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STATUTORY RULES OF NORTHERN IRELAND

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**2009 No. 401**

**INSOLVENCY**

**INSOLVENCY PRACTITIONERS**

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

*Made - - - - 4th December 2009*

*Coming into operation 28th December 2009*

The Department of Enterprise, Trade and Investment<sup>(1)</sup>, being a Department designated<sup>(2)</sup> for the purposes of section 2(2) of the European Communities Act 1972<sup>(3)</sup> in relation to insolvency, makes the following Regulations in exercise of the powers conferred upon it by that section and by Articles 348A, 349, 351, 352 and 363 of the Insolvency (Northern Ireland) Order 1989<sup>(4)</sup>.

**Citation, commencement and interpretation**

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

(2) The Interpretation Act (Northern Ireland) 1954<sup>(5)</sup> shall apply to these Regulations as it applies to an Act of the Northern Ireland Assembly.

(3) A reference in the Insolvency Practitioners Regulations (Northern Ireland) 2006<sup>(6)</sup> to anything done in writing or produced in written form includes a reference to an electronic communication which has been recorded and is consequently capable of being reproduced.

(4) In the Insolvency Practitioners Regulations (Northern Ireland) 2006 “electronic communication” has the same meaning as in the Electronic Communications Act (NI) 2001<sup>(7)</sup>

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(1) Formerly the Department of Economic Development, see the Departments (Northern Ireland) Order 1999 (S.I. 1999/283 (N.I. 1)), Article 3(5)  
(2) S.I. 2001/3495  
(3) 1972 c.68, to which there are amendments not relevant to these Regulations.  
(4) S.I. 1989/2405 (N.I. 19)  
(5) 1954 c.33  
(6) S.R. 2006 No. 33  
(7) 2001 c.9

### **Amendments to the Insolvency (Northern Ireland) Order 1989**

2.—(1) The Insolvency (Northern Ireland) Order 1989 shall be amended as provided by paragraphs (2) to (5).

(2) In Article 348A (authorisation of nominees and supervisors), in sub-paragraph (a) of paragraph (2), after “Department” insert “or of a body recognised for the purpose under section 389A(2)(a) of the Insolvency Act 1986<sup>(8)</sup>”.

(3) In Article 349, in paragraph (2) (persons not qualified to act as insolvency practitioners), after sub-paragraph (b) insert—

“; or

(c) he holds an authorisation for a corresponding purpose granted by a competent authority in Great Britain under Section 393 of the Insolvency Act 1986”.

(4) In Article 350, for paragraph (2) of (recognised professional bodies) substitute—

“(2) A body may be recognised if it regulates the practice of a profession and maintains and enforces rules for securing that such of its members as are permitted by or under the rules to act as insolvency practitioners—

(a) are fit and proper persons so to act; and

(b) meet acceptable requirements as to education, practical training and experience.”.

(5) In Article 352 (grant, refusal and withdrawal of authorisation)—

(a) for paragraph (3) substitute—

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

(3A) Where an authorisation is granted under this Article the competent authority shall, before its expiry (and without a further application made in accordance with Article 351), grant a further authorisation under this Article taking effect immediately after the expiry of the previous authorisation, unless it appears to the competent authority that the subject of the authorisation no longer complies with paragraph (2) (a) and (b).”;

(b) in paragraph (4) for “so granted” substitute “granted under this Article”; and

(c) after paragraph (5) insert—

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

(a) paragraph (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 the Insolvency Practitioners Regulations (Northern Ireland) 2006**

3. The Insolvency Practitioners Regulations (Northern Ireland) 2006<sup>(9)</sup> are amended as set out in the Schedule.

### **Transitional provisions**

4. These Regulations do not apply to an application for authorisation to act as an insolvency practitioner made or granted under Article 352 of the Insolvency (Northern Ireland) Order 1989 before these Regulations come into operation.

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<sup>(8)</sup> 1986 c.45. Section 389A was inserted by the Insolvency Act 2000 (c.39), s 4(4)

<sup>(9)</sup> S.R. 2006 No. 33

Sealed with the Official Seal of the Department of Enterprise, Trade and Investment on 4th December 2009.



*Michael J Bohill*  
A senior officer of the  
Department of Enterprise, Trade and Investment

## SCHEDULE

Regulation 3

## Amendment to the Insolvency Practitioners Regulations (Northern Ireland) 2006

## 1. In this Schedule—

“the principal Regulations” mean the Insolvency Practitioners Regulations (Northern Ireland) 2006<sup>(10)</sup> 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.

**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 insert—

**“Requirements relating to education and training etc—further authorisation to act as insolvency practitioners**

8A.—(1) The requirements prescribed under Article 352(2)(b) of the Order in relation to further authorisation under Article 352(3A) are as set out in this Regulation.

(2) The individual shall—

(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 shall 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 complies 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.

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<sup>(10)</sup> S.R. 2006 No. 33

### **Amendment to Regulation 11**

6.—(1) Regulation 11 (returns by insolvency practitioners authorised by the Department) 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 insert—

the following details of any continuing professional development activity undertaken during the period by the holder of the authorisation—

(i) the nature of the activity,

(ii) the date that the activity was undertaken,

(iii) the duration of the activity, and

(iv) the topics covered by the activity; 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 (The requirements for security 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 Article 349(2)(c) of the Order a person is qualified to act as an insolvency practitioner by virtue of an authorisation granted by a competent authority in Great Britain under Section 393 of the Insolvency Act 1986, this Part applies in relation to that person as if that authorisation had been granted pursuant to Article 352 of the Order.”.

### **Amendments to Schedule 2**

8.—(1) Schedule 2 (requirements for security 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 insert—

#### **“Requirement for bond or professional liability insurance**

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

(a) a bond in a form approved by the Department 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—
  - “(1) The bond shall—
    - (a) be in writing or in electronic form;
    - (b) contain provision whereby a surety 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 insert—

**“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 Department 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 shall send to the Department—

- (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) shall be sent to the Department such that the Department receives them no later than 5 business days before the date in the notice.

(3) Where the Department receives the documents sent under sub-paragraph (1), the Department shall—

- (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 Department determines that the document sent under sub-paragraph (1)(a) complies with paragraph 8A, the Department shall—
- (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 Department 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) shall 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) shall state that determination.
- (6) Where the Department determines that the document sent under sub-paragraph (1)(a) does not comply with paragraph 8A, the Department shall 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 Department 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 Northern Ireland under or by virtue of the Banking and Financial Dealings Act 1971(11).
- (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 Department has made a determination under paragraph 8B(6), the insolvency practitioner may send to the Department—
- (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 Department receives the documents sent under sub-paragraph (1), the Department shall —

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(11) 1971 c. 80, to which there are amendments not relevant to these Regulations.

- (a) as soon as is reasonably practicable, notify the insolvency practitioner of the date and time of their receipt;
  - (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 Department determines that the document sent under sub-paragraph (1)(a)—
- (a) provides for the matters specified in paragraph 8B(6)(b); and
  - (b) together with the document in paragraph 8B(1)(a) complies with paragraph 8A,
- the Department shall 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 Department determines in accordance with sub-paragraph (3), the Department shall 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 Department 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) shall 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) shall state that determination.
- (6) Where the Department 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 Department shall 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 Department shall notify the insolvency practitioner of the determinations under paragraph 8B or 8C in the periods set out in this paragraph.

- (2) The Department shall notify the insolvency practitioner—
  - (a) where a notice under paragraph 8B(1)(c)(i) is received by the Department in accordance with paragraph 8B(2) and the determination is under—



- (i) paragraph 8B(4), (5) or (6), such that the insolvency practitioner receives the notice sent under paragraph 8B(4) or (6) on 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 Department 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 Department 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 Department notifies the insolvency practitioner of the determination under paragraph 8B or 8C.
- (3) Subject to sub-paragraph (4), where the Department 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 Department 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 Department 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) insert—
- “(3) Subject to sub-paragraph (4), where the Department 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.

- (4) Where the Department 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 shall”; and
- (b) after sub-paragraph (b) insert—
- “(2) The documents in this sub-paragraph are—
- (a) the bond referred to in paragraph 3;
- (b) where the Department 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 Department 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), after sub-paragraph (4) insert—
- “(5) Subject to sub-paragraph (6), where the Department 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 and Schedule 3.
- (6) Where the Department has notified the insolvency practitioner in accordance with paragraph 8B(5)(b) or 8C(5)(b) in relation to a cover schedule, this paragraph and paragraph 12 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 “Order” substitute—
- “\_\_
- (a) a competent authority;
- (b) a competent authority in Great Britain as defined in section 392 of the Insolvency Act 1986; or
- (c) any body recognised under Article 350 of the Order”.
- (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 a competent authority in Great Britain under section 393 of the Insolvency Act 1986, that such an authorisation has been granted.”.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

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—

- (a) a document in its original form may not be required except where there is an overriding reason relating to the public interest (Article 5(3));
- (b) member States shall ensure that all procedures and formalities relating to access to a service activity and to the exercise thereof may be easily completed, at a distance and by electronic means (Article 8(1));
- (c) 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));
- (d) authorisation granted to a provider of services shall not be for a limited period except where authorisation is automatically renewed or is subject only to continued fulfilment of requirements (Article 11(1)); and
- (e) 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 shall be no requirement for further professional liability insurance or guarantee (Article 23(2)).

Regulation 2(2) amends Article 348A(2) of the Insolvency (Northern Ireland) Order 1989 ([S.I. 1989/2405 \(N.I. 19\)](#)) with the effect that an individual who is authorised by the Secretary of State to act solely as a nominee or supervisor in voluntary arrangements in Great Britain is also authorised to act in that capacity in Northern Ireland.

Regulation 2(3) amends Article 349(2) of the Insolvency (Northern Ireland) Order 1989 with the effect that an individual who is authorised by the Secretary of State to act as an insolvency practitioner in Great Britain is also authorised to act as an insolvency practitioner in Northern Ireland.

Regulation 2(4) amends Article 350(2) of the Insolvency (Northern Ireland) Order 1989 to remove territorial restrictions.

Regulation 2(5) amends Article 352(3) of the Insolvency (Northern Ireland) Order 1989 with the effect that the period of an authorisation by the Department 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 makes amendments to the Insolvency Practitioners Regulations (Northern Ireland) 2006 (S.R. 2006 No. 33) as set out in the Schedule.

Paragraph 3 of the Schedule provides that the number of hours of insolvency work experience required by an applicant to the Department for authorisation to act as an insolvency practitioner who has never previously been authorised 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 Article 352(3) of the Insolvency (Northern Ireland) Order 1989.

Paragraph 6 of the Schedule amends the requirements for an insolvency practitioner to submit an annual return to include details of continuing professional development undertaken during the period of authorisation.

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

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 Department is prescribed security for the purposes of Article 349(3)(b) of the Insolvency (Northern Ireland) Order 1989. 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 shall 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 Service, DETI, Fermanagh House, Ormeau Avenue, Belfast, BT2 8NJ. A copy of the Transposition Note is also annexed to the Explanatory Memorandum which is available alongside this instrument on the OPSI website.