ICAS

Insolvency Monitoring Helpsheet

5th Round of Monitoring

ICAS is about to commence the 5th round of monitoring visits on 1 January 2009 and it is the intention to revert to a 3 year cycle rather than the current 6 year cycle. There will be no significant change to the content or structure of the visit but you will be able to anticipate a visit at least every 3 years. To achieve this ICAS have recruited Dorren Luring as a second monitor with Ritchie Campbell filling the role of Insolvency Counsellor to replace Peter C Taylor who is retiring at the end of 2008. We would like to thank Peter for his significant contribution to insolvency monitoring over the last seven years.

Court Reporters

ICAS issued court reporter packs during 2007 to assist court reporters in carrying out their official function. As already notified court report work will be covered during routine monitoring visits conducted after 1 January 2009.

Pension Protection Fund

In the last Helpsheet we advised of the requirement to advise The Pension Protection Fund (“PPF”) of formal insolvencies where there was a defined benefit pension scheme. ICAS have now been advised by the Chief Executive of PPF of 5 practitioners who did not advise the Board within 14 days of the insolvency. It is essential that practitioners advise the Board as soon as practicable of the insolvency and, where appropriate, provide the reason for the delay together with proof, if possible.

New Trust Deed

ICAS have issued a new style trust deed document which we recommend is used where appropriate. It has been produced to incorporate standard provisions the new Protected Trust Deed Regulations.

Property Values

SIP 3A (Scotland) recommends that equity is established as soon as possible in the trust deed process and debtors should be advised of the trustee’s responsibilities in relation to realising this class of asset. Due to the present commercial climate in relation to property it is even more important to deal with property at the outset in order that creditors’ interests are safeguarded.
Global Bank Accounts

As reported in the last issue, SIP 11 now allows the use of global bank accounts. The banks are promoting the use of a general bank account with cheque book linked to individual estate accounts which earn interest but have no cheque book. It is essential that there is proper control and reconciliation of the general account to ensure that funds are not left in that account resulting in a loss of interest to the case.

Enabling Bonds

As reported in Dear IP in November 2006 – Issue No 28, the Insolvency Service advised that insolvency practitioners are required to have an enabling bond in force until they cease to act as an office holder in relation to any estate. Practitioners who are retiring are particularly reminded of this fact.

Insolvency Department
Regulation & Compliance Division