

Type of Order: DISCIPLINARY CONSENT ORDER

Date of Order: 07/03/2022

Committee name: REGULATION AND CONDUCT COMMITTEE

Details of IP: **Mr Daniel Taylor of Fortis Insolvency Limited** an IPA member and Licensed Insolvency Practitioner (IP).

Summary of complaints: This Order is made in relation to two allegations that Mr Taylor

1. in his role as Supervisor of a Company Voluntary Arrangement (CVA) breached Statement of Insolvency Practice ('SIP') 3.2 paragraph 14 (e) and SIP 9 Paragraph 25. He failed to advise creditors that the Nominee Fee had been agreed and paid by directors of the company in the sum of £4,000 plus VAT. In addition, he had improperly charged VAT on the Nominees fee which is exempt for VAT purposes following the tribunal decision in *Paymex v HMRC*.
2. in his role as Liquidator of a company, breached fundamental principle of professional competence and due care the Insolvency Code of Ethics when he drew excessive remuneration and/remuneration for which he did not have supporting documentary evidence of £41,000

Accordingly, Mr Taylor was found liable to disciplinary action under the IPA's Articles of Association.

Summary of sanctions: Allegation 1
That the conduct was an error and therefore 'less serious' with reference to the Common Sanctions Guidance ('CSG'). The CSG provides for a reprimand and a fine of £1,500 as a starting point, where there has been a failure to comply with a SIP, the Insolvency Act and Rules and Regulations thereunder.

When considering the sanction, the Committee agreed that this was an isolated error, that Mr Taylor had taken prompt action to rectify the issue when it was identified and that there was minimal chance of recurrence as mitigating factors. The Committee found no aggravating factors.

The Committee imposed a disciplinary order that Mr Taylor be reprimanded and fined £1,000.

Allegation 2

That the conduct was 'reckless' and therefore 'serious' with reference to the CSG. The CSG provides for a severe reprimand and a fine of £5,000 as a starting point where there has been a failure to comply with the fundamental principle of professional competence and due care.

When considering the sanction, the Committee agreed that the acceptance of the matter, immediate steps taken to repay the monies, the implementation of new systems and the fact that this was an isolated incident were all mitigating factors. The Committee considered the potential financial loss to the estate an aggravating factor.

The Committee imposed a disciplinary order that Mr Taylor be severely reprimanded and fined £5,000.