Statement of Insolvency Practice 15
Northern Ireland

REPORTING AND PROVIDING INFORMATION ON THEIR FUNCTIONS TO COMMITTEES AND COMMISSIONERS

Introduction

1. The interests of creditors are of significant importance to office holders in fulfilling their duties. Legislation provides for creditors to assist office holders in the performance of their duties through representatives elected by creditors.
2. Legislation refers to such representatives using different terms: creditors' committee (administration, administrative receivership, receivership and bankruptcy), liquidation committee (company winding up), and commissioners (sequestration in Scotland). For the purposes of this statement the term "committee" is used to refer to the appropriate body in respect of each relevant insolvency procedures.
3. This SIP also applies where a committee is proposed or formed (as appropriate) in an individual, partnership or company voluntary arrangement or trust deed (in Scotland).
4. For the purposes only of this SIP the term "office holder" includes an insolvency practitioner providing advice or assistance to directors in connection with the appointment of a liquidator in a creditors voluntary liquidation.

Principles

5. Office holders should ensure that those considering nomination to committees and those who are elected to committees are provided with sufficient information for them to consider nomination and be able to carry out their duties and functions.
6. Information provided by an office holder should be presented in a manner which is transparent and useful to the committee, whilst being proportionate to the case. Requests for additional information should be treated by an office holder in a fair and reasonable way.
7. Office holders should exercise professional judgement according to the circumstances of the case whilst having regard to the views of the committee. Office holders should ensure that such views do not fetter their decision making.

Key compliance standards

8. Creditors should be able to make an informed decision on whether they wish to be nominated to serve on a committee. Office holders should advise creditors (or in relation to a creditors voluntary liquidation, ensure that creditors are advised) in writing how they may access suitable information on the rights, duties and the functions of the committee prior to inviting nomination of committee members.
9. At the committee's first meeting, office holders should discuss with committee members how frequently they wish to receive reports and obtain their directions. These directions are likely to

depend on the circumstances of the case. Office holders should also discuss with committee members the type of matters which they wish to have reported to them so that matters of particular concern to them are identified. The first meeting of the committee should be held as early as practical after the committee is established.

10. Office holders should on each occasion they report, identify what matters (in addition to those already identified) should be included in the report, exercising professional judgement as to which aspects of the proceedings may be of concern to the committee.
11. Office holders should ensure that any arrangements which are made for reporting to a committee are properly documented and adhered to.
12. The frequency of reporting and directions obtained at the outset of the case may not be appropriate throughout the course of the proceedings. The office holder should therefore consider throughout the lifetime of the case whether circumstances have altered which may change the committee's requirements for reporting frequency or their directions. Where circumstances have altered, the office holder should when next reporting to the committee set out the change of circumstances and obtain new agreement on reporting frequency and any new directions necessary.
13. Where an office holder considers their professional judgement should override the views of a committee, the office holder should clearly document why it is inappropriate to follow the views of the committee and provide an explanation to the committee. The office holder should also consider whether it is appropriate, in matters of contention to seek the views of creditors more widely or to seek the direction of the court or the Accountant in Bankruptcy (in Scotland).

Effective date: This SIP applies to insolvency appointments starting on or after **1 March 2017**