

Insolvency Practitioners Regulation Act (Prescribed Minimum Standards, Conditions, and Requirements for Ongoing Competence, for Licensed Insolvency Practitioners) Notice 2020

Pursuant to section 22 of the Insolvency Practitioners Regulation Act 2019, the Registrar of Companies gives the following notice.

Notice

1 Title and Commencement

(1) This notice is the Insolvency Practitioners Regulation Act (Prescribed Minimum Standards, Conditions, and Requirements for Ongoing Competence, for Licensed Insolvency Practitioners) Notice 2020.

(2) This notice comes into force on the day after its notification in the *New Zealand Gazette*.

2 Interpretation

(1) In this notice, unless the context otherwise requires,—

Act means the Insolvency Practitioners Regulation Act 2019

CPP (or equivalent) means a certificate of public practice (as defined in section 2 of the New Zealand Institute of Chartered Accountants Act 1996) or an equivalent qualification

senior level means work that the accredited body is satisfied is at a senior level based on an assessment of the kind of work completed rather than by reference to a person's position or title

verifiable training means training in respect of which a person can provide evidence of attendance.

(2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

3 Prescribed Minimum Standards for Licensed Insolvency Practitioners

A natural person who applies to an accredited body to be issued with a licence under section 9 of the Act must meet the following minimum standards prescribed under section 22(1)(a) of the Act:

Membership of accredited body

(a) The person:

- (i) is a member of the accredited body; or
- (ii) section 57 of the Act applies in respect of the person.

Experience in the provision of services

(b) The person:

- (i) has at least five years of experience undertaking:
 - (A) work on insolvency engagements; or
 - (B) work that in the accredited body's opinion is sufficiently similar to work on insolvency engagements; or
 - (C) any combination of work described in paragraphs (A) and (B).

(c) The person:

- (i) holds a CPP (or equivalent) and has completed at least 1,000 hours of work on insolvency engagements at a senior level within the 3 years immediately prior to applying for a licence under section 9 of the Act; or
- (ii) does not hold a CPP (or equivalent) and has completed at least 2,000 hours of work on insolvency engagements at a senior level within the 3 years immediately prior to applying for a licence under section 9 of the Act.

(d) The minimum standards in paragraphs (b) and (c) do not apply if the person otherwise satisfies the accredited body that the person is competent to act as an insolvency practitioner.

4 Conditions to Which Licences Must be Subject

For the purposes of section 22(1)(b)(i) of the Act, every licence must be subject to following conditions:

(a) The person must comply with:

- (i) the accredited body's rules; and
- (ii) the accredited body's code of ethics or conduct that governs the professional conduct of the accredited body's members; and
- (iii) any relevant standard relating to insolvency engagements; and
- (iv) any other relevant standards including those relating to quality control.

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- (b) The person must meet any practice review requirements set by the accredited body.
- (c) The person must provide reports and notifications to the accredited body that are specified by the accredited body.
- (d) The person must be covered by professional indemnity insurance that is adequate and appropriate to the nature and scale of the services the person offers to the public.

5 Prescribed Requirements for Ongoing Competence

Persons licensed by an accredited body under section 9 of the Act shall be subject to the following ongoing competence requirements prescribed for the purposes of section 22(1)(c) of the Act:

- (a) The person must complete at least 120 hours of continuing professional development in any 3 year period with:
 - (i) at least 60 of the 120 hours being verifiable training; and
 - (ii) at least 20 of the 60 hours of verifiable training being related to insolvency practice; and
 - (iii) at least 2 hours of verifiable training being in ethics; and
 - (iv) at least 20 of the 120 hours being completed in any 1 year period.

Dated at Wellington this 23rd day of March 2020.

ROB RENDLE, Deputy Registrar of Companies.