CASE LAW
- DEFECTIVE MVL
- CVL TO WUC & COSTS TO BE PAID PERSONALLY BY CVL LIQUIDATOR
- ADMISSION OF PROOFS OF DEBT FOR VOTING & R15.35
- DLA - DEBT OR S212 CLAIM?
- REJECTION OF PROOF OF DEBT FOR DIVIDEND
- SPECIAL ADMINISTRATOR'S REMUNERATION CHALLENGED
- IMPROPER PURPOSE & CHALLENGE TO APPOINTMENT

LEGAL MATTERS
- SCOTLAND & FEES
- AML GREY LIST
- UPDATED CCAB GUIDANCE & DIGITAL ID
- SRA & MISUSE OF AI
- MASTER OF THE ROLL & AI SPEECH

GENERAL MATTERS
- AI & R3 REPORT
- CONSULTATION SIP 3.1
- OBJECTIONS TO STRIKING OFF
- CO HSE & AM23
- CO HSE ACSP FIT & PROPER CRITERIA
- HMRC - TAX ADVISOR
- HMRC IP HANDBOOK & VAT NOTICE 700/56
- COMPLAINTS GATEWAY

TECHNICAL UPDATE

Defective MVL

In the case of Re Cray and others [2026] EWHC 1466 (Ch) one of the directors had an English qualified solicitor, who was not qualified in Israel, witness an oath made in Israel via a video link and the declaration of solvency was rejected by Companies House. The court determined that this was not a defect that could be rectified and the company had entered into a CVL. The judge did not believe the CVL could be rescinded, but did grant a stay of the CVL.

CVL to WUC & costs to be paid personally by CVL liquidator

In the case of Nakhla Ventures Ltd & Anor v Heba Pilates Ltd & Anor [2026] EWHC 786 (Ch) (19 March 2026) the majority of the company assets were sold just prior to the liquidation to a connected party and the intellectual property was sold post appointment to the same party. A third party raised the issue of the sale of the assets being a sale at an undervalue, both those sold pre-appointment and post-appointment on the basis they would have offered more. A shareholder and creditor then sought to compulsory wind-up the company based on the lack of independence and impartiality of the liquidator and to ensure a full independent review of the transactions. The judge held that "the liquidator's dealings with the assets of NPPL again do not demonstrate sufficient independence and impartiality" and found it significant that the liquidator failed to provide the valuation he was relying on in respect of the IP and "on at least two occasions … failed to provide accurate information to interested stakeholders". A winding up order was made and the judge disallowed any claim by the liquidator in submitting evidence to the court in respect of the winding up petition and further made the liquidator personally liable for costs of the petition due to his conduct.

Admission of proofs of debt for voting & R15.35

In the case of Liberty Leasing Ltd v Palmer and others [2026] EWHC 1990 (Ch) the Official Receiver/Trustee sought a decision by correspondence on the appointment of an IP as Trustee. Various claims were received which the OR admitted and noted objected, which the judge acknowledged was the correct approach. There was a challenge by a creditor in respect of various claims which had been marked objected to. The judge determined that the interest claims were fictitious and that some of the paperwork to evidence the claims had been fabricated based on the facts and evidence presented.

DLA - debt or s212 claim?

In the case of Hinton v Stobinski (Re St Mark Lions Ltd) [2026] EWHC 2386 (Ch), the judge explored the difference between a debt owed to the company by the director and a claim under s212 misfeasance. This, as you would expect, is dependant on the facts of the case, but the judge did say the pleadings could be rectified to allow for both, and if he had not found the s212 claim valid, he stated he would have provided a judgment for the debt against the director.

Rejection of proof of debt for dividend

In the case of Contract Natural Gas (Marketing) Ltd v The Joint Liquidators of Contract Natural Gas Ltd and another [2026] EWHC 707 (Ch) the liquidators rejected a proof of debt that was relying on oral amendments to the contract despite a no oral modification clause. The case emphasises the burden of proof is on the creditor to establish their claim and the costs of challenging the rejection will be borne by the creditor (R14.5).

Special Administrators' remuneration challenged

In the case of Scanlon v O'Hara and others [2026] EWHC 1927 (Ch) the objective of the administration was returning safeguarded funds to customers. The largest unsecured creditor wished to challenge the administrators' remuneration but they only represented 0.1% of customers' claims. The court considered whether in this case it was appropriate to grant permission for the individual to be able to challenge the remuneration. The court found that despite the individuals' "bullying threats and

unreasonable deadlines" the challenge was reasoned and not frivolous and granted permission to challenge the remuneration under inherent jurisdiction of the court and under paragraph 74 of Schedule B1.

Improper purpose & challenge to appointment

In the case of Glint Pay Ltd and other companies v Baker and another[2026] EWCA Civ 1023 the court considered whether an administration could be challenged on the basis of improper purpose. In this case, the secured creditor who appointed the Administrators under para 14 Sch B1 also purchased the business from the administrators. The Court of Appeal determined that there was a reasonable prospect of success to Glints' claim that the administrators were invalidly appointed and allowed the appeal.

Scotland & Fees

The Court of Session Practice Note No. 4 of 2026: Appointment, reporting by and remuneration of insolvency practitioners in corporate insolvencies became effective on 5 October 2026.

AML Grey List

The Financial Action Task Force (FATF) made changes to their grey list on 30 October 2026.

Updated CCAB Guidance & Digital ID

The CCAB have updated their Anti-Money Laundering and Counter-Terrorist Financing Guidance for the Accountancy Sector 2026. A table of key changes is also available.

If you verify the identities of clients electronically/digitally, then you need to check to identify if your provider is registered and recognised as a provider of these services.

SRA & Misuse of AI

On 17 August 2026 The Solicitors Regulation Authority (SRA) published a warning in respect of misuse of AI, in particular quoting false case law and the potential for breaching confidentiality and legal professional privilege by using public AI tools.

Master of the Roll & AI Speech

The Speech by the Master of the Rolls: John Lehane Memorial Lecture is available: The implications of the development of artificial intelligence on the judiciary and the legal profession.

AI & R3 Report

R3 has published a report on: The impact of AI and automation in restructuring, turnaround and insolvency practice.

Consultation SIP 3.1

A consultation on SIP 3.1 opened on 15 September and ends on 8 December 2026. A clean version of the proposed amendments is available together with a tracked changes version. Whilst many of the changes are aimed at volume provider issues, it is interesting to see expectations relating to the use of AI in the process.

Objections to striking off

Objections to limited companies being struck off the Companies House register will need to be submitted through their online service only. They will no longer accept objections by email.

Companies House & AM23

Companies House have published another updated AM23 form Notice of move from administration to dissolution and AM24 Notice of court order in respect of date of dissolution.

Companies House ACSP fit & proper criteria

Companies House has published guidance on their fit and proper criteria for Authorised Corporate Service Provider (ACSP). It has also advised of a new timeline of not earlier than 27 November 2027 for presenter verification.

HMRC & Registering as a Tax Advisor

If you or your firm have not yet registered, then I suggest you prioritise this as IPs will inevitably be discussing tax matters on companies and individuals before being formally appointed as office-holders or nominees.

HMRC IP Handbook & VAT Notice 700/56

The HMRC are slowly updating the VAT Notice 700/56 by replacing sections with links to the HMRC IP Handbook.

Complaints Gateway Levy

The Insolvency Practitioner Complaints Gateway levy increases from 2027.

Compliance Alliance

M: 07780 613826
E: jo@johconsultancy.co.uk
E: jo@thecompliancealliance.co.uk

Joanne Harris has over 28 years' experience in insolvency dealing with all case types. She was formerly a Director of Technical and Compliance in a top 20 firm before starting her own business to supply technical services for insolvency practitioners without a compliance resource.

Joanne is also a partner of both The Compliance Alliance and JOH Consultancy which offer a range of services that may be tailored to an individual IP's needs.

W: http://www.johconsultancy.co.uk
W: http://thecompliancealliance.co.uk