



The Insolvency
Service

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DEAR INSOLVENCY PRACTITIONER
Issue 110 – September 2020

Message from the Insolvency Service

Dear Reader

Please find enclosed the latest updates from the Insolvency Service.

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105) Official Receiver use of Debt Collection Agencies (DCAs)

The Official Receiver uses private debt collection agencies to collect:

- Income Payments Agreements (IPAs).
- Money owed in relation to bankruptcies and companies in liquidation.

Since March 2020, new IPA and book debt cases have been handled by Advantis Credit Ltd and BPO Collections Ltd under a framework agreement. Most existing IPAs currently with Clarke Willmott are being changed to Advantis Credit Ltd from September/October 2020, though some will be collected in-house by the Insolvency Service.

Where an insolvency practitioner is appointed as office holder of a case where Clarke Willmott have been acting as collection agents for the Official Receiver, these cases will not be transferred to Advantis. The office holder therefore may need to make their own collection arrangements if they do not wish to retain Clarke Willmott.

Clarke Willmott have confirmed that where they are already acting for an insolvency practitioner they will continue to do so on the agreed terms.

Where Advantis or BPO Collections are acting for the Official Receiver and an insolvency practitioner is subsequently appointed as office holder, the DCA will be dis-instructed by the Official Receiver. The office holder will therefore need to make their own collection arrangements. It is not possible for the case to remain with the DCA under the framework agreement once an insolvency practitioner is appointed.

Basic information about the use of debt collection agencies is available by searching www.gov.uk for 'official receiver debt collection' and at: www.gov.uk/government/publications/official-receiver-insolvency-service-use-of-debt-collection-agencies/official-receiver-insolvency-service-use-of-debt-collection-agencies

Enquiries regarding this article may be sent to: SOR.Operations@insolvency.gov.uk

32) Corporate Insolvency and Governance Act 2020 – extension of temporary measures

The temporary measures introduced by the Corporate Insolvency and Governance Act are due to expire on 30 September 2020. The Government has listened to the concerns raised by stakeholders and has announced that it will extend some temporary measures into the coming months as the economy continues to recover from the COVID-19 lockdown. The Corporate Insolvency and Governance Act 2020 (Coronavirus) (Extension of the relevant Period) Regulations 2020/1031 was laid 24 September.

The insolvency measures that will be extended are:

- Suspension of serving statutory demands and restrictions on winding up petitions – extended until 31 December 2020
- Small business exemption from the termination clause requirement is extended until 30 March 2021
- Temporary moratorium rules – extended until 30 March 2021
- Modifications to moratoriums being extended to 30 March 2021:
 - Companies subject to a winding up petition can access a moratorium by filing papers at court (rather than having to make an application to court)
 - Companies which have been in a CVA or administration within the last 12 months can obtain a moratorium (usually they would not be eligible)

The following measures are not being extended and will cease to have effect after 30 September 2020:

- The modification to moratoriums that relaxes the criteria for the monitor to assess that the company is likely to be rescuable in order to enter a moratorium/for a moratorium to continue.
- The suspension of wrongful trading.

The temporary moratorium rules in Schedule 4 to the Corporate Insolvency and Governance Act 2020 were limited to those essential for the moratorium provisions to work on commencement of the Act. We are now developing amendments to the Insolvency (England and Wales) Rules 2016 and the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 to incorporate permanent rules for the moratorium. We would welcome comments from practitioners and stakeholders to identify areas where the temporary rules may have resulted in any uncertainty about the procedure to be followed. Please provide comments by 12 October 2020. We would also welcome comments on the guidance for monitors (Insolvency Act 1986 part A1: moratorium - guidance for monitors) and would appreciate if

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feedback on these could be provided by 31 October 2020. When submitting comments please direct them to Policy.Unit@insolvency.gov.uk.

33) Reinstatement of Insolvency Service account cheque payment production

Dear IP 91, issued in March 2020, advised that due to the government advice to work from home, the Insolvency Service would be unable to print cheques for the foreseeable future. We are now be delivering services both remotely and through offices and therefore the Insolvency Service is pleased to confirm that with immediate effect requests for cheque payments can now be accepted. This article sets out the new cheque payment process.

The new cheque payment process is as follows:

- The insolvency practitioner or agreed requisition submitter will send a signed CAU 101 requisition by email to Requisitions@insolvency.gov.uk.
- The subject header of the email should read 'IP Requisitions' to ensure it is identified as a payment request and processed without delay.
- Each requisition must be sent on a separate email.
- The signature on the requisition will be checked against the signature that is held on our database and we will be validating that the requisition has been received from the insolvency practitioner's email address that we have on our records

In order to ensure our offices are COVID secure workplaces there will be a reduced staff capacity. This means cheque printing will initially be carried out on a weekly basis on Tuesdays. So that insolvency practitioner's requisitions can be processed, and a cheque produced within the week, please ensure it is emailed to us by no later than midday on Mondays. Any requisitions received after this time will be processed the following week.

Should practitioners wish to nominate others from within their firm to submit requisitions on their behalf, we need an email from the practitioner sent from the email address we have on our records to authorise them as requisition submitters.

Please note that the agency will only accept requisitions sent from an email account that has been authorised by a licensed insolvency practitioner. It remains the insolvency practitioner's responsibility to ensure access to this account remains secure and is not used by unauthorised parties. The agency can accept no liability if requisition emails are submitted from this account by persons who are not the authorised email account holder.

The Insolvency Service will continue to process BACS payments on a daily basis, and we would encourage you to use BACS as the payment method where possible.

Please be aware that if government advice about working from offices changes at either a national or local level there is a possibility that we may need to cease cheque printing again until our staff can access offices. BACS payments would however continue to be unaffected and would be processed as normal.

Enquiries regarding this article may be sent to:
customerservices.EAS@insolvency.gov.uk