



Pre-pack Pool (PPP)

The Pre-pack Pool, one of the recommendations from Teresa Graham's report into pre-pack administrations, will be open to receive applications on 2 November 2015.

The aims of the Pool are to increase the transparency of the pre-pack process in cases involving connected parties and to provide assurance for creditors that independent business experts have reviewed the proposed transaction.

How the Pool will work?

The prospective purchaser, where a connected party is involved, may make an application to the Pool via a secure, online portal. Based on the information submitted, the independent Pre-pack Pool reviewer will issue one of three opinions:

- The pre-pack is not unreasonable
- The case for a pre-pack is not unreasonable but there are minor limitations in the evidence provided
- Case for pre-pack has not been made out

The Pool, operated by Pre-pack Pool Limited, works on a user-pays principle. The process will cost £800 plus VAT per application.

Insolvency practitioners will need to make sure that connected parties considering acquiring a company's business or assets through a pre-pack purchase are aware of their ability to approach the Pre-pack Pool. The process will encourage applicants to agree to the opinion being sent to the administrator or intended administrator automatically. Insolvency practitioners may want to encourage applicants to provide a copy directly, to facilitate disclosure in the administrator's SIP 16 statement.

The website at www.prepackpool.co.uk includes a number of anticipated questions and answers about the operation of the Pool. These are available on the website now, although it will not be possible to submit an application before 2 November.

Please remember that your SIP16 statements for all pre-pack cases (not only those involving connected parties) should be sent to the IPA and no longer to the Insolvency Service from 2 November. Please send these to us by email to sip16@ipa.uk.com at the same time as sending your statement to creditors.

Yours sincerely

David Kerr FIPA
Chief Executive