABUS

General matters

1. Differences between types of personal insolvency (within the syllabus) and an outline of the purpose of each.
2. Definition of when an individual is insolvent.
3. Specific appointment procedures for the types of insolvency included in this syllabus.
4. Meetings of creditors, information to be made available to creditors.
5. Voting rights and proxies, admission and rejection of claims for voting purposes.
6. Statutory Notices, advertisements and filing requirements, bonding requirements.
7. Knowledge of what books and records should be collected from the individual.
8. Consideration of immediate action on appointment, excluding strategic planning and trading on, but including, inter alia: (a) checking on and taking out insurance; (b) instructing Agents; (c) landlords; (d) distress and execution; (e) public services; (f) HP/leasing; (g) ROT; (h) obtaining legal advice where necessary; (i) disclaimer of onerous contracts.
9. Knowledge of basic financial accounting procedures, bank reconciliations, analysis of receipts and payment and preparation of R & P accounts, estimated outcome statements, principles of preparation of statement of affairs.
10. Awareness of potential tax/VAT liabilities on bank interest received, sales of assets e.g. Capital Gains tax, (no tax computations expected).
11. Knowledge of how and when ISA account is used including ad valorem duty, cheque and other fees.
12. Appointees' rights and powers to obtain books and records, assets, co-operation and information.
13. IVA and bankruptcy reporting requirements.
14. Keeping the IP Statutory Record and statutory compliance.
15. Awareness of appointees' duty/ability to investigate and/or to recover assets, adjustments of prior transactions; (undervalue, preferences).
16. Effects of ROT, lien, HP/Leasing on those creditors' claims.
17. Employees' rights, including ERA claims and preferential and unsecured additional claims.
18. Debt collection procedures, VAT bad debt relief and awareness of legal enforcement remedies.

19. Agreement of creditors' claims and the rules of priority, preferential creditors including subrogated wages and subrogation in general (e.g. vis a vis a guarantor), deferred claims, overseas claims.
20. Calculation of dividend payments and preparation of estimated distribution/outcome statements.
21. Calculation and distribution of ERA claims, claiming fees.
22. Remuneration – approval and bases of.
23. Dividend distributions, notices and timetable.
24. Dealing with unclaimed dividends.
25. Procedure for calling final meetings of creditors and associated documentation and relevant release procedures.
26. Steps to be taken when closing a case e.g. file reviews, writing to agents, insurers, funds taken off deposit and bank accounts closed or made subject to deduction of tax, VAT 426 claim, lodging of final reports and accounts.
27. Qualifications to be a licensed Insolvency Practitioner.
28. Working knowledge of Statements of Insolvency Practice, IPA Ethical Guide and Technical Bulletins.

BANKRUPTCY

1. Creditors' and debtors' petitions.
2. Effect of Bankruptcy Order.
3. The functions, powers and duties of the Trustee.
4. The functions, powers and duties of the OR in relation to bankruptcy.
5. Position of secured creditors.
6. Assets forming part of the estate including after-acquired property, chattel assets, life policies, income payment agreements/orders, rights of action.
7. Exempt assets and claiming items of excess value.
8. Establishing, valuing, protecting and realising the Trustee's interest in the matrimonial home.
9. Powers and duties of Creditors' Committee.
10. Disposition of assets after bankruptcy petition.
11. Public and private examination.
12. Bankruptcy offences and disabilities.
13. Discharge of bankruptcy.
14. Grounds and procedure for annulment of bankruptcy.
15. Bankruptcy restriction orders and undertakings.

INDIVIDUAL VOLUNTARY ARRANGEMENTS

1. Role of the Insolvency Practitioner as Nominee and Supervisor – powers and duties.
2. Comparisons with bankruptcy.
3. Contents of the proposal.
4. Procedures for obtaining an Interim Order including when one may be required, supporting documentation to be prepared.

5. Voting rights (secured, unsecured, associate, unascertained and contingent creditors); requirements for approval, modifications to proposal, effects of approval.
6. Rights of creditors to challenge outcome of meeting.
7. Treatment of secured and unsecured creditors for distribution purposes.
8. Annual and final reports.
9. Default of debtor and failure of IVA.
10. Completion.
11. The IVA protocol for Protocol Compliant IVAs.

INSOLVENT PARTNERSHIPS

The Insolvent Partnerships Order 1994 is included in the syllabus with the exception of the provisions dealing with the winding-up of or voluntary arrangements for corporate members of partnerships and the provisions dealing with the application of the Company Directors Disqualification Act 1986.

Candidates will be expected to have a basic understand of the main provisions of the IPO 1994 but will not be expected to have a knowledge of the corporate provisions as set out in the Insolvency Act 1986 and Insolvency Rules 1986 in relation to the winding-up of insolvent partnerships.

1. Partnership Voluntary Arrangements.
2. Administration Order in relation to insolvent partnerships.
3. IVAs for insolvent partners.
4. Treatment of the claims of partnership and separate estate creditors.
5. Creditors and members winding-up petitions of partnerships as unregistered companies.
6. Joint bankruptcy petitions not involving winding up of insolvent partnership as unregistered company.

NON-STATUTORY INSOLVENCY SOLUTIONS

Candidates will be expected to have a working knowledge and basic understanding of the following types of products potentially available to insolvent individuals.

1. Debt Management Plans (collective procedure).
2. Informal arrangements with creditors (individual agreements).
3. Debt consolidation and rescheduling.
4. Mortgage and re-mortgage.
5. County Court Administration Orders.

TERMINOLOGY

Candidates will be expected to have a working knowledge and basic understanding of terminology commonly used in the personal debt and insolvency arena, such as:-

- Judgment
- Warrant of Execution
- Bailiff
- Sheriff's Officer
- Distress and distraint
- Walking possession
- Attachment of earnings
- Possession proceedings re property
- Process server
- Stay of proceedings
- Interest rate (compound and simple)
- APR
- Life/endowment policies
- Pension – transfer and fund values, annuity, lump sum
- Hire and lease purchase
- ROT
- Types of liens
- Mortgage
- Redemption penalties
- Charge
- Charging Order – interim and final
- HM Land Registry Restriction
- Office Copy.

REGULATORY AND ADVISORY BODIES

Candidates will be expected to have a working knowledge and basic understanding of the main judicial, regulatory and advisory bodies of which the following are examples:-

- IPA
- ICA
- Insolvency Service / BERR
- The Official Receiver
- FSA
- OFT
- CAB
- MAT
- CCCS
- The Court system (County Court through to House of Lords).