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FOCUS ON INSOLVENCY PRACTITIONERS

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Welcome to Mackrell Turner Garrett's Focus On Insolvency Practitioners, our quarterly bulletin focusing on insolvency-related news and developments and how Mackrell Turner Garrett's services can be of assistance.

If you have any feedback on this bulletin, or would like to know more about our services or how we can help you, please contact James Atton at our London office on **00 44 (0) 207 240 0521** or at james.atton@mackrell.com or John Dudley at our Woking office on **00 44 (0) 1483 755609** or at john.dudley@mtg.uk.net

ZOMBIES' SHADOW FALLS ACROSS EUROPE

Stories about zombie businesses have regularly hit the headlines during the economic downturn.

In one of the latest, R3 reported on 4 July that 134,000 UK firms were struggling to pay their debts when they fell due – the highest figure in the last 12 months – according to its latest 'zombie business' tracker. It said the number of businesses in this position was up by 24,000 on the same time last year.

Zombie businesses also featured in discussions at the annual conference of the European arm of the global Turnaround Management Association (TMA), held in London from 6-7 June.

During a session on barriers to and opportunities for investment in Europe, Carlos Gila, former president of Spain's TMA chapter, said zombie companies only just able to service their debt interest existed because zombie banks could not afford to restructure or liquidate them.

In contrast, delegates heard that German insolvencies were running at a far higher rate than in the UK because healthy German banks could afford to take the write-offs involved in insolvencies. The structuring and turnaround market had also been boosted by legislation introduced in 2012, making it easier to rescue companies in Germany.

Mackrell Turner Garrett partner James Atton, a specialist in insolvency, said: "As businesses in different economies feel the impact of the downturn in different ways, our firm is ideally placed to support insolvency practitioners involved in cross-border assignments, in Europe and further afield.

"Alongside our in-house insolvency and legal expertise, we are a member of Mackrell International, giving us access to the knowledge of more than 80 law firms in 110 offices worldwide. For more information about our services, please contact us."



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NEW ERA DAWNS FOR IP COMPLAINTS

Virtually all complaints against insolvency practitioners will now be made through a central hub.

The new arrangement, introduced on 5 June, means that nearly all IP complaints will come through a common Complaints Gateway hosted by the Insolvency Service in Leeds. Previously, complainants had to establish which of eight authorising bodies they needed to approach.

Insolvency industry regulators have also worked to develop common sanctions against insolvency practitioners when complaints against them are upheld and towards achieving greater consistency in reviews and appeal decisions.

Launching the new arrangements, Business Minister Jo Swinson said: "An easy route to complain

is important for consumers – especially when they are going through a bankruptcy or have suffered from a company's failure and they think an insolvency practitioner has not acted correctly.

"This new Complaints Gateway will help consumers dealing with the insolvency industry to get speedier resolution of problems and easier access to the right information.

She added: "I am pleased that the insolvency profession shares our desire to improve the public's perception and confidence in the insolvency regime."

Meanwhile, the 2012 Annual Review of Insolvency Practitioner Regulation, published to coincide with the launch of the Complaints Gateway, revealed that levels of complaints against insolvency practitioners received by authorising

bodies were up 12 per cent on 2011 from 517 to 578 with the majority in relation to breach of ethical guidance and complaints about poor communication.

Regulatory and disciplinary outcomes increased during 2012. Three insolvency practitioners had their authorisations revoked, although one was overturned on review, and in total, 160 sanctions were issued by authorising bodies, an increase on two revocations and 129 sanctions in total in 2011.

Mackrell Turner Garrett's James Atton said: "As a law firm experienced in working with insolvency practitioners and dealing with regulatory matters, Mackrell Turner Garrett is ideally placed to provide any legal support necessary in the event of a complaint. If you would like more information, please contact us."

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