



The Insolvency
Service

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DEAR INSOLVENCY PRACTITIONER Issue 118 – January 2021

Dear Reader

Please find enclosed the latest updates from the Insolvency Service, which include updates on cross-border insolvencies, and also making payments to the Insolvency Service and HMRC.

The Insolvency Service wishes everyone a Happy New Year.

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27 Bulk payments – Individual Voluntary Arrangements

HMRC is currently receiving bulk payments in Individual Voluntary Arrangement (IVA) cases where dividends for multiple cases are paid in one lump sum and lists, including a breakdown of the payments, are sent by e-mail.

From 1 February 2021, HMRC will no longer accept bulk payments.

Please now make changes to the way you pay dividends in IVAs as follows:

- Each payment should be paid individually using HMRC's case reference number. If you do not have a reference number, please contact HMRC and they will provide it.
- Dividends due to HMRC should be retained and paid as one single payment – at the same time as the supervisor issues the notice and final report under Rule 8.31.
- Where the total dividend to HMRC at the end of an IVA is less than £10.00, HMRC do not expect this payment to be paid. This increases the administering costs.
- If you haven't received a provisional claim for IVAs approved before 1 January 2018, please do not contact HMRC for reference numbers or claim requests.

Trust deeds

All dividend payments should be paid into the correct bank account using the case references detailed below. Please note that dividend payments should not be paid into regular tax accounts. Using an incorrect account number and sort code will delay identifying and closing cases.

From 1 February 2021, HMRC will no longer accept bulk payments. Please make separate individual payments for each case quoting the reference number included on the claim.

What you need to do

Payments relating to a claim should be made through BACS/CHAPS using the following details:

Sort code: 20-20-48
Account number: 30944793
Account Name: HMRC NIC Receipts

EIS reference number: The EIS reference number will be quoted on all new HMRC claims and letters and will be used as a reference for the lifetime of the claim. Payments cannot be accepted without an EIS reference.

Payment reference number

The unique case payment reference number can be found on HMRC's claim. You'll need to use this 13-character payment reference when you pay. This is the customer's 10-digit unique case reference number followed by a three-letter suffix to show the type of insolvency the dividend refers to. The following table details the dividend types and their unique three-digit suffixes.

Dividend Type	Suffix
Individual Voluntary Arrangement	IVA
Sequestrations	SEQ
Trust Deeds	TRD
Irish Bankruptcy	IBY
Members Voluntary Liquidations	MVL
Company Liquidation Cases	LIQ
Individual Bankruptcy or Partnerships	BKY
Company Voluntary Arrangement	CVA
Partnership Voluntary Arrangement	PVA
Administration	ADM
Petition Costs	PET

Note: HMRC's unique case reference numbers start with 623 or 075 or 880 followed by 7 digits.

Example 1:

Reference number from the claim: 623/1234567

Dividend type: Individual Voluntary Arrangement

Payment reference: 6231234567IVA (13 characters)

Example 2:

Reference number from the claim: 075/7654321/XXX

Dividend type: Members Voluntary Liquidation

Payment reference: 0757654321MVL (13 characters)

Example 3:

Reference number from the claim: 880/1357911/XXX 26 VA

Dividend type: Administration

Payment reference: 8801357911ADM (13 characters)

Contact HMRC if you are unsure of the reference format or its claim does not have a reference number.

Dear IP

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Chapter 8 - Crown Departments

Please always pay using electronic banking. This helps HMRC provide the best possible service. HMRC can no longer process cheques, so if you send them to HMRC, they will have to return them to you.

If you have any questions about this, please contact vas@hmrc.gov.uk

72) Cross-border insolvencies: Recognition and Enforcement in EU Member States from 1 January 2021

Guidance for insolvency practitioners regarding the applicable frameworks in different EU member states has been published on gov.uk and can be found at:

<https://www.gov.uk/government/publications/cross-border-insolvencies-recognition-and-enforcement-in-eu-member-states-from-1-january-2021>

The guidance seeks to provide insolvency practitioners with some basic information regarding the applicable frameworks, primarily in relation to seven of the UK's most significant EU trading partners by total volume of trade, as a starting point towards seeking recognition for UK insolvency proceedings and dealing with assets in the EU.

This includes a summary of the arrangements for recognition of foreign insolvency proceedings (“foreign” meaning non-EU proceedings not covered by the EU Insolvency Regulation, otherwise known as “third country” insolvency proceedings; and “insolvency proceedings” should be read as including any relevant insolvency process but excluding reorganisation proceedings for which additional considerations apply) and further information that may assist those interested in seeking recognition of UK insolvency proceedings in that jurisdiction.

Some additional information has also been provided on the remaining EU states. In those cases, this is limited to a very short description of the arrangements for the recognition of foreign insolvency proceedings.

The entries do not cover all the nuance of recognition. Individual assets may be subject to particular treatment under local law and it would not be possible to cover such issues in any useful way in a short guide. Similarly, local application of the law may vary even where a similar approach has been adopted in several jurisdictions. In some cases, the position of UK insolvency proceedings in particular is unclear and has not been tested at the time of publication. In addition, for the purposes of the guidance, we have not distinguished between in-court and out-of-court UK insolvency appointments. Out-of-court appointments may not be recognised to the same extent as in-court appointments under the domestic laws of each EU member state.

Any enquiries regarding this article should be sent to:
Policy.Unit@insolvency.gov.uk

40) Payments to HMRC

HMRC has advised the Insolvency Service that due to the COVID-19 pandemic it is unable to cash cheques. This is due to reduced staffing levels in its post room and finance department.

As a result, HMRC is requesting that all payments are submitted via BACS to its Barclays account:

Account name: HMRC NIC Receipts

Sort Code: 20-20-48

Account number: 30944793

HMRC has requested that, when paying via BACS, you quote the 075 or 880 reference number to avoid any delays in allocating funds.

The Insolvency Service will not process any requests for cheque payments to HMRC for the foreseeable future. Where a request for a cheque payment to HMRC is received, we will return the requisition and ask that a BACS payment be submitted instead.

Further information can be obtained from our Customer Services team at Customerservices.eas@insolvency.gov.uk

41) Changes to cheque payment production

We wrote to you in September to advise that the Insolvency Service could resume cheque printing on a weekly basis, subject to any further lockdown restrictions imposed by the government.

As a result of the latest national lockdown that came into force on 4 January 2021, our Estate Accounts and Scanning team now has limited access to the office and can only offer a cheque printing service on a **fortnightly** basis.

The next cheque run will commence on Tuesday 19 January. Going forward, cheques will be printed fortnightly on a Tuesday and the deadline will be the preceding Friday before 11am. Any cheques received after the deadline will be processed in the next cheque run.

These arrangements will be reviewed continually, taking into consideration available resources and government guidance.

We are continuing to process BACS payments remotely and encourage you to use BACS where possible, especially where a payment is urgent.

We aim to process BACS payments in-line with existing targets. With the current challenging circumstances, however, our response times may be affected. We therefore ask for your continued patience.

Please note that we will only accept requisitions sent from an email account that has been authorised by a licensed Insolvency Practitioner. It remains your responsibility to ensure that access to the registered email account remains secure and is not used by any unauthorised parties. We cannot accept liability if requisition emails are submitted from a registered email account by persons who are not the authorised email account holder.

Further information can be obtained from our Customer Services team at Customerservices.eas@insolvency.gov.uk