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Department for the Economy – Call for Evidence: Insolvency (Amendment) Bill 2025 (the Bill)

14 October 2025

IPA Response

About the IPA

The Insolvency Practitioners Association (IPA) is a membership body recognised in statute for the purposes of authorising Insolvency Practitioners (IPs) under the Insolvency Act 1986 and Insolvency (Northern Ireland) Order 1989. It is the only Recognised Professional Body (RPB) to be solely involved in insolvency and for more than sixty years the IPA is proud to have been at the forefront of developments and reform within the insolvency profession.

The IPA's population of over 600 Licensed Insolvency Practitioners (IPs) are subject to a robust regulatory regime, applied by the IPA's dedicated regulation teams carrying out complaints handling, monitoring and inspection functions.

The IPA has a longstanding and continuing commitment to improving standards in all areas of insolvency (and related) work. It was the first of the recognised bodies to introduce insolvency-specific ethics guidance for IPs, and the IPA continues to be a leading voice on insolvency matters such as the development of professional standards, widening access to insolvency knowledge and understanding, and encouraging those involved in insolvency case administration and insolvency-related work to acquire and maintain appropriate levels of competence and skills.

The comments and opinions expressed below represent the views of the IPA's Secretariat and are not intended to reflect the opinion of each individual and firm member of the IPA. Our comments in this response are based primarily on our role as an RPB.

We set out below our response to the Call for Evidence.

Further enquiries should be addressed to:

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IPA Response

1. The Explanatory and Financial Memorandum accompanying the Bill sets out 22 objectives which the Bill is intended to achieve. The IPA supports these objectives which are, broadly speaking, designed to reduce the administrative burden of dealing with insolvencies, simplify procedures and provide Office Holders with more direct access to powers, by removing the requirements for sanction, to enable them to progress insolvency appointments.
2. Similarly, the introduction of new powers, such as the power for an Administrator to bring claims for fraudulent or wrongful trading¹ and the powers of an Administrator or Liquidator to assign causes of action², address the weakness that office holders often are simply unable to pursue potential realisations due to a lack of funds, and will be beneficial.
3. The Bill recognises the move in business and commercial practice towards digital means of communication and decision making. As such, the proposed abolition of the requirement to hold meetings of creditors is welcomed. This change should benefit creditors by saving time and costs whilst not impeding their engagement with the process.
4. The IPA would, however, express a note of caution regarding clause 2 of the Bill which, by amending S208ZE of the Insolvency (Northern Ireland) Order 1989, appears to remove an Office Holder's discretion to convene a meeting of creditors unless doing so has been requested by a specified minimum number of creditors. It seems unlikely that, given the alternative decision procedures that are available, an Office Holder would convene a meeting of creditors or contributories without good reason even if a request from the minimum number of creditors could not be obtained in a reasonable time. We would not want the amendments to make convening a meeting of creditors too difficult to do.

¹ Clause 2 of the Bill

² Clause 3 of the Bill

5. The IPA welcomes other amendments that will save costs and improve efficiency such as:
 - Enabling creditors to opt out of routine hard copy communications
 - Increasing the use of websites and remote meeting attendance at meetings
 - The agreement of 'small' claims without the submission of proof
 - The extension of an Administrator's term of office by consent
 - The simplification of distributing the prescribed part
6. The alignment of Northern Ireland's insolvency procedures with those of England and Wales should be beneficial in that it will allow practitioners and other stakeholders, especially those operating in both jurisdictions, to simplify and align their own procedures and expectations. It should also improve regulatory efficiency in promoting consistency in monitoring, oversight and training provision.
7. The proposed amendments will modernise the insolvency regime in Northern Ireland whilst maintaining its local character and building confidence in it amongst individuals, businesses and investors.