
STATUTORY INSTRUMENTS

2009 No. 3081

**PROVISION OF SERVICES
INSOLVENCY**

**The Provision of Services (Insolvency
Practitioners) Regulations 2009**

Made - - - - 23rd November 2009
Laid before Parliament 25th November 2009
Coming into force - - 28th December 2009

These Regulations are made in the exercise of powers conferred by section 2(2) of the European Communities Act 1972(1) and sections 389A, 390, 392, 393, 415A and 419 of the Insolvency Act 1986(2).

The Secretary of State is a Minister designated(3) in relation to services in the internal market for the purposes of section 2(2) of the European Communities Act 1972.

Accordingly, the Secretary of State makes the following Regulations.

Citation and commencement

1. These Regulations may be cited as the Provision of Services (Insolvency Practitioners) Regulations 2009 and come into force on 28th December 2009.

Amendments to the Insolvency Act 1986

2.—(1) The Insolvency Act 1986 is amended as follows.

(2) In section 389A (authorisation of nominees and supervisors), in subsection (2), in paragraph (a) after “Secretary of State” insert “or of a body recognised for the purpose of Article 348A(2)(a) of the Insolvency (Northern Ireland) Order 1989(4) by the Department of Enterprise, Trade and Investment for Northern Ireland”.

(1) 1972 c.68, to which there are amendments not relevant to these Regulations.

(2) 1986 c.45. Section 389A was inserted by the Insolvency Act 2000 (c.23), section 4(1) and (4). Section 415A was inserted by section 270 of the Enterprise Act 2002 (c. 40). There are amendments to sections 389A, 390 and 392 which are not relevant to these Regulations.

(3) S.I. 2009/221.

(4) S.I. 1989/2405 (N.I. 19). Article 348A was inserted by Article 6 of S.I. 2002/3152 (N.I. 6).

(3) In section 390 (persons not qualified to act as insolvency practitioners), in subsection (2), after paragraph (b) insert—

“; or

(c) he holds an authorisation granted by the Department of Enterprise, Trade and Investment for Northern Ireland under Article 352 of the Insolvency (Northern Ireland) Order 1989.”.

(4) In section 393 (grant, refusal and withdrawal of authorisation)—

(a) for subsection (3) substitute—

“(3) An authorisation granted under this section, if not previously withdrawn, continues in force for one year.

(3A) But where an authorisation is granted under this section the competent authority must, before its expiry (and without a further application made in accordance with section 392) grant a further authorisation under this section taking effect immediately after the expiry of the previous authorisation, unless it appears to the authority that the subject of the authorisation no longer complies with subsection (2) (a) and (b).”;

(b) in subsection (4) for “so granted” substitute “granted under this section”; and

(c) after subsection (5) add—

“(6) Where an authorisation granted under this section is withdrawn—

(a) subsection (3A) does not require a further authorisation to be granted, or

(b) if a further authorisation has already been granted at the time of the withdrawal, the further authorisation is also withdrawn.”.

Amendment to article 3 of the Insolvency Practitioners and Insolvency Services Account (Fees) Order 2003

3.—(1) Article 3 of the Insolvency Practitioners and Insolvency Services Account (Fees) Order 2003⁽⁵⁾ (fees payable in connection with authorisation by the Secretary of State under section 393) is amended as follows.

(2) In paragraph (3) for “£3,250.” substitute—

“£850, in connection with the grant of the application.

(3A) Where the application is granted, the individual to whom authorisation has been granted must pay to the Secretary of State as soon as reasonably practicable a fee of £2,400 in connection with the maintenance of the authorisation for the period of 12 months commencing with the date of the grant of the authorisation.”.

Amendments to the Insolvency Practitioners Regulations 2005

4. The Insolvency Practitioners Regulations 2005⁽⁶⁾ are amended as set out in the Schedule to these Regulations.

Transitional provision

5. These Regulations do not apply to an application for authorisation to act as an insolvency practitioner under section 393 of the Insolvency Act 1986 made or granted before these Regulations come into force.

(5) S.I. 2003/3363. Article 3 was amended by S.I. 2004/476 and S.I. 2009/487.

(6) S.I. 2005/524.

23rd November 2009

Ian Lucas
Minister for Business and Regulatory Reform
Department for Business, Innovation & Skills

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

SCHEDULE

Regulation 4

Amendments to the Insolvency Practitioners Regulations 2005

1. In this schedule—

“the principal Regulations” mean the Insolvency Practitioners Regulations 2005 and any reference to a numbered Part or regulation is a reference to a Part or regulation so numbered in the principal Regulations;

2. The principal Regulations are amended as set out in paragraphs 3 to 9 of this schedule.

Amendment to regulation 7

3.—(1) Regulation 7 (requirements as to education and training – applicants who have never previously been authorised to act as insolvency practitioners) is amended as follows.

(2) In paragraph (3)(b) for “7000” substitute “2000”.

Amendments to regulation 8

4.—(1) Regulation 8 (requirements relating to education and training etc. – applicants previously authorised to act as insolvency practitioners) is amended as follows.

(2) In paragraph (2)(a) for “500” substitute “450”.

(3) After regulation 8 add—

“Requirements relating to education and training etc. – further authorisation to act as insolvency practitioners

8A.—(1) The requirements prescribed under section 393(2)(b) of the Act in relation to further authorisation under section 393(3A) of the Act are as set out in this regulation.

(2) The individual must—

(a) have acquired within the period in regulation 11(1A) 150 hours of any combination of the following types of experience—

- (i) experience as an office-holder;
- (ii) higher insolvency work experience;
- (iii) regulatory work experience; or
- (iv) advisory work experience; and

(b) have completed within the period in regulation 11(1A) at least 36 hours of continuing professional development of which 18 hours must fall into the categories in regulation 8(3)(b)(i) to (v).

(3) In the first period after the grant of an authorisation an individual must comply with—

- (a) paragraph (2)(a) where the number of hours is 125; and
- (b) paragraph (2)(b) where the number of hours are 30 and 15 respectively.”.

Amendment to regulation 10

5. Regulation 10 (maximum period of authorisation) is revoked.

Amendment to regulation 11

6.—(1) Regulation 11 (returns by insolvency practitioners authorised by the Secretary of State) is amended as follows.

(2) In paragraph (1)—

(a) for “of 12 months ending on 31st December” substitute “in paragraph (1A)”;

(b) in sub-paragraph (b) at the end, omit “and”; and

(c) after sub-paragraph (c) after “activity” where it last occurs, insert—

“; and

(d) the number of hours of any experience of the types in regulation 8A(2)(a) (i) to (iv).

(1A) The period is the period of 12 months ending two months before the anniversary of the grant of the authorisation or the last further authorisation”.

(3) In paragraph (2) for “within one month of” substitute “no later than 6 weeks before”.

Amendment to regulation 12

7.—(1) Regulation 12 (requirements for security and caution for the proper performance of the functions of an insolvency practitioner etc.) is amended as follows.

(2) After paragraph (2) insert—

“(3) Where, in accordance with section 390(2)(c) of the Act a person is qualified to act as an insolvency practitioner by virtue of an authorisation granted by the Department of Enterprise, Trade and Investment for Northern Ireland under Article 352 of the Insolvency (Northern Ireland) Order 1989, this Part applies in relation to that person as if that authorisation had been granted pursuant to section 393 of the Act.”.

Amendments to Schedule 2

8.—(1) Schedule 2 (requirements for security or caution and related matters) is amended as follows.

(2) In paragraph 1 (interpretation) after the definition of “insolvent’s assets” insert—

““professional liability insurance” means insurance taken out by the insolvency practitioner in respect of potential liabilities to the insolvent and third parties arising out of acting as an insolvency practitioner;”.

(3) After paragraph 2 add—

“Requirement for bond or professional liability insurance

2A. Where an insolvency practitioner is appointed to act in respect of an insolvent there must be in force—

(a) a bond in a form approved by the Secretary of State which complies with paragraph 3; or

(b) where the insolvency practitioner is already established in another EEA state and is already covered in that state by professional liability insurance or a guarantee, professional liability insurance or a guarantee which complies with paragraph 8A.”.

(4) In paragraph 3 (requirement for bonding—terms of the bond)—

(a) for the title substitute “**Terms of the bond**”; and

(b) for sub-paragraph (1) substitute—

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- “(1) The bond must—
- (a) be in writing or in electronic form;
 - (b) contain provision whereby a surety or cautioner undertakes to be jointly and severally liable for losses in relation to the insolvent caused by—
 - (i) the fraud or dishonesty of the insolvency practitioner whether acting alone or in collusion with one or more persons; or
 - (ii) the fraud or dishonesty of any person committed with the connivance of the insolvency practitioner; and
 - (c) otherwise conform to the requirements of this paragraph and paragraphs 4 to 8.”.

(5) After paragraph 8 add—

“Compliance of professional liability insurance cover in another EEA state

8A. Where paragraph 2A(b) applies to an insolvency practitioner, the professional liability insurance or guarantee complies with this paragraph if the Secretary of State determines that it is equivalent or essentially comparable to the bond referred to in paragraph 3 as regards—

- (a) its purpose, and
- (b) the cover it provides in terms of—
 - (i) the risk covered,
 - (ii) the amount covered, and
 - (iii) exclusions from the cover.

Procedure for determining compliance of professional liability insurance or guarantee

8B.—(1) Where an insolvency practitioner seeks a determination under paragraph 8A, the insolvency practitioner must send to the Secretary of State—

- (a) a copy of the document providing the professional liability insurance or guarantee cover in the EEA state in which the insolvency practitioner is established;
- (b) where the document in sub-paragraph (a) is not in English, a translation of it into English; and
- (c) a notice—
 - (i) where the insolvency practitioner intends to act in respect of an insolvent, specifying—
 - (aa) the name of the insolvent; and
 - (bb) the time and date when the insolvency practitioner intends to consent to be appointed to act; or
 - (ii) that the insolvency practitioner seeks a determination without reference to a specific appointment.

(2) Where there is a notice sent under sub-paragraph (1)(c)(i), the documents sent under sub-paragraph (1) must be sent to the Secretary of State such that the Secretary of State receives them no later than 5 business days before the date in the notice.

(3) Where the Secretary of State receives the documents sent under sub-paragraph (1), the Secretary of State must—

- (a) as soon as is reasonably practicable, notify the insolvency practitioner whether they were received in accordance with sub-paragraph (2);

- (b) consider them; and
 - (c) determine whether the document sent under sub-paragraph (1)(a) complies with paragraph 8A.
- (4) Where the Secretary of State determines that the document sent under sub-paragraph (1)(a) complies with paragraph 8A, the Secretary of State must—
- (a) notify the insolvency practitioner that it complies with paragraph 8A; and
 - (b) determine whether it contains a term equivalent or essentially comparable to a requirement to provide—
 - (i) a specific penalty sum; or
 - (ii) a cover schedule.
- (5) Where the Secretary of State determines under sub-paragraph (4)(b) that the document sent under sub-paragraph (1)(a)—
- (a) contains a term equivalent or essentially comparable to a requirement to provide a specific penalty sum or a cover schedule, the notice sent under paragraph (4)(a) must specify—
 - (i) the term equivalent or essentially comparable to a requirement to provide a specific penalty sum or a cover schedule; and
 - (ii) the thing in the term in sub-paragraph (i) which is equivalent or essentially comparable to a specific penalty sum or a cover schedule; or
 - (b) does not contain a term equivalent or essentially comparable to a requirement to provide a specific penalty sum or a cover schedule, the notice sent under paragraph (4)(a) must state that determination.
- (6) Where the Secretary of State determines that the document sent under sub-paragraph (1)(a) does not comply with paragraph 8A, the Secretary of State must notify the insolvency practitioner and—
- (a) give reasons for the determination; and
 - (b) specify any terms which, if included in a supplementary guarantee, will cause the Secretary of State to make a determination in accordance with paragraph 8A.
- (7) In this paragraph a “business day” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday in England and Wales under or by virtue of the Banking and Financial Dealings Act 1971(7).
- (8) Any documents in this paragraph or paragraph 8C or 8D may be sent electronically.

Procedure for determining compliance of supplementary guarantee

- 8C.**—(1) Where the Secretary of State has made a determination under paragraph 8B(6), the insolvency practitioner may send to the Secretary of State—
- (a) a supplementary guarantee purporting to provide for the matters specified in paragraph 8B(6)(b); and
 - (b) where the supplementary guarantee is not in English, a translation of it into English.
- (2) Where the Secretary of State receives the documents sent under sub-paragraph (1), the Secretary of State must—
- (a) as soon as is reasonably practicable, notify the insolvency practitioner of the date and time of their receipt;

(7) 1971 c. 80, to which there are amendments not relevant to these Regulations.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (b) consider them; and
 - (c) determine whether the document sent under sub-paragraph (1)(a) provides for the matters specified in paragraph 8B(6)(b).
- (3) Where the Secretary of State determines that the document sent under sub-paragraph (1)(a)—
- (a) provides for the matters in specified in paragraph 8B(6)(b); and
 - (b) together with the document in paragraph 8B(1)(a) complies with paragraph 8A,
- the Secretary of State must notify the insolvency practitioner that the documents sent under sub-paragraph (1)(a) and paragraph 8B(1)(a) together comply with paragraph 8A.
- (4) Where the Secretary of State determines in accordance with sub-paragraph (3), the Secretary of State must also determine whether the document sent under sub-paragraph (1)(a) or paragraph 8B(1)(a) contains a term equivalent or essentially comparable to a requirement to provide—
- (a) a specific penalty sum; or
 - (b) a cover schedule.
- (5) Where the Secretary of State determines under sub-paragraph (4) that the document sent under sub-paragraph (1)(a) or paragraph 8B(1)(a)—
- (a) contains a term equivalent or essentially comparable to a requirement to provide a specific penalty sum or a cover schedule, the notice sent under sub-paragraph (3) must specify—
 - (i) the term equivalent or essentially comparable to a requirement to provide a specific penalty sum or a cover schedule;
 - (ii) the thing in the term in sub-paragraph (i) which is equivalent or essentially comparable to a requirement to a specific penalty sum or a cover schedule; and
 - (iii) the document in which the term in sub-paragraph (i) and the thing in sub-paragraph (ii) are to be found; or
 - (b) does not contain a term equivalent or essentially comparable to a requirement to provide a specific penalty sum or a cover schedule, the notice sent under sub-paragraph (3) must state that determination.
- (6) Where the Secretary of State determines that the document sent under sub-paragraph (1)(a)—
- (a) does not provide for the matters specified in paragraph 8B(6)(b), or
 - (b) together with the document sent under paragraph 8B(1)(a) does not comply with paragraph 8A,
- the Secretary of State must notify the insolvency practitioner that the documents sent under sub-paragraphs (1)(a) and paragraph 8B(1)(a) together do not comply with paragraph 8A.

Time for notification of determinations

- 8D.—**(1) The Secretary of State must notify the insolvency practitioner of the determinations under paragraph 8B or 8C in the periods set out in this paragraph.
- (2) The Secretary of State must notify the insolvency practitioner—
- (a) where a notice under paragraph 8B(1)(c)(i) is received by the Secretary of State in accordance with paragraph 8B(2) and the determination is under—

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (i) paragraph 8B(4), (5) or (6), such that the insolvency practitioner receives the notice sent under paragraph 8B(4) or (6) or before the time and date in the notice sent under paragraph 8B(1)(c)(i); or
- (ii) paragraph 8C(4), (5) or (6), as soon as is reasonably practicable after receipt of the documents sent under paragraph 8C(1);
- (b) where a notice sent under paragraph 8B(1)(c)(i) is received by the Secretary of State but not in accordance with paragraph 8B(2), and the determination is under—
 - (i) paragraph 8B(4), (5) or (6), as soon as is reasonably practicable after receipt of the documents sent under paragraph 8B(1); or
 - (ii) paragraph 8C(3), (5) or (6), as soon as is reasonably practicable after receipt of the documents sent under paragraph 8C(1); or
- (c) where the notice is sent under paragraph 8B(1)(c)(ii), and the determination is under—
 - (i) paragraph 8B(4), (5) or (6), within 28 days of receipt of the documents sent under paragraph 8B(1); or
 - (ii) paragraph 8C(3), (5) or (6), within 14 days of receipt of the documents sent under paragraph 8C(1).

Notification of determination out of time

8E.—(1) This paragraph applies where the insolvency practitioner—

- (a) sends a notice under paragraph 8B(1)(c)(i);
- (b) receives notification sent under paragraph 8B(3)(a) that the Secretary of State received the documents in paragraph 8B(1) in accordance with paragraph 8B(2); and
- (c) does not receive the notifications in the time in paragraph 8D(2)(a)(i).

(2) The insolvency practitioner is qualified to act as an insolvency practitioner in respect of the insolvent specified in the notice under paragraph 8B(1)(c)(i) until the Secretary of State notifies the insolvency practitioner of the determination under paragraph 8B or 8C.

(3) Subject to sub-paragraph (4), where the Secretary of State notifies the insolvency practitioner of the determination under paragraph 8B or 8C—

- (a) the determination applies; and
- (b) the insolvency practitioner ceases to be qualified to act as an insolvency practitioner under sub-paragraph (2).

(4) Where—

- (a) the Secretary of State gives notice under paragraph 8B(6); and
- (b) the insolvency practitioner sends the documents in paragraph 8C(1),

the insolvency practitioner is qualified to act as an insolvency practitioner under sub-paragraph (2) until the Secretary of State determines in accordance with paragraph 8C(4) or (6).”.

(6) In paragraph 9 (record of specific penalty sums to be maintained by insolvency practitioner), after sub-paragraph (2) add—

“(3) Subject to sub-paragraph (4), where the Secretary of State has notified the insolvency practitioner in accordance with paragraph 8B(5)(a) or 8C(5)(a) in relation to a specific penalty sum, the thing notified under paragraph 8B(5)(a)(ii) or 8C(5)(a)(ii) is construed as a specific penalty sum for the purposes of this paragraph and Schedule 3.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (4) Where the Secretary of State has notified the insolvency practitioner in accordance with paragraph 8B(5)(b) or 8C(5)(b) in relation to a specific penalty sum, this paragraph does not apply.”.
- (7) In paragraph 10 (retention of bond by recognised professional body or competent authority)—
- (a) for “The bond referred to in paragraph 3 shall” substitute “(1) The documents in sub-paragraph (2) or a copy must”; and
- (b) after sub-paragraph (b) add—
- “ (2) The documents in this sub-paragraph are—
- (a) the bond referred to in paragraph 3;
- (b) where the Secretary of State has determined under paragraph 8B(4)—
- (i) the document in paragraph 8B(1)(a) and (b); and
- (ii) the notice under paragraph 8B(4);
- (c) where the Secretary of State has determined under paragraph 8C(4)
- (i) the documents in paragraphs 8B(1)(a) and (b) and 8C(1)(a) and (b); and
- (ii) the notice under paragraph 8C(3).
- (3) The document in sub-paragraph (2) or a copy of it may be sent electronically.”.
- (8) In paragraph 11 (inspection and retention requirements relating to cover schedule – England and Wales), after sub-paragraph (3) add—
- “ (4) Subject to sub-paragraph (5), where the Secretary of State has notified the insolvency practitioner in accordance with paragraph 8B(5)(a) or 8C(5)(a) in relation to a cover schedule, the thing notified under paragraph 8B(5)(a)(ii) or 8C(5)(a)(ii) is construed as a cover schedule for the purposes of this paragraph, paragraph 12, paragraph 13 and Schedule 3.
- (5) Where the Secretary of State has notified the insolvency practitioner in accordance with paragraph 8B(5)(b) or 8C(5)(b) in relation to a cover schedule, this paragraph, paragraph 12 and paragraph 13 do not apply.”.

Amendments to Schedule 3

- 9.—**(1) Schedule 3 (records to be maintained – minimum requirements) is amended as follows.
- (2) In paragraph 2 for “a” to “Act” substitute—
- “—
- (a) a competent authority;
- (b) the Department of Enterprise, Trade and Investment for Northern Ireland; or
- (c) any body recognised under section 391 of the Act”.
- (3) For paragraph 4 substitute—
- 4.** Either—
- (a) the name of—
- (i) any body by virtue of whose rules the insolvency practitioner is entitled to practise; or
- (ii) any competent authority by whom the insolvency practitioner is authorised;
- or

- (b) where the insolvency practitioner is authorised by the Department of Enterprise, Trade and Investment for Northern Ireland under Article 352 of the Insolvency (Northern Ireland) Order 1989, that such an authorisation has been granted.”.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement Directive [2006/123/EC](#) of the European Parliament and of the Council on services in the internal market (OJNo. L 376, 21.12.2006, p.36) (“the Directive”) as it relates to insolvency practitioners.

The Directive establishes general provisions facilitating the exercise of freedom of establishment for service providers and the free movement of services, while maintaining a high quality of services.

In particular, the Directive provides that—

in the absence of an overriding reason relating to the public interest, limitation of an authorisation to provide a service to a particular part of a territory is prohibited (Article 10(4));

authorisation granted to a provider of services must not be for a limited period except where authorisation is automatically renewed or is subject only to continued fulfilment of requirements (Article 11(1));

any fee in connection with authorisation procedures to provide a service must be reasonable and proportionate to the service provided in consideration of the fee and must not exceed the cost of the procedures (Article 13(2)); and

where a provider of services has professional liability insurance or a guarantee in a member State where the provider is already established which is equivalent or essentially comparable to that required in another member State, there must be no requirement for further professional liability insurance or guarantee (Article 23(2)).

Regulation 2(2) amends section 389A of the Insolvency Act [1986 \(c. 45\)](#) with the effect that an individual who is authorised by a body recognised by the Department of Enterprise, Trade and Investment for Northern Ireland to act solely as a nominee or supervisor in voluntary arrangements in Northern Ireland is also authorised to act in that capacity in Great Britain.

Regulation 2(3) amends section 390(2)(b) of the Insolvency Act 1986 with the effect that an individual who is authorised by the Department of Enterprise, Trade and Investment for Northern Ireland to act as an insolvency practitioner in Northern Ireland is also authorised to act as an insolvency practitioner in Great Britain.

Regulation 2(4) amends section 393(3) of the Insolvency Act 1986 with the effect that the period of an authorisation by the Secretary of State to act as an insolvency practitioner is reduced from a maximum of three years to a period of one year but the insolvency practitioner can be further authorised for further periods of one year without the requirement for an application where the insolvency practitioner continues to be a fit and proper person to act as an insolvency practitioner and to meet prescribed requirements with respect to education and practical training and experience.

Regulation 3 amends article 3 of the Insolvency Practitioners and Insolvency Services Account (Fees) Order 2003 ([S.I. 2003/3363](#)) with the effect that an applicant is required to send the fee in

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

connection with administration of the application with the application. The fee in connection with the maintenance of the authorisation is required to be sent where the application is granted.

Regulation 4 makes amendments to the Insolvency Practitioners Regulations (S.I. 2005/524) as set out in the Schedule to these Regulations.

Paragraph 3 of the Schedule provides that the number of hours of insolvency work experience required by an applicant to the Secretary of State for authorisation to act as an insolvency practitioner who has never previously been authorised to act as an insolvency practitioner is reduced from 7000 to 2000 hours.

Paragraph 4 of the Schedule prescribes a reduced number of hours of practical experience required by an applicant who has previously been authorised to act as an insolvency practitioner to reflect the reduction in the authorisation period from three years to a fixed period of one year. A further reduction in hours for the first period of authorisation is prescribed to compensate for the fact that in the first year of authorisation the period covered by the return is reduced on account of the amendment in paragraph 6 of the Schedule which amends regulation 11 of the Insolvency Practitioners Regulations with the effect that an insolvency practitioner submits the return by reference to the period of authorisation. A new regulation is inserted prescribing the education and training required for the period of a further authorisation.

Paragraph 5 of the Schedule revokes the maximum period of authorisation in consequence of the amendment to section 393(3) of the Insolvency Act 1986.

Paragraph 7 of the Schedule applies the bonding requirements prescribed for insolvency practitioners authorised by recognised professional bodies and competent authorities in Great Britain to insolvency practitioners authorised by the Department of Enterprise, Trade and Investment for Northern Ireland who hold office in insolvency procedures in Great Britain.

Paragraph 8 of the Schedule provides that professional liability insurance or a guarantee in an EEA State in which the insolvency practitioner is already established which is equivalent or essentially comparable to a bond approved by the Secretary of State is prescribed security or caution for the purposes of section 390(3)(b) of the Insolvency Act 1986. It also provides for the procedure by which such equivalence or essential comparability is determined. Sub-paragraph (7) provides that the bond or professional liability insurance or guarantee and evidence of its equivalence or essential comparability to a bond or a copy thereof must be sent to the authorising body and may be sent electronically.

Paragraph 9 of the Schedule amends the minimum requirements for records that an insolvency practitioner must keep in consequence of regulation 2(3).

A full impact assessment has not been prepared for these Regulations as no impact on the private, public or voluntary sectors is foreseen. As these Regulations partially transpose a Directive, a Transposition Note has been prepared. Copies of the Transposition Note are available from the Insolvency Practitioner Policy Section, The Insolvency Service, 21 Bloomsbury Street, London WC1B 3QW or from the Insolvency Service website www.insolvency.gsi.gov.uk. Copies of the Transposition Note have been placed in the libraries of both Houses of Parliament and are also annexed to the Explanatory Memorandum which is available alongside this instrument on the OPSI website.