

Publicity Notices

Formal Warnings Pursuant to Conduct Rule 4.5.3

In 2022 Formal Warnings were issued to five IPA Licensed Insolvency Practitioners for;

1. Breach of the Fundamental Principle of Professional Competence and Due Care of the Insolvency Code of Ethics when as Trustee of a Protected Trust Deed (PTD), the IP failed to take any steps, to realise the equity in the Debtor's property.
2. Breach of Paragraph 16 of Statement of Insolvency Practice 3.1 by failing to complete a review of equity and initiate in a timely manner the required additional income contributions for two interlocking Individual Voluntary Arrangements.
3. Breach of the Fundamental Principle of Professional Competence and Due Care of the Insolvency Code of Ethics and Principle 5 of Statement of Insolvency (SIP) 3.1 when, as Nominee of an Individual Voluntary Arrangement (IVA), the IP proposed an IVA to creditors without taking proper steps to ensure that it was achievable and that a fair balance was struck between the interests of the debtor and creditors.
4. Breach of Rule 10.149 of the Insolvency Rules 2016, Rule 6.224 of the Insolvency Rules 1986, and Section 66 of the Taxation of Chargeable Gains Act 1992, when the IP, in their role as Trustee in Bankruptcy, drew remuneration when Capital Gains Tax on relevant asset recoveries had not been confirmed or paid.
5. Breach of the Fundamental Principle of Professional Competence and Due Care of the Insolvency Code of Ethics when the IP
 - (i) Authorised company funds to be paid directly into an office account in breach of Statement of Insolvency Practice (SIP) 11 Paragraph 6, and
 - (ii) Drew or allowed remuneration to be drawn without first obtaining the necessary approval to do so from the court in breach of Rule 7.11. of the Insolvency (Scotland) (Receivership and Winding up) Rules 2018.