

**EXPLANATORY MEMORANDUM TO THE  
INSOLVENCY PRACTITIONERS REGULATIONS 2005**

**2005 No. 524**

1. This explanatory memorandum has been prepared by the Department of Trade and Industry and is laid before Parliament by Command of Her Majesty.

**2. Description**

2.1 The Insolvency Act 1986 sets out the statutory requirements for the regulation of insolvency practitioners in Great Britain. This instrument provides the necessary detail for the proper enactment of those requirements.

**3. Matters of special interest to the Joint Committee on Statutory Instruments.**

None.

**4. Legislative background**

4.1 The power to make the Insolvency Practitioners Regulations 2005 is contained in sections 390, 392, 393, and 419 of the Insolvency Act 1986. A statutory instrument made under section 419 is subject to annulment in pursuance of a resolution of either House of Parliament.

The SI revokes The Insolvency Practitioners Regulations 1990 (SI 1990/439), The Insolvency Practitioners (Amendment) Regulations 1993 (SI 1993/221), The Insolvency Practitioners (Amendment) Regulations 2002 (SI 2002/2710), The Insolvency Practitioners (Amendment) (No 2) Regulations 2002 (SI 2002/2748), and The Insolvency Practitioners (Amendment) Regulations 2004 (SI 2004/473), and restates the legislation, updated and amended as necessary, in one statutory instrument.

**5. Extent**

5.1 This instrument applies to Great Britain.

**6. European Convention on Human Rights**

6.1 The Parliamentary Under-Secretary of State for Employment Relations, Consumers and Postal Services has made the following statement regarding Human rights.

6.2 In my view the provisions of the Insolvency Practitioners Regulations 2005 are compatible with the Convention rights.

## **7. Policy background**

7.1 The framework for the regulation of insolvency practitioners is set out in the Insolvency Act 1986. The detail is then set out in regulations. The Insolvency Practitioners Regulations instrument is intended to deliver an element of ‘fine tuning’ and modernisation into what is an essentially successful regime.

7.2 .Insolvency practitioners who hold office have a wide variety of obligations to fulfil, such as the realisation of assets for the benefit of creditors, statutory duties to report to the SoS on a director’s conduct; and regulatory compliance functions such as filing returns at Companies House.

7.3 The amendments focus on key issues of the practitioner regime; the requirement for security and caution (a form of insurance required for an insolvency practitioner to lawfully act); education, training, and practical experience; and matters relating to record maintenance, production, and inspection.

7.4 The details of the consultation and a summary of the responses are available at [www.insolvency.gov.uk/information/con-doc-register](http://www.insolvency.gov.uk/information/con-doc-register), on the Insolvency Service’s website.

## **8. Impact**

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

## **9. Contact**

9.1 Mike Chapman at the Department of Trade and Industry, Insolvency Service Tel: 020 7291 6765 or e-mail [Mike.Chapman@insolvency.gov.gsi.uk](mailto:Mike.Chapman@insolvency.gov.gsi.uk) who can answer any queries regarding the instrument.