



Department for
Business, Energy
& Industrial Strategy

BUSINESS IMPACT TARGET: SUMMARY TEMPLATE

Non-qualifying Regulatory Provisions
(NQRP) summary reporting template



Regulator: Recognised professional bodies for Insolvency Practitioners (RPBs)¹ and Insolvency Practitioner Regulation Section (Oversight regulator)

Business Impact Target Reporting Period Covered: 8 June 2017 to 20 June 2018

Excluded Category*	Summary of measure(s), including any impact data where available
<p>Measures certified as being below de minimis (measures with an EANDCB below +/- £5 million)</p>	<p>Statements of Insolvency Practice (SIPs) – SIPs are guidance issued to Insolvency Practitioners (IPs) which set out required standards and practice during different aspects of insolvency proceedings. SIPs are one of the mechanisms by which the RPBs can hold IPs to account for their actions and so significant changes to SIPs generally qualify as Regulatory Provisions, such as the changes made to SIP 16 in 2016.</p> <p>The Joint Insolvency Committee² has drafted and published 2 revised SIPs, SIP 11 was rewritten and SIP 6 was a consolidation of SIPs 8, 10 and 12. The revisions did not introduce new regulatory standards.</p> <p>The changes to SIP 6 and 11 will lead to no new ongoing costs to business and any one-off familiarisation costs will be moderate given that there is no change in regulatory standards.</p> <p>The familiarisation costs for the more substantial changes to the SIP 16 were estimated by IPs to be around an hour at a total cost of £0.5m. These new SIPs will have familiarisation costs that are less than the SIP 16 and so will fall within the De Minimis threshold.</p> <p>Section 391 powers – In the last year, as a result of concerns raised through intelligence we have exercised our Section 391 powers under the Insolvency Act 1986, to compel information directly from IPs on two occasions. These costs fall within scope of qualifying regulatory provisions but are small enough to qualify as De Minimis. The powers compelled IPs to provide information directly to the Insolvency Service. The information request was made in the form of a short letter which the relevant IPs were required to respond to.</p> <p>In all, 15 IPs were required to complete the information taking up to 3 days to complete the information required. The daily cost of</p>

¹ The RPBs are: Institute of Chartered Accountants of England and Wales (ICAEW), Association of Chartered Accountants (ACCA), Chartered Accountants Ireland (ICAI), Institute of Chartered Accountants Scotland (ICAS), Insolvency Practitioner Association (IPA)

² The RPBs and the Insolvency service collectively sit on the Joint Insolvency Committee which issues 'Statements of Insolvency Practice' and the Ethical code for Insolvency Practitioners.

Excluded Category*	Summary of measure(s), including any impact data where available
	<p>completed this work for an IP would be approximately £2,800, with up to 15 IPs completing the work the overall cost would be well within the £5m De Minimis threshold.</p> <p>Licenses – The RPBs grant licenses to approx. 1600 IPs each year, some appointment taking and some non-appointment taking. The license lasts for 1 year and if the IP stays with the RPB for subsequent years there is an annual renewal process.</p> <p>Complaints to RPBs – The RPBs received 308 complaints forwarded from the Insolvency Service gateway in 2017 (January – December), These complaints are assessed, investigated (if the evidence suggest such an investigation should take place), placed before committee and possibly progressed to disciplinary action against the Insolvency Practitioner. There were 61 sanctions imposed in 2017, these includes warnings, cautions, fines, and restrictions.</p> <p>RPB Monitoring – The RPBs monitor IP’s usually on a 3-year rotation but sometimes more frequent visits are necessary if the IP has had a previous poor report or their type of work warrants it. There were 383 monitoring visits in 2017 (January – December). These usually consist of a physical visit to the IPs office and a dip sample of cases, the IP receives a copy of the report. The report and any recommended further actions are considered by a committee.</p> <p>Complaints about RPBs – IP Regulation section (Insolvency Service Oversight regulator) does consider and process some complaints about the RPBs – 15 complaints were received in 2017. The IP Regulation section monitors the RPBs and publishes reports on RPBs authorisations function, monitoring, complaint handling, disciplinary findings and enabling bonds and cover schedules.</p> <p>IP Regulation section publishes a number of documents each year including the Annual Review of IP Regulation 2017, all monitoring visits to the RPBs, ‘Dear IP’ and sanctions against IPs imposed by the RPBs. In addition, in 2017 we have published updated guidance for RPBs on monitoring of Volume IVA providers which enhances what was already in place, we have also published a Review of Monitoring which sets out recommendations to RPBs after requesting initial information and attending observed monitoring visits with the RPBs to understand their procedures.</p>

Excluded Category*	Summary of measure(s), including any impact data where available
All other excluded categories	Following consideration of the other exclusion categories there are no measures for the reporting period that qualify for the exclusions

* For full, legal definitions of these exclusion categories, please see

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-06-20/HCWS776/>