## Statement of insolvency practice 6 - deemed consent and decision procedures in insolvency proceedings (England and Wales)

The Joint Insolvency Committee (JIC) has been consulting on the interim statement of insolvency practice 6 (England and Wales) (SIP 6) which was introduced in April 2017 to coincide with the new insolvency rules coming into force. The consultation closed on 13 October 2017.

The responses received to the consultation have been reviewed by the JIC working group which had developed the SIP and a revised version of SIP 6 has been produced as a consequence of that review taking into account the feedback received. The working group comprised insolvency practitioners and representatives of HMRC and the Insolvency Service.

Insolvency practitioners should note the changes made to the interim version of SIP 6 as set out below:

* + Making it explicit that the SIP applies to certain specific decisions and not to all decisions that an insolvency practitioner may make by using the terminology from the Act and Rules. This has also led to the title of the SIP being amended.
  + Removing a reference to sending notices on the same day but adding a requirement for insolvency practitioners to take steps to ensure that those entitled to participate are treated fairly.
  + Increasing the level of disclosure about an insolvency practitioner’s prior involvement with the company.
  + Providing that additional information is made available on request and may be made available via a website.

The new SIP 6 will replace the interim version of SIP 6, effective 1 January 2018. Unlike the interim SIP 6, the new SIP will apply to LLPs as the [Insolvency (Miscellaneous Amendments) Regulations 2017](https://www.legislation.gov.uk/uksi/2017/1119/contents/made) now apply the Insolvency (England and Wales) Rules 2016 to LLPs.

Please note that the SIP applies in England and Wales only.

## Statement of insolvency practice 11 - the handling of funds in formal insolvency appointments

The JIC has also been consulting on changing SIP 11. The current SIP dates back to 2007 and was not thought to adequately or fully reflect current practice structures and the banking products used by insolvency practitioners or the practices in which they work. The consultation draft was produced by a working group of the JIC comprising members of the profession from firms of different sizes with views obtained from creditor representatives including HMRC. The consultation closed on 12 September 2017.

The responses to the SIP 11 consultation were also been reviewed by the JIC working group and a revised version of the SIP has been produced.

Only minor changes have been made to the consultation draft but insolvency practitioners may wish to note the following:

* The change to funds rather than monies and estate rather than case to conform with the title of the SIP.
* A requirement to document transactions.
* A suggested financial control elating to funds held by agents or solicitors.

The new SIP 11 will be effective from 1 January 2018.

SIP 11 will apply UK wide.