



The Insolvency
Service

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DEAR INSOLVENCY PRACTITIONER Issue 164 – July 2024

Dear Reader,

Please find enclosed the latest articles from the Insolvency Service:

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122) Reconciliation of estate accounts

The Insolvency Service and the Recognised Professional Bodies (RPBs) have been asked how often Insolvency Practitioners should be reviewing their estate accounts and whether the frequency should be in line with the requirements of their clients' money regulations.

It is the view of all parties that estate account reconciliations should be carried out on a risk-based approach, but subject to any minimum requirements within their RPBs' clients' money regulations.

Some cases, particularly the small numbers of trading cases, may necessitate frequent, and potentially daily reconciliations at the early stage.

However, in lowest-risk cases, for example in cases with only one remaining issue to be resolved, it may be appropriate for reconciliations to be carried out less frequently, if permitted under their RPB's clients' money regulations.

Insolvency Practitioners should document consideration of the reconciliation frequency on each case, particularly where the reconciliations are being pushed out to extended periods. Practitioners should always ensure that estate accounts are reconciled before progress reports are issued.

There is an overriding and key obligation on Insolvency Practitioners to ensure that estate funds are protected, and that there are adequate cashing controls in place to ensure that. The review of bank reconciliations will play a part in that as referenced in SIP 11 paragraph 9(g).

IPs should also ensure that where significant sums are being held, they consider placing funds on interest-bearing accounts, adhering to the RPBs clients' money regulations. Having had so many years of low or negligible interest rates we are now in a position that IPs should be ensuring that funds are invested where appropriate to maximise realisations for the estate.

Any enquiries regarding this article should be directed towards email:
IPRegulation.Section@insolvency.gov.uk

122) Authorisation to operate a local bank account

Applications under regulations 6 or 21 of the Insolvency Regulations 1994 for the authorisation of the use of a local bank account are dealt with by the Senior Official Receiver on behalf of the Secretary of State.

The application form can be found [here](#) and should be completed fully before being emailed to IP.Requests@insolvency.gov.uk.

Where authority is given to operate a local bank account, practitioners should ensure that they adhere to the conditions granted for use of the account. Where, perhaps due to required balance limits or the size of maximum withdrawals being under-estimated in the original application, it becomes apparent that the conditions might need to be revised, a renewed application should be made. The application form should make it clear that it is a renewed application.

Remuneration may not be drawn from a local bank account and should instead be drawn from the ISA, once approved.

Any enquiries regarding this article should be directed to email:
IP.Requests@insolvency.gov.uk

122) Conduct report case closure requests

The Insolvency Service receives requests from Insolvency Practitioners seeking permission to close cases when all their actions have been completed. Currently the Insolvency Service receives these requests on around 10% of all insolvencies. when all their actions have been completed. Currently the Insolvency Service receives these requests on around 10% of all insolvencies.

With immediate effect, Insolvency Practitioners no longer need to write to the Insolvency Service to request permission to close the case.

However, where the Insolvency Service is still dealing with the case, for instance if a vetting decision is outstanding or an investigation is ongoing, then the Insolvency Practitioner must ensure that the company records and their own files are preserved until such time as the Insolvency Service advises that its actions are complete, or until any legal requirement to preserve records has expired, whichever is the later.

Any enquiries regarding this article should be directed towards email:
intelligence.insolvent@insolvency.gov.uk