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TECHNICAL UPDATE

COVID-19

The following legislation and guidance came into force in March to extend the deadlines previously set:

- [Temporary Insolvency Practice Direction \(TIPD\)](#) will remain in force until 30 June 2021
- [Corporate Insolvency and Governance Act 2020 \(Coronavirus\) \(Extension of the Relevant Period\) Regulations 2021](#)
- [Public Health \(Coronavirus\) \(Protection from Eviction\) \(England\) \(No. 2\) \(Amendment\) Regulations 2021](#)
- [Business Tenancies \(Protection from Forfeiture: Relevant Period\) \(Coronavirus\) \(England\) Regulations 2021](#)
- [Understanding the possession action process: A guide for private landlords in England and Wales](#)

The following came to an end:

- [Automatic filing extensions granted by the Corporate Insolvency and Governance Act](#)

Debt Respite & Secondary Legislation

There is some consequential legislation also coming into effect to allow a debtor to appeal against the debt advisor's decision to disclose the debtor's usual residential address [The Civil Proceedings and Gender Recognition Application Fees \(Amendment\) Order 2021 SI 2021/462](#). The second piece of legislation provides for a creditor to appeal against the moratorium and seek permission to enforce a

debt [The Magistrates' Courts \(Amendment\) Rules 2021 SI 2021/459](#).

AML

The [Money Laundering and Terrorist Financing \(Amendment\) \(High-Risk Countries\) Regulations 2021 SI2021/392](#) came into force on 26 March 2021 providing a new UK list of high risk third countries.

Scottish legislation

The [Bankruptcy \(Miscellaneous Amendments\) \(Scotland\) Regulations 2021](#) came into force 29 March 2021 and The [Coronavirus \(Scotland\) Acts \(Amendment of Expiry Dates\) Regulations 2021](#) came into force on 30 March 2021.

Northern Ireland legislation

The [Corporate Insolvency and Governance Act 2020 \(Coronavirus\) \(Change of Expiry Date in s 32\(1\)\) Regulations \(Northern Ireland\) 2021](#) came into force on 29 April 2021 changing the expiry date to 29 April 2022.

Finance Bill 2021

The latest version of the [Finance Bill 2021](#) was published 28 April 2021 and is currently anticipated to come into force in July 2021.

New Special Administration

The draft [Payment and Electronic Money Institution Insolvency Regulations](#) which is a new special

administration regime for payment and electronic money institutions has been laid before parliament.

Consumer Rights (Transfer of Ownership under Sales Contracts) Bill

The Law Commission on 23 April 2021 provided an [update](#) on the published draft Consumer Rights (Transfer of Ownership under Sales Contracts) Bill. The conclusion reached was that "... implementing the proposed rules at this time would deliver only a limited benefit for consumers while resulting in potentially substantial costs."

Insolvency (England and Wales) Rules 2016

The Insolvency Service has opened a [call for evidence](#) seeking stakeholders' views on the Insolvency Rules. Responses must be submitted for the attention of Andrew Shore, to Policy.Unit@insolvency.gov.uk by 30 June 2021.

COVID-19 & Guidance for IVA Protocol

The IVA Standing Committee [extended the application of the guidance](#) previously issued until 31 July 2021.

IVA Protocol 2021

The IVA consumer protocol has been updated and the updated

version with appendices is available [here](#):

- A set of general principles.
- Standard terms and conditions for use in protocol compliant IVAs (Annex 1).
- Legal and regulatory framework (Annex 2).
- Template letter for consumers (Annex 3).
- Template proposal and table of contributions (Annex 4).
- Flowchart to explain the process for potential equity release (Annex 5).
- Table of distributions (Annex 6).
- Comparison table between bankruptcy and IVA expected outcomes (Annex 7).
- Terms of Reference (Annex 8).

A new SIP 3.1 is due to be published based on the [consultation](#) that occurred last year, however, it is unclear if the [tracked changes version](#) has been further amended from the previously published version.

Disposal of Assets to a Connected Person in an ADM

The Insolvency Service published on 30 April 2021 the following guidance "[Requirements for independent scrutiny of the disposal of assets in administration, including pre-pack sales](#)".

SIP 13 & 16

The revised [SIP 13](#) and [SIP 16](#) came into force on 30 April 2021. Unfortunately it seems that SIP 16 may need to be amended again to reflect the guidance issued by the Insolvency Service. For more information on the amended SIPs you might find Michelle's recent [blog](#) helpful.

SIP 9 & FAQ

The RPBs have issued a [FAQ](#) document addressing the questions that arose on the publication of

the revised SIP 9. Whilst reassuring about the general use of lawyers and agents, it does highlight the issues associated with the use of one lawyer or agent exclusively, however the issues of dealing with group companies will be challenging based on this guidance. The FAQ may result in a number of small recommended changes to documents and processes.

Dear IP & the Websites

The latest Dear IPs are now available: [Dear IP 123](#), [Dear IP 124](#), [Dear IP 125](#) and [Dear IP 126](#). The Insolvency Service has decided to split the Dear IP content across two separate websites so old Dear IPs up to Dear 90 may be found [here](#) and Dear IPs from 92 onwards may be found on the new website [here](#). I have no idea why Dear IP 91 has been missed from both websites. I shall leave a link here to [Dear IP 91](#) to plug the gap ;-)

Technical Guidance for Official Receivers

Due to demand from the profession the Insolvency Service has been generous enough to publish the current [Technical Guidance for ORs](#) which IPs have not previously been provided with access to when it was updated to reflect the 2016 new rules. The previous guidance was an invaluable resource for IPs.

Commercial rents and COVID-19 consultation

The government has initiated a [call for evidence](#) to understand how landlords and tenants are responding to the build-up of rent arrears that has occurred as a result of businesses being unable to trade normally during the pandemic. The consultation ends on 4 May 2021.

HMRC consultation to tackle promoters & enablers

HMRC has opened a [consultation](#) which seeks views on a range of new measures to further tackle promoters and enablers of tax avoidance, including strengthened sanctions and additional HMRC powers taken at an earlier stage to disrupt the business model on which promoters rely. The consultation closes on 1 June 2021.

Pension Regulator consults on new criminal sanctions policy

A [consultation](#) occurred on the new criminal sanctions policy. The draft policy may be found [here](#).

IBA Toolkit on Insolvency and Arbitration

The International Bar Association (IBA) in March 2021 released its [toolkit on insolvency and arbitration](#). The toolkit has national reports from 19 countries, an explanatory memorandum and a checklist for insolvency and arbitration.

Enforcement Outcomes 2020/21

The Insolvency Service published statistics on [Enforcement Outcomes for 2020/21](#) on 22 April 2021.

IVA Outcomes and Providers 2020

The Insolvency Service published statistics on [IVA Outcomes and Providers 2020](#) on 26 February 2021.



Joanne Harris has 22 years' experience in insolvency dealing with all case types. She was formerly a Director of Technical and Compliance in a top 20 firm before starting her own business to supply technical services for insolvency practitioners without a compliance resource.

Joanne is also a partner of both The Compliance Alliance and JOH Consultancy which offer a range of services that may be tailored to an individual IP's needs.