**EXPLANATORY MEMORANDUM TO THE**

**INSOLVENCY PRACTITIONERS AND INSOLVENCY SERVICES ACCOUNT (FEES) (AMENDMENT) ORDER 2005**

**2005 No. 523**

**1**. This explanatory memorandum has been prepared by the Department of Trade and Industry and is laid before Parliament by Command of Her Majesty.

## 2. Description

2.1 The Insolvency Practitioners and Insolvency Services Account (Fees) Order 2003 1986 (S.I. 3363/2003) was made under powers in the Insolvency Act 1986 and makes provision in relation to the payment of fees in relation to the authorisation of insolvency practitioners and the operation of the Insolvency Services Account. Section 415A under which the Order is made was inserted into the Insolvency Act 1986 by section 270 of the Enterprise Act 2002. This instrument makes further changes to that Order.

## 3. Matters of special interest to the Joint Committee on Statutory Instruments.

None.

## 4. Legislative background

4.1 The power of the Secretary of State to make The Insolvency Practitioners and Insolvency Services Account (Fees) (Amendment) Order 2005 is contained in sections 415A of the Insolvency Act 1986. An order made under that section shall be made by statutory instrument and, after being made, shall be laid before each House of Parliament.

4.2 The SI further amends The Insolvency Practitioners and Insolvency Services Account (Fees) Order 2003 1986 (S.I. 3363/2003) which came into effect primarily on 1 April 2004 to take account of changes to the Insolvency Act 1986 by the Enterprise Act 2002.

## 5. Extent

5.1 This instrument applies to England and Wales.

## 6. European Convention on Human Rights

6.1 The Parliamentary Under-Secretary of State for Competition, Consumers and Markets has made the following statement regarding Human rights.

6.2 In my view the provisions of the Insolvency (Amendment) Rules 2005 are compatible with the Convention rights.

## 7. Policy background

7.1 The principles of the financial regime for the Insolvency Service were agreed with Ministers and the Treasury in July 2001. On 1 April 2004, 7 statutory instruments came into force, which modernised the financial regime of The Insolvency Service.

7.2 The changes made in this SI are technical in nature and are aimed at further improving insolvency legislation in order to address an ambiguity raised by insolvency practitioners. The Order is amended to clarify the circumstances where an account is maintained by the Secretary of State in the Insolvency Services Account. A definition of working day has been inserted for the purposes of the Schedule.

## 8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

## 9. Contact

9.1 Steve Quick at the Department of Trade and Industry, Insolvency Service. Tel: 020 7291 6747 or e-mail. Steve.Quick@insolvency.gsi.gov.uk can answer any queries regarding the instrument.