



10 October 2013

Our ref: ICAEW Rep 147/13

Mike Chapman  
The Insolvency Service  
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London  
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By email: [Policy.Unit@insolvency.gsi.gov.uk](mailto:Policy.Unit@insolvency.gsi.gov.uk)

Dear Mr Chapman

### **Red Tape Challenge - changes to insolvency law to reduce unnecessary regulation and simplify procedures**

ICAEW welcomes the opportunity to comment on the consultation paper *Red Tape Challenge - changes to insolvency law to reduce unnecessary regulation and simplify procedures* published by The Insolvency Service on 18 July 2013, a copy of which is available from this [link](#).

ICAEW is a world-leading professional accountancy body. We operate under a Royal Charter, working in the public interest. ICAEW's regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the UK Financial Reporting Council. We provide leadership and practical support to over 140,000 member chartered accountants in more than 160 countries, working with governments, regulators and industry in order to ensure that the highest standards are maintained.

ICAEW members operate across a wide range of areas in business, practice and the public sector. They provide financial expertise and guidance based on the highest professional, technical and ethical standards. They are trained to provide clarity and apply rigour, and so help create long-term sustainable economic value.

ICAEW's regulation of its members and affiliates in insolvency is overseen by the Insolvency Service, and ICAEW is the largest of the Recognised Professional Bodies under the Insolvency Act, currently licensing around 700 practitioners. ICAEW's Insolvency Committee is a technical committee made up of Insolvency Practitioners working within large, medium and small practices. The Committee represents the views of ICAEW licence holders.

Our members are likely to be affected differently by the proposals. In particular, smaller firms are more likely to see a reduction of costs than larger ones.

We note, in that context, that the South Eastern Society of Chartered Accountants are responding separately with detailed comments reflecting primarily small and medium sized practices. We would add, in respect of Q30 (allowing creditors to extend administration by up to 12 months), that we assume the alternative of making applications to court (as is currently the case for extensions up to 6 months) will be retained. We believe that this option should continue to be an alternative as, in practice, applications to the court are not necessarily onerous.

Given that the proposed cost savings are relatively modest, we do not therefore comment further here, except to say that, in general terms, we welcome the attempts of the Insolvency Service to reduce red tape and simplify procedures along the lines outlined in this consultation.

We also note that the consultation on proposals to simplify the insolvency regime issued on 26 September 2013 is stated to anticipate some of the policy changes from the Government-wide Red Tape Challenge proposals announced in July 2013, including proposals to change the need for creditor meetings and contact. We anticipate responding to that consultation in due course.

Yours sincerely

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