SIP 13 CONSULTATION QUESTIONNAIRE

[Please use the TAB key to move from one answer to the next and the drop down options as appropriate.]

Name of individual making the response: Michelle Butler
Organisation: The Compliance Alliance / Insolvency Oracle
RPB (if applicable): IPA (ordinary member)

1. Do you agree that the scope of SIP 13 should be extended to the disposal to connected parties of business assets in any insolvency proceeding, both corporate and personal?

   Yes

   Comments

   I do agree, however the current draft deals with this in an unsatisfactory manner. Paragraph 10 refers to the Insolvency Act's definition of connected party, but individuals have no connected parties; they have associates. This distinction makes the drafting of an all-encompassing SIP difficult (but not impossible).

2. Do you agree that the scope of SIP 13 should be extended to the disposal to connected parties of personal assets, such as the family home, in personal insolvency proceedings?

   Yes

   Comments

3. Do you believe that the revised version of SIP 13 identifies all appropriate principles?

   No

   Comments

   Firstly, I struggle to see how paragraph 5 presents much in the way of "principles". Most of the paragraph addresses definitions. It also creates an imbalance of the SIP as a whole. It creates a quasi pre-pack context, which is undesirable given the (potential) scope of the SIP.

4. If "no", what additions do you believe should be made to the principles contained in the SIP?

   Reference to "proportionate" disclosure would be valuable.

   All reference to pre-appointment sales has been dropped from the SIP. I think this is a mistake. It could lead to more transactions being shifted from post to pre-appointment and would result in less transparency than there is at present.

5. Do you believe that the revised version of SIP 13 identifies the key compliance standards?

   No

   Comments

   Firstly, paragraph 8 is wholly unnecessary: surely IPs do not need to be reminded to demonstrate compliance with legislation.
6 If “no”, what additions do you believe should be made to the key compliance standards contained in the SIP?

Disclosure of pre-appointment connected party/associate transactions. I believe this is especially necessary where the IP has been engaged pre-appointment; even if the IP has not been involved in advising on the transaction, creditors are likely to suspect that they were.

7 Are there any other amendments you would wish to suggest to the SIP? Please provide details below.

Please see attached.

It may be useful to contact you to discuss your comments so please give your:

- telephone number 07704 887325 and
- email address insolvencyoracle@pobox.com

Please email your completed comments to the secretary of the Joint Insolvency Committee (jic_sip_consultation@icaew.com) or send by post to:

Tracy Stanhope, Secretary to the JIC
ICAEW
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Closing Date: 11 May 2016