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# TECHNICAL UPDATE

## Effective transfer of property via WhatsApp?

In the case of Reid-Roberts and another v Lin and another [2026] EWHC 49 (Ch) the court on appeal determined that the property had not been effectively transferred via a WhatsApp exchange. Consideration was also given to the application of s 35A(3) exceptional circumstances and the court determined that the 8 years given before the property could be sold was excessive and this was reduced to 18 months for a proper balance between the creditors' interests and those with exceptional circumstances.

## Company in CVL enters Compulsory Liquidation

In the case of Revenue and Customs Commissioners v Purity Ltd [2025] EWHC 3401 (Ch) the court determined that it would be appropriate to wind up the company despite it being in CVL, as CDDA86 section 8ZF provides for compulsory disqualification if a relevant application is made by HMRC in respect of a director or shadow director of a company wound up under S85 of Finance Act 2022 which would not be available in CVL.

## Challenge to validity of ADM appointment by QFC

In the case of Perhar v Freestone and others [2025] EWHC 3284 (Ch) the court rejected the challenge by the director and sole

shareholder, to the validity of appointment of the administrators by the QFC. The challenge was on three grounds: unenforceable floating charge, appointment not in accordance with the lending agreement and "improper" motive. However, the court found that there had been clear breaches of trust and the director had used money received for personal expenses rather than paying them into the relevant client account.

## ADM to MVL

In the case of Re Lehman Brothers International (Europe) and others [2025] EWHC 2871 (Ch) the court determined that it was possible to transition the company from ADM to MVL and put this into effect by court order and an undertaking by the company's only shareholder to place the company into MVL forthwith.

## Antecedent transactions & file notes

In the case of Manolete Partners Plc v Howarth [2025] EWHC 2294 (Ch) an action was brought after the death of the lead IP. The company had entered into a CVA and the director stated that it was agreed with the lead nominee prior to the CVA being approved, that he would not take a salary but take the equivalent amount each month and use the amount to repay his director's loan, saving PAYE and NIC for the company. The CVA failed nine months later and the company entered into administration. The company was

in administration for 18 months and the lead IP died leaving the non-lead IP to progress the insolvency. At this point the payments to the director during the CVA were challenged as preferences. The director was very clear in his evidence that this had been discussed with the lead IP at the time and he relied upon this as evidence against the s239 claim. The judge stated "The Applicant [...] failed properly to seek out, preserve and/or disclose numerous other documents which would have been relevant to the issue of the advice received, including (i) the meeting notes and working papers of Mr Adamson and Ms Bamforth prepared on their respective laptops during the course of the CVA and (ii) Ms Jo Smith's own notes of the meeting on 23 June 2021." The application was dismissed.

## Criteria to be met S235 & S236

In the case of Webb and another (as joint liquidators of Eversholt Rail (365) Ltd (in liquidation)) v Eversholt Rail Ltd and another company [2026] EWHC 101 (Ch) the court rejected the appeal for disclosure of a wide range of documents and reviewed the criteria of s235 and s236. The judge confirmed that a "reasonable requirement" is a necessity for s235 and that case law supports the same requirement for s236. The issue of "reconstituting" was reviewed and determined that it was not sufficient in and of itself and the reasonable requirement test would still need to be met. The appeal was dismissed, although it

should be noted that there had been cooperation from the third parties in supplying some documents.

## Companies House

The [Economic Crime and Corporate Transparency Act 2023 \(Commencement No. 7\) Regulations 2026](#) came into force on 26 January 2026 and states that companies are no longer required to keep registers of directors and PSCs other than that at companies house and removes the option for companies to keep member information on the central register.

## Employment Rights Act 2025

The [Employment Rights Act 2025](#) received Royal Assent on 18 December 2025. The government is taking a [staged approach to introduce all the amendments](#).

## Scottish Legislation

The [Bankruptcy and Diligence etc. \(Decrees for Removing from Heritable Property\) \(Scotland\) Amendment Order 2025](#) was laid before Scottish Parliament on 18 December 2026 and is coming into force on 1 August 2026.

## UK Courts

The [UKSC and JCPC Practice Directions were amended on 22 December 2025](#). The [Court of Appeal \(Civil Division\) Guide 2025](#) was updated on 18 December 2025.

## Payment & Electronic Money Institution Insolvency Reg 2021

HM Treasury launched a review of the Payment and Electronic Money Institution Insolvency Regulations

2021 and the [report is now available](#).

## Companies House Filing

R3 have advised that once an Insolvency Practitioner (IP) is verified at Companies House and their email address is linked to their GOV.UK OneLogin profile, only the IP is able to access the insolvency filing service. However, it is possible for a [member of the IP's staff to obtain access](#).

## CDDA & MVL to CVL

[R3 issued a reminder to IPs](#) that "the Directors Conduct Report is due 3 months from the date the IP forms the opinion that the company is unable to pay its debts in full. The consideration of whether the creditors will ultimately be paid in full is not relevant to the requirement to submit a Directors' Conduct Report".

## AML UK Sanctions

A single list for [UK sanctions went live 28 January 2026](#). The OFSI Consolidated List of Asset Freeze Targets has closed.

## Financial Sanctions Guidance for IPs

HM Treasury have issued updated [Financial sanctions guidance for IPs](#) to reflect the UK sanctions list.

## HMRC & CT UTR

R3 have issued guidance on behalf of HMRC in respect of obtaining a company's Corporation Tax Unique Taxpayer Reference (CT UTR). Key to the processes is ensuring the registered office has been changed at Companies House and that you wait at least 10 days

after the change before applying for the information using this [link](#). Allow 3 weeks for this to be sent to the registered office, and if not received then contact HMRC Corporation Tax Services on 0300 200 3410.

## MVLs & HMRC

IPs must ensure they are using the [Members' Voluntary Liquidation team query tool](#) to contact HMRC regarding all and any issues, including delivering "notice of intended dividend".

## HMRC IP Handbook

HMRC published the [Insolvency Practitioners Handbook](#) on 19 December 2025. The handbook is the renamed VAT notice 700/56, but be aware HMRC have noted that there are some inaccuracies within the handbook. I am giving a [webinar](#) on the contents.

## HMRC guidance

HMRC issued guidance on 1 December 2025 in respect of [transferring a business out of a company](#) and the potential tax implications.

## Bulk IVAs

The Insolvency Service issued a new [IP Bulk Transfer form and IVA Registration](#) form on 6 Jan 2026.

## AI

ICAS have provided some timely guidance "[AI unlocked: A practical guide to generative AI](#)".

## Dear IP

The latest [Dear IP 169](#) is now available.



Joanne Harris has over 25 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