

Changes to the Insolvency Rules 1986

Substantive changes to the Insolvency Rules 1986 came into force on 6 April 2010. Some of the amendments will affect businesses that find themselves as creditors of insolvent companies. Here are the key points that businesses that find themselves in that situation should be aware of:

- Insolvency practitioners can now send and receive documents electronically. The expectation is that communications between insolvency practitioners and creditors will, increasingly, take place electronically.
- Insolvency practitioners can hold “virtual” creditors’ meetings, with creditors attending via, for example, video conferencing.
- Costs and expenses incurred by insolvency practitioners in the run up to the administration of a company become recoverable from the assets realised in the administration, effectively meaning that creditors bear these costs directly.