



Covid-19: Important information for IPA members

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1. How is the IPA responding to Covid-19?

We're acting on advice from relevant authorities such as the UK Government, World Health Organisation, the NHS and Public Health England. We have taken proactive steps to contact our members to ensure that they have access to the latest advice.

We are closely monitoring the situation. We have plans to act quickly if the situation changes, and we will provide further updates as necessary.

2. Is the IPA open and operating as normal?

We continue to follow all government guidance and are currently continuing our operations via remote working in the main. Email is the best method to contact us. If you usually email a particular contact at the IPA, please continue to do so as normal. You can also [click here](#) to access a list of our general email addresses.

- For finance queries (including payments and refunds), please email accounts@ipa.uk.com;
- For membership queries, please email membership@ipa.uk.com;
- For events, please email events@ipa.uk.com; and
- For any other queries, please contact secretariat@ipa.uk.com.

We do anticipate an impact on some areas of our work and will take all the steps we can to minimise disruption and maintain communication with any parties involved.

3. As IPA staff are mainly working remotely, what should I do about post that needs to go to the IPA?

Please scan and email any post to the addressee, or alternatively to secretariat@ipa.uk.com. Please contact us if for any reason you are unable to do this.

4. How should I make payments to the IPA?

Please send payments via BACS. Please do not post any cheques.

5. Are Insolvency Practitioners or those in linked roles classed as key workers?

Key worker status is ultimately to be decided by the employer, although the Government has issued guidelines on who is classified as a key worker, details of which are on the bottom of this [page](#) on Gov.uk. We would still strongly recommend that you work from home ideally all the time.

6. Has the Insolvency Service made any changes to its payments system, and what other information has it issued?

The Insolvency Service has announced that payment requisitions are being accepted by email. [Click here](#) for full information. It has also announced that IVA registration fees can be paid electronically, e.g. via BACS. [Click here](#) for full details.

In issue 95 of Dear IP, the Insolvency Service set out further steps being taken during the pandemic. These include the acceptance of CAU103 and 104 forms by email, information on books and records, HMRC information and emergency insolvency legislation. [Click here](#) to read this in full.

Following this, in issue 96 of Dear IP, the Insolvency Service announced a temporary insolvency practice direction. This came into force on 6 April 2020 and supplements the Practice Direction – Insolvency Proceedings July 2018.

The direction has been launched to avoid the need for parties to attend court in person, as well as to deal with problems arising from courts having limited resources and staffing at this time.

Insolvency Practitioners are recommended to read the temporary practice direction carefully. You can view it [here](#).

Issue 97 of Dear IP contains important updates on payments against Proofs of Debts, exemptions for payments made under the Victims' Payments Regulations 2020, fee requests to the Redundancy Payments Service, and an alert to a fraudulent Covid-19 information source that is circulating. [Click here](#) to read the issue if you haven't already.

[Issue 99 of Dear IP](#) contains an important notification from Companies House concerning the filing of insolvency documents.

[Issue 100 of Dear IP](#) contains guidance from the Government on [working safely during the Covid-19 emergency](#), which was shared with members on 14 May 2020. The issue also contains a request for user research assistance from Companies House as it develops its document upload system.

[Issue 102 of Dear IP](#) contains further guidance on the [IVA Standing Committee's Straightforward IVA Protocol](#).

[Issue 105 of Dear IP](#) contains information on the moratorium introduced by the Corporate Insolvency and Governance Bill, including the Insolvency Service's [guidance for Monitors](#). The issue also contains

guidance on dealing with government financial support schemes on insolvency.

[Issue 106](#) of Dear IP contains an explanation of HMRC's new position on IVAs, PVAs and CVAs, in relation to variations and new proposals from 1st July 2020 to 30th November 2020. HMRC has issued this information as it is anticipated that Covid-19 will likely impact on voluntary arrangements and in turn the HMRC liabilities arising from them.

The issue also contains Court Practice Directions for the Corporate Insolvency and Governance Act, and a newly published Schemes Practice Statement for the Act's new Restructuring Plan under part 26A of the Companies Act 2006.

[Issue 107](#) of Dear IP contains two issues around employment that are important to take note of. Firstly, article 66 in the issue deals with changes to the reference period used to calculate the rate of holiday pay following redundancy (for those with variable weekly pay). To give additional protection to employees, particularly those with seasonal variations in their pay, the reference period used in holiday pay calculations has been changed from 12 to 52 weeks. This applies to all employees with variable pay. The change takes immediate effect.

To notify the Redundancy Payments Service (RPS) of the rate of pay applicable to holiday pay, there will be, for use in the short term, a dedicated email address set up to contact the RPS. Article 67 in the issue sets out the process for submission in this way.

7. What information has HMRC issued, and is there any guidance for contacting them with any queries?

HMRC has published seven sets of insolvency information, which you can find [here](#) on our website.

HMRC is aware that some employers' claims through the Job Retention Scheme (JRS) for financial support have been refused because they are in arrears with tax liabilities. HMRC has clarified that **this is incorrect, and these employers should not have had their claims rejected.**

HMRC has requested that those employers who have had their claim rejected should re-apply. HMRC has updated its guidance and taken steps to ensure that there is no repeat of the situation. It also apologises for the distress that this may have caused.

You can find the bulletin [here](#) on our website.

HMRC has requested that, as it is receiving many enquiries on the same kinds of issues, any enquiries relating to insolvency are first raised with the IPA. We will then pass these enquiries on.

We've had a further update from HMRC on its acceptance of electronic banking. In the unlikely event that you have any older cases with distinct tax/NI and VAT claims, you will need to contact us at regulation@ipa.uk.com for instructions on completing the payment references, as these are not covered by HMRC's instructions on electronic banking (which you can access [here](#)).

Additionally, please email us using the same address if you have any feedback on the electronic banking process that you would like us to share with HMRC.

The email address for correspondence regarding bankruptcies, sequestrations, administrative receiverships and liquidations (excluding members voluntary liquidations) is insolvencyhelpdesk@hmrc.gov.uk.

After a successful trial, the [Dropbox](#) file sharing platform can now be used to submit VAT426 forms to HMRC. If you would like to use this service, the [guidance \(also available on the Covid-19 section of our website\)](#) from HMRC gives you instructions on what to do next.

Please note that there is always a risk associated with any form of electronic data transfer. You will therefore need to confirm your understanding of this with HMRC and your acceptance of any risks. As is stated in the guidance, HMRC can guide you through the process.

HMRC has published [updated guidance](#) in anticipation of its likelihood of being a significant creditor in most cases where a moratorium is sought under the new Act. It has set up a dedicated handling team and has included instructions on how to contact them. Please read through this guidance carefully as there are important steps that you may need to take, particularly in terms of contacting HMRC. HMRC has also advised that some of its automated letters may still go to companies during the moratorium process.

8. What changes has Companies House brought in?

Companies House has announced the acceptance of filing of statutory insolvency documents via emailed PDF attachments. [Click here](#) for more information, and ensure that you note the requirements for filing in this manner. Secondly, requirements for filing a Declaration of Solvency have been updated – [click here](#).

9. As an Insolvency Practitioner, is there any change to my responsibilities during this time?

We have worked with the ICAEW and the Insolvency Service to introduce various measures to ease the burden and support Insolvency Practitioners during the current situation we are faced with. [Click here to view the measures we have introduced](#). Some of these are general and some apply to either corporate or personal insolvency. We are working to agree positions on other areas and will continue to update you as we reach agreement on these. We have also summarised these measures below:

General

- If Insolvency Practitioners fall short on their regulatory obligations, special consideration will be given to the surrounding context
- Changes to operations and all resulting effects of the current crisis could amount to a “reasonable excuse” defence for any statutory breaches
- Virtual meetings are sufficient
- Insolvency Practitioners allowed to defer non-priority work on a short-term basis and focus on new/urgent areas

- Breach of GDPR compliance will be considered in the context of the crisis
- Payment requisitions accepted by email
- All reasonable steps must be taken to progress case administration in the longer term and ensure stakeholder financial interests are not prejudiced
- When selling assets affected by markets, there will be no breach of the Professional Competence and Due Care ethical principle by allowing reasonable time for markets to recover
- Where a Notice of Intended Dividend has already been issued, the payment of the dividend can be postponed, and it is acknowledged that it may be unable to be paid within two months

Corporate insolvency

- For statutory declarations of solvency in MVLs, we would accept swearing of documents via video conferencing – clarity is expected from the Law Society on this
- Relaxation of the expectation in existing MVLs that creditors will be paid in full within 12 months (with certain provisions)
- A longer deadline for notifying creditors that a company is unable to pay debts in full within 12 months, when considering MVLs moving to a CVL (s.95)
- Wider discretion for handling CVAs

Personal insolvency

- Wider discretion for handling IVAs
- We acknowledge that it is not likely to be possible to comply with the SIP 3.1 requirement to respond to debtor enquiries ‘promptly’ and to close IVAs ‘promptly’

In addition to these changes, members are encouraged to use electronic means of communication wherever possible and to utilise the existing provisions already contained within the current legislation, regarding the use of websites (S246B). Physical meetings should be avoided and where appropriate, meetings should be held online. If considered appropriate, these meetings can be recorded. Members should ensure that communications are sent in good time to allow for the inevitable delays caused by the current crisis, which might slow down the processing of the information by recipients.

We have also lobbied No10 on your behalf to allow Insolvency Practitioner firms to qualify for business rate relief. We will update you as and when this progresses.

If there are any measures that you would consider useful to relax or change, please do let us know. Please email regulation@ipa.uk.com.

10. Do you have any specific information for IVA providers?

The number of people who are currently in receipt of an IVA is now 284,000, and the current circumstances will make many more people seek financial help. In respect of PTDs, they are over 29,000.

For any firms operating at over 200 IVAs or Trust Deeds, can we ask you to please tell us your working from home operations, as well as any other impacts on clients' business management. We are particularly keen to understand your firm's approach to payment breaks and other measures for clients who find themselves in financial difficulty. Our expectation is that supervisory discretion is being fully utilised. We previously requested that you email us on this at regulation@ipa.uk.com by 10 April. If you have not done this already, please do so immediately.

We recognise that these are extremely difficult times and are keen to help you manage your business through this process. Please get in touch if you have any concerns regarding the current operating climate and allow us to draw your attention to the Government's support for businesses throughout this time, which is referenced in question 15 in this document.

The more insight and knowledge we have on the problems faced by our members, the more we are able to engage with the Government and alert them to any major possible issues. To get in touch with us for this purpose, please email regulation@ipa.uk.com.

Covid-19-related guidance for the IVA Standing Committee's Straightforward Consumer IVA Protocol has been published by the Government. The guidance contains special provisions for IVA clients during this time. [Click here](#) to read the guidance.

11. Is there any updated guidance on Anti-Money Laundering?

The Accountancy Affinity Group, of which the IPA is part, has released an advisory note on Anti-Money Laundering (AML) responsibilities of Insolvency Practitioners during this time. Criminals are trying to use this time of difficulty and uncertainty to their advantage. You can read the note via the members section of our website [here](#). Please note that you will need to log in.

Additionally, the National Crime Agency (NCA) UK Financial Intelligence Unit (UKFIU) has issued six bulletins detailing trends that it has seen so far in AML. You can access these via our website [members area](#). The bulletin dated 24/04/2020 contains an important message that should be considered as part of Insolvency Practitioner risk assessments.

The NCA has also released other important publications on Covid-19 and AML on its website. There is a link to access these on the aforementioned IPA members area webpage. You can also access them [here](#).

You are also advised to refer to the NCA website page on [money laundering & illicit finance](#) for the latest news and publications relating to Covid-19 Suspicious Activity Reporting.

12. As an Insolvency Practitioner, am I still expected to complete my CPD?

We recognise the challenge that this time may present in meeting CPD requirements, when faced with event cancellations and/or postponements. We encourage you to find alternative ways for completing your CPD, for example online sources such as webinars. We are also exploring the

possibility of developing virtual offerings for members.

When genuine attempt has been made, but you fall short of completing the required CPD hours, please get in touch with us to discuss alternatives.

Normally, the rule is that all licence holders must gain 50% of their CPD in person, e.g. attendance at conferences. We are lifting this restriction this year.

13. Are IPA examinations still taking place?

This year's CPCI examination sitting had already been cancelled, and June's sittings of the CPI and CPPI have now been postponed to November/December. Candidates will be contacted in due course with the new date of their examination.

14. What is happening with inspection visits?

For the next three months, we will not be conducting monitoring visits on practitioners' premises. Inspections will take place remotely as far as is practicable. Practitioners who are due a visit during this period may expect to hear from an inspector to make arrangements to supply the relevant information, and personal interviews may take place remotely or subsequently. It may be necessary to adjust the scope of our monitoring during this period.

15. Where can I access guidance for businesses/employers and also find out what support is available from the Government and others?

We have compiled a list of information and help, which you can access [here](#).

Further to this list, you may be aware of the Chancellor's Summer Statement, in which several new measures were announced in a bid to help the economy and protect jobs. You can read about the measures in full via this [Government announcement](#), as well as the Treasury's policy paper, [A Plan for Jobs 2020](#).

Many of our members, particularly those who are owner or manager of a firm, may be interested to read of the announcement of the Job Retention Bonus. With the furlough scheme due to wind down from October, the Job Retention Bonus pledges employers a one-off sum of £1,000 for each employee who is still employed as at 31st January 2021.

The separate Kickstart Scheme has been designed to create jobs for 16-24 year olds through the creation of six-month placements. The Government plans to pay the National Minimum Wage for 25 hours per week, with employers expected to pay for any additional hours worked.

This year, £111m of investment in traineeships has been promised, and businesses will be paid £2,000 in employment support for each new apprentice hired under the age of 25, and £1,500 for each new apprentice over 25. This will run from 1st August 2020 to 31st January 2021.

We will share further information on how to access this new Government support when it becomes available.

16. Are there any changes to insolvency law and/or other regulations?

In April we notified members of planned changes to corporate insolvency law. The Corporate Insolvency and Governance Bill, containing these changes, received Royal Assent on 25th June 2020 and has therefore become law.

You can view the Bill [here](#). You can also view fact sheets on the Bill, produced by the Insolvency Service, [here](#).

We will monitor the new measures in practice. Where we deem it necessary, we will offer input to help ensure that the measures serve all stakeholders in insolvency processes correctly.

If you have any points that you would like to bring to our attention, please email regulation@ipa.uk.com.

Changes to notifying an option to tax land and buildings during Covid-19

The Government has made temporary changes to the time limit and rules for notifying an option to tax land and buildings. It has temporarily extended the time limit to 90 days from the date that the decision to tax was made. This applies to decisions made between 15 February and 30 June 2020. You can read its guidance on these changes in full [here](#).

17. Is there any insolvency information specific to Scotland?

Registers of Scotland

Registers of Scotland has launched a public beta version of a remote submissions service for documents to be registered electronically with the Register of Judgements and the Register of Inhibitions. This service has the facility for users to provide feedback.

Registers of Scotland has also published guidance on its currently available Digital Submission Service. [Click here](#) to view.

Oaths in Scottish insolvency processes

The Coronavirus (Scotland) (No.2) Bill addresses a problem currently experienced by Insolvency Practitioners in Scotland by removing the requirement for a relevant individual (either a solicitor, advocate or a notary public) to be in the same place as another in order to:

- sign or subscribe a document;
- take an oath; or
- make an affirmation or declaration.

18. Is there any provision for remote swearing of documents?

Currently, we understand that the Law Society is looking at guidance on swearing by video link, provided that certain 'Knowing Your Customer' safeguards are in place. We are aware that some solicitors are willing to undertake remote swearing and we are maintaining a list of those of whom we are aware. Please contact us for further details as necessary.

19. Has the IPA issued any advice for businesses?

The IPA has issued the following advice. We hope that this is helpful.

Firstly, if businesses have any concerns, we advise that they speak to an Insolvency Practitioner. Most firms give initial advice for free.

If it gets to a point where they think they might be insolvent, or they are insolvent, speak to an Insolvency Practitioner as soon as possible. There are various options for businesses facing financial difficulty, and the earlier these are considered, the more options there are.

Secondly, they need to keep an eye on their turnover and what patterns they can see – has there been a sharp decline recently or is this usual for the time of year?

They should speak to their customers and see how their businesses are doing – ditto with key suppliers. Make sure they know you are open for business, and check how their pipelines are doing – see if there are ways to perhaps alter what you are currently doing that may assist your customers and/or your suppliers; prepare for some of your customers asking for time to pay, etc.

Keep a record of all decisions made and the reasons for them. These include Board minute decisions, etc.

Board minutes are the go-to place for business-critical decisions. Therefore, to ensure a proper record is kept and to minimise criticism in the future, directors should always keep board minutes. It's an official file note.

Cash is king – look at various scenario predictions and their impact on cash. Speak with the bank and stakeholders if facility is at risk.

Also worth considering and implementing for those stressed rather than distressed at this point:

- Deferral of discretionary spend
- Leverage all government measures, e.g. rate holidays
- Arrange temporary extensions to facilities – the Government is encouraging banks to support businesses (assuming they are not already on a watch list presumably)

20. Has the IPA released any information on business continuity for Insolvency Practitioners?

While electronic communication and technology is enabling many people to continue working from home effectively at the present time, we are aware that some Insolvency Practitioner practices may be considering furloughing staff.

Both the ICAEW and the IPA have previously said that the constraints caused by the Covid-19 pandemic will be taken into account when considering an Insolvency Practitioner's conduct at the present time.

However, as Insolvency Practitioners are still required to comply with their statutory duties and need to continue to progress their cases as far as they can in the current circumstances, we would not expect Insolvency Practitioners to furlough staff if doing so will compromise their ability to meet their obligations.

Where the circumstances surrounding Covid-19 put any company into financial difficulty, the IPA would expect the Insolvency Practitioners to contact us immediately. In the present circumstances, Members are required to keep the IPA informed of all staff who are unable to work, whether by reason of furloughing or serious Covid-19 illness, by number and job title. This would also apply if Insolvency Practitioners themselves are furloughed or unable to work for an extended period as a result of Covid-19 or if there are any significant changes within their practice. Please email regulation@ipa.uk.com.

It is important that Insolvency Practitioners carefully observe the guidance and keep up to date with further guidance as it is issued.

21. For appointment-taking Insolvency Practitioners: Alternate/successor IPA licence-holders

As you will no doubt be aware, as an appointment taking licence-holder, you are required to have a viable continuity plan in place in the event that you are, for any reason, incapacitated and unable to do your daily job. As part of that plan, you should have nominated an alternate/successor Insolvency Practitioner. It may also be useful for you to have a nominated alternate in another practice, and we encourage you to consider this possibility and to inform us of their identity.

It is in the context of the potential impact of Covid-19 on your business that the IPA is taking this opportunity to ensure that our records in this regard are current. Therefore, if you haven't already (we sent a request out on 18th March), please email us as soon as possible on membership@ipa.uk.com to confirm the identity of your alternate/successor Insolvency Practitioner.

22. The running of care homes could be made difficult through staff shortages brought on by employees self-isolating. Homes could additionally become at risk of insolvency. In the event that an Insolvency Practitioner is appointed, what would the arrangement be in terms of personal liability in a situation such as this, where adequate staffing is an issue and therefore beyond the Insolvency Practitioner's control?

Public Health England (PHE) has released guidance on residential care during this time, intended for the attention of local authorities, clinical commissioning groups and care homes. PHE has recommended the co-operation between care homes and local authorities to mitigate any shortages in the workforce. View the guidance in full [here](#).

The IPA strongly advocates that all avenues to prevent the Administration or Liquidation (including CVLs) of care homes should be taken during the ongoing Covid-19 crisis. We ask all members to inform the IPA immediately if they are providing insolvency advice in respect of a care home or are contemplating an appointment as Administrator or Liquidator of a care home. The IPA is seeking clarification on potential personal liability for Insolvency Practitioners in the event of an appointment.

23. Considering the added challenges and difficulty that this time can present, has the IPA issued any guidance on dealing with mental health and vulnerability issues amongst stakeholders in insolvency processes?

Vulnerability, mental health and protecting vulnerable customers have become a focus at this time, with Rachel Reeves MP, Chair of the Department for Business, Energy and Industrial Strategy Committee, recently highlighting the issue.

Of course, our day to day health and wellbeing is always important. Especially at the moment, protecting the interests of those who are suffering through ill mental or physical health, whether in a work or community setting, is vital in the current situation, where, for example, people may be caring for loved ones, may have relatives in hospital, are ill themselves, or are experiencing difficulty in their jobs or businesses, for example.

The IPA made mental health and vulnerability a focus in 2019, with sessions covering the topic at our regional Roadshows, presented by Ken Marland, IPA committee member and Partner at Harrisons Business Rescue. November's Personal Insolvency Conference also covered the topic, with Caroline Sumner, Technical Director at R3, joining Ken in giving the session.

Statistics tell us that one in four adults in England experiences at least one diagnosable mental health condition in any one year; 6.5 million people in the UK have significant caring responsibilities; half of people in problem debt also have a mental health problem; and in a Money and Mental Health Survey of nearly 5,500 people with experience of mental health problems, 86% said that their financial situation had made their mental health problems worse.

Clearly, in our line of work, we are going to encounter vulnerability amongst stakeholders in insolvency processes. It's very likely there will be instances where this is amplified given the current situation. As we recommended in the sessions at our events, it is extremely important to have in place a vulnerability procedure, including a clear process for identifying vulnerable clients, which as we know often isn't easy.

Other recommendations for dealing with this issue include establishing mental health specialists with relevant training and experience; expanded staff training on vulnerability, including specific tools, strategies and skills; introducing a policy for collecting and sharing written details about an individual's position; using data to anticipate any problems that may arise; and tailoring contact procedures, plus any other reasonable adjustments.

For more information and guidance, you can refer to our Aide Memoire on vulnerability, available on our website page on [other regulation and guidance](#). Charities like Mind also have a wealth of resources.

24. Where can I access the latest general Covid-19 advice?

For comprehensive information, visit the Covid-19 section of the UK Government website at www.gov.uk/government/topical-events/coronavirus-covid-19-uk-government-response.

If you have any questions, please contact us on membership@ipa.uk.com. For event queries, please contact the events team on events@ipa.uk.com. You can also telephone us on 0207 623 5108.