

Insolvency practitioners

qualifications and appointment

Singapore

Appointment

In most insolvency cases the government's Official Assignee or Official Receiver is appointed to administer the insolvency. Usually the IP appointed is similar for different types of appointments. However, their qualifications do differ.

For example:

For members' voluntary liquidation – an approved IP need not be appointed.

Court ordered or creditors' voluntary liquidator – must be an approved liquidator

Receiver – must be an approved liquidator

Judicial manager – a public accountant who is not the auditor of the company. The same IPs deal in respect of insolvent insurance companies.

Qualifications

Depending on the type of appointment taken, the qualifications required for IPs vary. For judicial managers, the qualification required is for the IP to be a public accountant. For liquidators (in court and creditors' liquidators and receivers) the office holder must be an approved liquidator, usually a public accountant or accountant who has been certified as an approved liquidator by the government. These requirements are stated in the Companies Act.

In practice, practitioners may hold higher qualifications than the minimum required but this varies according to the type of appointment.

Selection

Usually the debtor proposes the IP and the creditor may agree or nominate their own. If there is disagreement, the court will then decide. If the creditors are dissatisfied with the choice of the IP, they can challenge the appointment and get another selected. In practice, the creditors do have a significant say in the choice of IPs.

Supervision

Initially the creditor's committee is responsible for supervising an IP. At the next level, the creditors at general meeting, then the Official Receiver and ultimately the court. The court also has overall supervision at all levels. A creditor has the right to request the supervisor to examine particular aspects of a case.

Remuneration

In the first instance the creditor's committee approves the remuneration of an IP. If not, then the creditors at general meeting will determine the fees payable. If there is no agreement, then the court has the power to fix the amounts. If the creditors do not approve the remuneration they have the right to file an application for the court to hear the case.

Regulation

IPs are regulated by their respective professional body, which may discipline them. Furthermore, the licensing authority – the government's Accounting and Corporate Regulatory Authority – regulates IPs.

In practice the regulatory authorities have the power to revoke an IP's licence.