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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order amends the Insolvency Practitioners and Insolvency Services Account (Fees) Order 2003 (“the principal Order”) by increasing fees to be paid in connection with the recognition by the Secretary of State of insolvency practitioners’ professional bodies and in connection with authorisation by the Secretary of State to act as an insolvency practitioner. It inserts a new fee where unclaimed or undistributed dividends or other monies are paid into the Insolvency Services Account following a voluntary winding up of a company and increases “banking fees” (i.e. periodic fees payable out of insolvent estates in respect of the payment of money into the Insolvency Services Account).

Article 3 of this Order replaces paragraph (2) of article 2 of the principal Order and increases the fees, from £207 per member to £300 per member, to be paid in connection with the maintenance of recognition under section 391 of the Insolvency Act 1986 by bodies recognised pursuant to that section as insolvency practitioners’ professional bodies. Article 2(2) of the principal Order, before its replacement by this Order, required payment to be made on or before 6th April 2009 at the rate of £207 per member. Article 4 of this Order provides that no further payment is required where a body has, before this Order comes into force, already made a payment under the principal Order by reference to its membership at 1st January 2009.

Article 3(3) of the principal Order makes provision for the payment of a fee in connection with an application pursuant to section 392 of the Insolvency Act 1986 for an authorisation to act as insolvency practitioner. Article 3(4) and (5) of that Order makes provision for the payment of fees in connection with the maintenance of authorisations granted pursuant to section 393. Article 5 of this Order increases the fee to accompany an application for authorisation to act as an insolvency practitioner and the annual fee for the maintenance of such an authorisation from £2,550 to £3,250. Article 3(5) of the principal Order continues to make provision for reduction of the fee in respect of the maintenance of authorisation in cases where the authorisation has less than a year to run.

Article 5 of, and the Schedule to, the principal Order make provision for the payment of fees in respect of the operation of the Insolvency Services Account. Article 6(a) and (b) of this Order increases the fee for banking funds into the Insolvency Services Account, from £15 to £18 in respect of bankruptcy and winding up by the court and from £20 to £23 in respect of voluntary winding up.

Regulation 18 of the Insolvency Regulations 1994 ([S.I. 1994/2507](#)) requires, in the case of a company wound up by the court, and permits, in the case of a voluntarily winding up, a liquidator of a company which has been dissolved to pay into the Insolvency Services Account any unclaimed or undistributed dividends held by him (“unclaimed funds”).

Article 6(c), (d) and (e) of this Order inserts a new fee 2C into the Schedule to the principal Order which is payable upon the making of any payment of unclaimed funds into the Insolvency Services Account under regulation 18 following the voluntary winding up of a company. The fee is £25 for each payment into the Account in respect of each company to which the payment relates.

Article 6(f) increases from 80p to £1 the fee payable for the issue or reissue of any cheque, money or payable order in respect of monies in the Insolvency Services Account.

A regulatory impact assessment was prepared for the Enterprise Act 2002. This deals with the restructuring of the system of insolvency fees. Copies of this assessment are available from the Policy Unit, The Insolvency Service, 21 Bloomsbury Street, London, WC1B 3SS. No regulatory impact assessment has been prepared for this Order.