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# TECHNICAL UPDATE

## MVLs and 12 month rule

In the case of [Noal SCSp & Ors V Novalpina Capital LLP & Ors \[2025\] EWHC 1392 \(Ch\)](#) the court was asked to determine a couple of questions, one of which was whether debts need to be paid within the 12 month period specified in section 89 IA86. The issue was a contentious debt, the proceedings for which had been issued post-liquidation, and for which a formal adjudication of the proof of debt submitted had not occurred. The court determined that this was a debt that needed to be paid and that payment needed to occur within the 12 months. I understand that this case is being appealed.

## Pindar & Toogood

It seems the Insolvency Service's reluctance to change their view on whether a creditor was still a creditor once they had been paid was because of the anomaly created by bankruptcy and annulment, and in particular, R10.139. This is a historic issue that was not adequately addressed by the rule changes in 2017. [Dear IP 168](#) clarifies the Insolvency Service's reframed view.

## S213 IA89

In the case of [Bilta \(UK\) Ltd \(in liquidation\) and others \(Respondents\) v Tradition Financial Services Ltd UKSC/2023/0033](#) it was confirmed that liability under section 213 of the Insolvency Act 1986 is not limited

to persons involved in the management or control of a company.

## Scotland

[The Bankruptcy and Diligence \(Scotland\) Act 2024 \(Consequential Amendments and Forms\) Regulations 2025](#) came into force on 25 June and the AiB has published [guidance](#). [Dear Trustee - Non co-operation process](#) has also been published.

## Draft legislation

The following draft legislation has been published to address some of the Economic Crime and Corporate Transparency Act 2023 legislation:

- [The Limited Liability Partnerships \(Application and Modification of Company Law\) Regulations 2025](#) draft has been published, dealing with the prohibition of disqualified directors.
- [The Register of People with Significant Control \(Amendment\) Regulations 2025](#) draft has also been published.

## Practice Statement consultation

There was a [consultation on the Practice Statement for schemes of arrangement under Part 26 and restructuring plans under Part 26A of the Companies Act 2006](#) which closed 13 June 2025. The replacement practice statement is due to be issued at the end of July 2025.

## IVA Protocol 2025

The IVA Protocol was completely updated in April 2025 with some key changes.

### Beneficial interest

The first change is that you need to review any beneficial interest, not any "wholly or partly owned" interest in a property and you need to obtain a valuation and verify that it is correct.

The second is that the beneficial interest will be excluded if under £10,000 and that it is calculated using the 85% net value of the property and the IVA will be proposed as 60 months.

If the beneficial interest is £10,000 or more, then you need to fully justify this and some guidance is given in the areas to consider. If it can be justified, then again the beneficial interest is excluded BUT the duration of the IVA will be 72 months.

### Proposal

The proforma proposal has been withdrawn, so you need to ensure that any proposal document you use is fully compliant with SIPs 3.1 and 9 (the previously published version was not).

### Distributions

All distributions are made irrespective of whether it is cost prohibitive and no funds are returned to the debtor.

### Variations

The supervisor may propose a variation without the debtor's consent but does need to give the debtor 28 days' notice before the decision procedure.

I have produced a [webinar](#) on the changes which I have designed to be helpful for any person dealing with IVAs.

## AML

The Financial Action Task Force updated their [jurisdictions list of increased monitoring](#) on 13 June 2025.

## Companies House and identity verification

R3 have produced a [podcast](#) on identify verification, although there seem to be some questions on how this applies to particular insolvency appointments and the Insolvency Service have had the matter referred to them. The good news I assume is that a firm, depending on its structure, may register as an ACSP and employee IPs may be registered under this. The IPA IPs will need to wait until Autumn to register.

## Companies House information sharing

ICAS have a great [article about the Companies House information sharing application guidance](#), with links to an email address and request form.

## Pensions

[Further guidance](#) has been provided by the Insolvency Service in respect of submitting information about employee pensions to the Redundancy Payments Service.

## Redundancy Payments

The Redundancy Payments Service's [Case Set Up](#) template was updated at 30 June 2025.

## HMRC Insolvency Guidance

The following bulletin has been published:

## [Insolvency practitioner bulletin 6 \(2025\): repayment and refund satisfaction survey](#)

## HMRC & Personal Insolvency

HMRC via R3 have provided some [guidance in respect of the treatment of tax arising in personal insolvency](#). Unfortunately, there are some areas where new processes are being introduced that have yet to be finalised.

## HM Land Registry

HM Land Registry have updated two insolvency forms:

- [Bankruptcy official search: application \(K16\)](#)
- [Land charges register: cancel entry \(K11\(ADJ\)\)](#)

## Personal Insolvency Review

The Insolvency Service has published their update on the [Personal Insolvency Review](#) in June 2025.

## Insolvency Service report on IPs

The corporate report of the [Annual Review of Insolvency Practitioner Regulation 2024](#) was published on 10 June 2025.

## ICAS Insolvency Monitoring Annual Report

ICAS has published its [Insolvency Monitoring Annual Report](#) for the year ending 2024. This has a very concise summary of the issues identified and compliance areas of concern.

## Dear IP

The latest Dear IP is now available: [Dear IP 168](#).

## SIP 14 draft and consultation

SIP 14 has been long overdue for an overhaul and it seems timely that this is now being reviewed when HMRC have secondary preferential status and will be impacted by the allocation of costs and expenses between fixed and floating charges.

As you are aware, the SIPs are now principle-based, so of course the new draft SIP 14 incorporates the key principles of transparency and fairness.

Whilst IPs are expected to use their professional judgment, failure might be a breach of the fundamental ethical principles of objectivity and integrity.

Where the allocation between fixed or floating is not obvious, you are expected to consult with the charge holder, or if there is no resolution, apply to court (am I the only one having flashbacks of Re: Spectrum?)

The need to keep contemporaneous notes of the dominant reason for incurring the costs is retained, as is the paragraph on what the IP should have regard to when allocating costs.

The need to help employees finalise their claim is also retained.

Oddly, the new para 23 refers to the RPS having priority of their preferential claim over the employees' residual preferential claim, which is very old legislation and must have been overlooked, but I assume will be updated to reflect the current legislation.

I have added links for [draft and comparison documents](#), however to participate you will need to complete your own RPB's questionnaire.



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