

The changing role of the insolvency practitioner (IP)

Advisor

Before the debtor has committed themselves to anything the IP acts as a professional advisor. They must act in the debtor's best interests and help them make the right decision. If the debtor wants to proceed with an individual voluntary arrangement (IVA) the IP will help them to draft the proposal.

Nominee

Once the IVA proposal has been signed the debtor will formally ask the IP to be their nominee. The nominee has a duty to perform an independent, objective review and assessment of the IVA proposal. The nominee needs to produce a report of their views on the proposal and their judgement cannot be influenced by any party to the IVA.

Supervisor

After the IVA has been approved the nominee will become supervisor. The supervisor's role is to ensure that the terms of the IVA are met by acting independently to balance the interests of the debtor and creditors. If the terms of the proposal require them to do something, they must do this.