

CASE LAW

- ADM, MORATORIUM DEBTS & SUPER PRIORITY
- SUBSTANTIVE OR PROCEDURAL DEFECT
- IVAS: INDEPENDENCE, INTEGRITY & PROFESSIONAL CONDUCT

LEGAL MATTERS

- INSOLVENCY RULE CHANGES
- NORTHERN IRELAND
- AML
- GDPR & DATA PROTECTION COMPLAINTS
- NEW DIVISION OF HIGH COURT

GENERAL

- UK AML BLACK & GREY LISTS
- ETHICS AND AI
- IS 2ND RULES CONSULTATION
- IS ANNUAL REVIEW
- MVL STUDY
- COVID BBL REVIEW
- DRO REVIEW

- IS ANNUAL PLAN
- COMPANIES HOUSE
- HMRC IP HANDBOOK
- HMRC NOVALPINA BULLETIN 2 2026
- HMRC: JOINT AND SEVERAL LIABILITY & INSOLVENCY
- R3 WEBSITE
- SCOTLAND BANKRUPTCY
- DEAR IP

TECHNICAL UPDATE

ADM, Moratorium Debts & Super Priority

In the case of [Re Cross Transport Limited \(in Administration\) \[2026\] EWHC 1636 \(Ch\)](#) the court held that “the administrators have power to enter a funding agreement(s) for the Litigation which will require payment to the funders ahead of the Protected Moratorium Creditors should that accord with the purpose of the administration, their functions and their duties.” The court also determined that the Administrators’ costs and remuneration may be paid ahead of the moratorium debts.

Substantive or procedural defect?

In the case of [Currie & Anor v Fission Recruitment Services Ltd \[2026\] EWHC 1369 \(Ch\) \(13 March 2026\)](#) the solicitors acting for the director filed notice of appointment instead of a second notice of intention to appoint in error. The solicitor wrote to the court asking to withdraw the document, but the court took the view that the administrators had been appointed. The solicitors made an application to correct the error and the judge was of the view that the appointment was invalid as no consent to act had been provided by the proposed administrators and no para three purpose at that point could be met. The judge also allowed for a second notice of intention to appoint to be filed. As an aside, the judge noted that the failure to file consents to act was substantive and not procedural, so

this was unable to be rectified in any event.

IVAs: Independence, integrity & professional conduct

In the case of [Scio-Fund Sicav-Fis and another v Mohammed Reza Aslam Merchant and another \[2026\] EWHC 815 \(Ch\)](#) the IVA was challenged for material irregularity by creditors on the basis of a variety of reasons. The ones found valid by the judge were: the side agreements which had been made with certain creditors on the basis they supported the IVA and placed them in a better position than the other creditors; the side agreements were not disclosed to creditors and were raised at the meeting and creditors were reassured by the nominee the terms would not prejudice them, although this was not the conclusion of the court; and the court found issues with the nominee’s independence, integrity and professional conduct supported by the nominee not responding independently to the application, by the nominee concealing the nature and effect of the side agreements, by the nominee not interrogating the “flimsy business plan” and relying on nothing more than a letter of intent from the company who would be supplying the third party funds from the business project.

Insolvency Rule changes

[The Insolvency \(England and Wales\) \(Amendment\) Rules 2026](#) came into force on 22 June 2026.

[Michelle has blogged](#) about this and other statutory changes that have been recently introduced and that impact insolvency.

Northern Ireland

[The Insolvency \(Amendment\) Act \(Northern Ireland\) 2026](#) obtained Royal Assent on 24 June 2026 but only Parts 9 and 13 came into force, with the remaining provisions requiring commencement orders to bring them into force. This will, when fully implemented, align the legislation with English and Scottish insolvency legislation. [ICAS has an article on the changes to be introduced](#) which is helpful.

AML

[The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2026](#) came into effect on 30 June 2026. [Michelle’s blog](#) also covers these changes.

GDPR & Data Protection Complaints Procedure

[The Data \(Use and Access\) Act 2025](#) came into effect in stages with the most recent part coming into effect on 19 June 2026. This brought a new requirement to have a Data Protection Complaints Procedure in place. If your firm is not exclusively insolvency, then you may want to ensure you have this procedure highlighted separately so that the relevant matters are not inadvertently referred to the Insolvency Service Creditor Gateway. Subject Access

request requirements were also amended to “reasonable and proportionate” and [further information may be found on the ICO website](#). Factors which may now be taken into consideration to determine if the searches may be unreasonable or disproportionate are:

- the circumstances of the request;
- the volume of information you may need to search in order to respond;
- any difficulties involved in finding the information; and
- the fundamental nature of the right of access.

New Business and Property division of High Court

This was [announced by the Lady Chief Justice and Lord Chancellor](#) to modernise the High Court through establishment of the Business and Property Division on 2 June 2026.

AML Black & Grey Lists

The Financial Action Task Force (FATF) made changes to their [‘black list’ and ‘grey list’ on 19 June 2026](#).

Ethics and AI

CCAB has issued a [Draft Statement to the Accountancy Profession on the Ethical Use of Artificial Intelligence](#).

Insolvency Service 2nd consultation on Rules

The [“Second Review of the Insolvency \(England and Wales\) Rules 2016 and the Insolvency \(Scotland\) \(Company Voluntary Arrangements and Administration\) Rules 2018 - Public Consultation”](#) was opened on 14 July 2026 and the

consultation closes on 6 October 2026.

Insolvency Service Annual Review of Insolvency

The Insolvency Service published [Corporate Report Annual Review of Insolvency Practitioner Regulation 2025](#) on 7 July 2026.

MVL Study

The findings from the [first large scale study on MVLs](#) has been published and has found that MVLs are working effectively.

COVID BBL Recoveries

The Insolvency Service has published [COVID BBL recoveries May 2020 to June 2026](#) on 10 July 2026.

Debt Relief Orders Review

The Insolvency Service published on 10 July 2026 [the findings of their recent review of the recent changes to DROs](#).

Insolvency Service Annual Plan 26/27

The Insolvency Service has published its [Annual Plan for 2026-2027](#) setting out strategic priorities.

Companies House

Companies House have published an updated [AM23 form “give notice of move from administration to dissolution”](#).

HMRC IP Handbook (=VAT 700/56)

HMRC seem to be currently updating the [HMRC IP Handbook](#)

and [VAT Notice 700/56](#) concurrently, but it is unclear how long this will continue. Updates occurred on 20 July 2026. The update also addresses the tax advisor issue. If you do advisory work or negotiate TTP, discuss an HMRC petition when trying to enter CVL or consult with HMRC prior to being appointed nominee, your firm needs to be registered.

HMRC Novalpina bulletin 2 2026

HMRC issued [Guidance Novalpina judgment – HMRC guidance for insolvency practitioners – insolvency practitioner bulletin 2 \(2026\)](#) on 20 July 2026.

HMRC: joint and several liability & insolvency

HMRC updated their [Guidance Joint and several liability - repeated insolvency and non-payment](#) on 9 July 2026.

R3 Website

R3 has launched a new structure to their website. You may want to check all your links are working before issuing letters. R3 is welcoming feedback and have been very proactive in restoring links for creditors’ guides to fees.

Scotland Bankruptcy information document

The Accountant in Bankruptcy published on 15 July 2026 a new [Bankruptcy information document](#).

Dear IP

The latest [Dear IP 171](#) is now available.

