



The Insolvency
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DEAR INSOLVENCY PRACTITIONER
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Dear Reader

Please find enclosed the latest articles from the Insolvency Service:

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Information/Notes page(s):	
Chapter 24	Voluntary Arrangements
Article 62	Revised SIP 3.1 (Individual Voluntary Arrangements) and Volume IVA Provider Monitoring Guidance published

62) Revised SIP 3.1 (Individual Voluntary Arrangements) and Volume IVA Provider Monitoring Guidance published

A revised SIP 3.1 (Individual Voluntary Arrangements) has been published by each of the Recognised Professional Bodies (RPBs), with an implementation date of 1st March 2023.

The SIP, agreed by the Joint Insolvency Committee, has made amendments to key areas of the SIP including but not restricted to requirements to:

The debtor

- Allow the debtor time to consider the proposal once it has been drafted,
- Ensure communications with the debtor are clear and understandable, especially in relation to the debtors' obligations, and signpost debtors to sources of help if the Nominee believes they may not understand those,
- Set out clearly the length of the IVA, including any changes, because of equity provisions in the proposal which could extend the original term,
- Provide bespoke advice tailored to the individual debtors' circumstances, avoiding the use of generic terms, explanations, advantages or disadvantages.

Work referrers

- Ensure that the Nominee has performed adequate due diligence on any work referrers and that advice provided is kept as part of the IVA records. Any shortcomings in that advice should be rectified by the Nominee,
- Document details of any direct or indirect payments made for referrals and how that represents value for work/services provided.

The Nominee

- Provide further detail on the Nominee's assessment of the debtors' financial circumstances and on what should form part of that assessment,
- Obtain third party consent to use an individual's income if they are not subject of the IVA,
- Explain the role and powers of the Supervisor,
- Record details of discussions with key creditors, how debts will be valued for voting purposes and, where a creditor is to be treated differently, an explanation as to why.

In addition, the Insolvency Service are reissuing the guidance to RPBs on monitoring volume IVA providers. This guidance sets out clearly the expectations on RPB monitoring of volume providers.

The guidance has been developed in conjunction with the RPBs to reflect the developments in the volume IVA/PTD market over the past few years.

Main areas of focus

The guidance has been revised to focus on the RPBs' monitoring activities in relation to the Insolvency Practitioners' responsibilities for both their own marketing and advertising activities and those of any work referrers they engage, including their quality, accuracy and legality.

A similar focus has been given to the monitoring of Insolvency Practitioners' responsibilities in relation to debt advice provided not only by themselves but also anyone referring work to them.

Furthermore, the guidance strengthens the RPBs' monitoring toolkit by including a requirement for Insolvency Practitioners to retain debt advice call recordings and relevant written records for 6 years. This requirement extends to any work referrers the Insolvency Practitioner may engage.

Other areas of the guidance have also been revised to ensure that it remains in line with the updated SIP 3.1, advertising guidance and recent changes in the IVA/PTD landscape.

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