



Insolvency Practitioner Regulation Competition  
Trading Investment Branch  
Ministry of Economic Development  
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Dear Sir

## **INSOLVENCY PRACTITIONER REGULATION**

INSOL New Zealand is a special interest group associated with the New Zealand Institute of Chartered Accountants and a member association of INSOL International. It has approximately 250 members comprising accountants, lawyers, insolvency practitioners, lenders and others who have an interest in the insolvency area. INSOL New Zealand has taken a very close interest in Insolvency Law Reform and has actively encouraged its members to make submissions in relation to the new legislation.

INSOL New Zealand is made up of a number of individual members who will have their own views on regulation of practitioners. INSOL New Zealand has accordingly encouraged its members to make submissions on the recent MED discussion document in their own right. However, the committee of INSOL New Zealand also makes the following general comments for consideration.

It is important that practitioners who are engaged in insolvency work be capable of maintaining a high standard of professionalism and be accountable in relation to their actions.

The present law as it stands is very weak on who can take an appointment as a liquidator or receiver. The new voluntary administration regime does little to change this in that it essentially replicates the present qualification requirements of a liquidator or receiver.

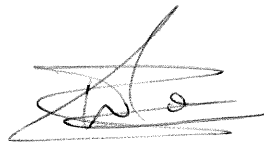
Given that voluntary administration is going to become part of New Zealand law it is important that the business community has confidence in who is appointed and that the appointee has the appropriate skills and experience to undertake the engagement.

New Zealand is out of step with other major jurisdictions in the area of regulation of practitioners. Increasingly, insolvency work is managed across borders (Feltex Carpets being the most recent example), and for this reason New Zealand needs to come into line with international best practice if it is to maintain an insolvency regime which matches the best globally.

INSOL New Zealand is accordingly a strong supporter of registration or licensing of practitioners. Ideally all practitioners who undertake insolvency work should come under one umbrella organisation for the purpose of regulation. Individual members of INSOL New Zealand will have differing views on the specific questions that have been raised in the discussion document. Nevertheless, INSOL New Zealand gives full support to some form of licensing or regulation, which should become a pre-requisite to taking a formal insolvency appointment. INSOL New Zealand has a strong membership base and with its association with the New Zealand Institute of Chartered Accountants is in a good position to assist in ensuring that robust regulation structures are put in place.

INSOL New Zealand is currently developing a set of best practice statements for insolvency work and in due course would welcome an opportunity to further consider and discuss where it might assist in matters such as practitioner registration, practice reviews and disciplinary procedures.

Yours faithfully

A handwritten signature in black ink, appearing to read 'William G Black', with several horizontal and diagonal strokes extending from the end of the signature.

John T Whitfield  
Law Reform Subcommittee  
INSOL New Zealand

William G Black  
Chairman  
INSOL New Zealand