P.2026/86

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR ECONOMIC DEVELOPMENT

REGISTER OF INSOLVENCY PRACTITIONERS

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled 'Register of Insolvency Practitioners' dated 6th November 2026, they are of the opinion:-

1. To approve the proposals set out in the Policy Letter entitled "Register of Insolvency Practitioners", dated 6th November 2026.

2. To agree that the Companies (Guernsey) Law, 2008 should be amended to establish a statutory and publicly accessible register of insolvency practitioners, administered and maintained by the Registrar of Companies.

3. To direct the preparation of such legislation as may be necessary to give effect to the above decisions, including any consequential, incidental, supplementary, savings and transitional provisions.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR ECONOMIC DEVELOPMENT

REGISTER OF INSOLVENCY PRACTITIONERS

The Presiding Officer
States of Guernsey
Royal Court House
St Peter Port

6th November 2026

Dear Madam

1. Executive Summary

1.1 This Policy Letter proposes amendments to the Companies (Guernsey) Law, 2008 (the "**Companies Law**"), to establish a statutory and publicly accessible register of insolvency practitioners in Guernsey (the "**Register of Insolvency Practitioners**"). The purpose of the Register of Insolvency Practitioners is to ensure that individuals, appointed to undertake corporate insolvency work under the Companies Law, meet appropriate standards of qualification, experience, professional oversight, bonding[1], professional indemnity insurance and accountability.

1.2 The Companies Law currently contains no general statutory restriction on who may be appointed as a liquidator, provisional liquidator, administrator or receiver of a cell in an insolvency process under the Companies Law[2] (each an "**Office Holder**"), aside from the independence requirements applying to a liquidator in an insolvent voluntary winding up[3]. The absence of a statutory registration regime distinguishes Guernsey from a number of comparable jurisdictions.

[1] See paragraph 7.5 below.
[2] Albeit such appointments, where made by the Royal Court pursuant to the Companies Law, are subject to judicial scrutiny, with details of qualifications and other relevant information forming an important part of the Royal Court's consideration of whether to grant a relevant application.
[3] As introduced by amendments to the Companies Law made by the Companies (Guernsey) Law, 2008 (Insolvency) (Amendment) Ordinance 2020.

1.3 The proposed regime will apply to appointments made in insolvency processes under Part XXI (administration), Part XXII (voluntary winding up), Part XXIII (compulsory winding up) and section 459 (receivership orders in relation to cells) of the Companies Law.

1.4 The proposed regime will not apply to a solvent voluntary liquidation, under Part XXII of the Companies Law, where the directors of a Guernsey company have made a declaration of solvency for the purposes of section 391A. This preserves the ability to appoint an unregistered person, whether in-house or otherwise, where this may be more time and cost effective than the appointment of an external, registered Office Holder.

1.5 The Committee *for* Economic Development (the "**Committee**") will keep the operation of the Register of Insolvency Practitioners under review following implementation, having regard to practical experience of the regime once operational.

1.6 The Register of Insolvency Practitioners will distinguish between resident and non-resident Office Holders. A non-resident Office Holder will be permitted to act only jointly with at least one Office Holder who is resident in Guernsey and registered on the register. This will preserve access to specialist and cross-border expertise while maintaining a local point of accountability.

1.7 The Guernsey Registry (the "**Registry**"), acting through the Registrar of Companies (the "**Registrar**"), will administer and maintain the Register of Insolvency Practitioners. The Registry already performs statutory functions under the Companies Law, maintains public registers and has the operational infrastructure required to receive applications, process fees and renewals and publish searchable information. The proposed function is therefore aligned with, and a proportionate extension of, the Registry's existing statutory responsibilities.

1.8 The regime will provide for the requirements for registration and renewal, determination of applications and renewals by the Registrar, continued compliance with those requirements, public accessibility of the Register of Insolvency Practitioners and appropriate powers for the Registrar to receive and consider complaints and other relevant information, to cancel registration where the applicable statutory requirements for registration are no longer satisfied and, where appropriate, to refer or bring matters before the Royal Court, a professional oversight body or other competent authority. Further operational requirements will be addressed through legislation, secondary legislation and Registry procedures and guidance, as appropriate.

1.9 The Committee developed the proposal with input from Association of Restructuring and Insolvency Experts ("**ARIES**") and the Insolvency Rules Committee ("**IRC**"), drawing on relevant insolvency practitioner and legal expertise, and consulted on the proposal in June 2025 for a six-week period[4]. Respondents unanimously supported the need for a Register of Insolvency Practitioners and broadly supported the proposed policy framework. The Committee published its consultation feedback paper in June 2026, setting out its final policy position following consultation.

1.10 The Committee considers that the proposed regime is proportionate and will build on professional oversight already undertaken by recognised bodies, rather than unnecessarily duplicate it, while also providing a clear domestic gateway for appointment, public transparency and a means of addressing non-compliance with registration requirements.

2. Background

2.1 The Companies Law contains Guernsey's statutory framework for administration, voluntary winding up, compulsory winding up and receivership. Those processes confer substantial responsibilities and powers on Office Holders, whose decisions may directly affect the rights and interests of creditors, members, employees and third parties.

2.2 At present, there is no general statutory requirement that an individual appointed as an Office Holder must hold a specified qualification, demonstrate a minimum level of relevant experience, be subject to recognised professional oversight, maintain prescribed bonding and professional indemnity insurance, or be subject to equivalent requirements for public and local accountability. Court appointments are subject to judicial scrutiny, and many local practitioners are already members of professional bodies, but those safeguards do not amount to a single statutory eligibility regime applying consistently to all relevant appointments.

2.3 Accordingly, the present statutory framework does not provide a single means of ensuring that every Office Holder satisfies minimum standards of qualification, experience, bonding, professional indemnity insurance and professional oversight, or appropriate requirements for public and local accountability, or enabling creditors, investors, intermediaries and appointing parties to readily identify those who meet the requirements for appointment, in Guernsey. A public register of appropriately qualified Office Holders will also provide greater certainty for creditors, investors and other stakeholders and enhance the Island's reputation as a leading international finance centre.

[4] Ending 25th July 2025.

2.4 A registration regime is not intended to replace the supervisory or disciplinary functions of professional bodies, or the existing functions and powers of the Royal Court. Rather, its purpose is to establish a domestic statutory threshold for appointment and to provide a proportionate mechanism for maintaining the integrity of the same.

2.5 Registration regimes already operate in Jersey, the United Kingdom and other jurisdictions. The Committee has had particular regard to the Jersey regime, which provides a useful and established comparator for Guernsey.

3. Policy Development

3.1 The proposal forms part of the Committee's wider programme of corporate insolvency reform. This Policy Letter has been developed, following the consultation leading up to it, in close consultation with ARIES and the IRC.

3.2 The IRC was established, by the Committee, under section 426C of the Companies Law for the purpose of being consulted by the Committee in relation to the making, by regulation, of company insolvency rules. Although the proposals in this Policy Letter do not fall within that statutory consultative function, the Committee has engaged with the IRC in developing them because of their close relationship with Guernsey's corporate insolvency framework, and the relevant expertise represented on the IRC[5]. ARIES also provided a technical paper to the Committee, in February 2024, recommending the introduction of a statutory register and a framework broadly consistent with that established in Jersey. The original proposals were then developed, with ARIES and the IRC, and shared with the Registry, GFSC and other appropriate stakeholders.

4. Consultation

4.1 The six-week consultation, referenced in paragraph 1.9 above, was directed to business consumers, industry associations, practitioners and other interested parties. It was provided directly to the Guernsey International Business Association, the GFSC, Guernsey Finance, the Guernsey Society of Chartered and Certified Accountants, the Commercial Bar Association, ARIES, the Guernsey branch of the Institute of Directors and the Guernsey Chamber of Commerce.

4.2 Twenty (20) responses were received. One respondent offered no substantive comment, so the analysis in the consultation feedback paper was based on nineteen

[5] The IRC includes senior local insolvency practitioner and legal expertise, together with a representative of the Royal Court.

(19) unique substantive responses. All respondents were engaged in, or had a direct interest in, insolvency work in Guernsey.

4.3 Respondents unanimously supported the need for the Register of Insolvency Practitioners. They identified benefits including, inter alia, ensuring that insolvency work is undertaken by appropriately qualified specialists and professionals, appropriate insurance protection, increased accountability and enhanced public confidence in Guernsey as a jurisdiction for insolvency and restructuring work.

4.4 The majority supported limiting the regime to insolvency-based appointments, and excluding solvent voluntary liquidations to the extent referenced in paragraph 1.4 of this Policy Letter. Some respondents raised concerns about the complexity and potential tax consequences of certain solvent liquidations, including those involving offshore structures and cross-border considerations. One respondent also considered that applying different registration requirements to solvent and insolvent liquidations could inadvertently create a two-tier system, potentially resulting in different standards of professional oversight and accountability depending upon the nature of the liquidation. The Committee decided to recommend the exclusion of solvent voluntary liquidation, in the circumstances described above, from the scope of the Register of Insolvency Practitioners and considers, on balance, that the flexibility and potential time and cost savings afforded by allowing an unregistered person to undertake a solvent voluntary liquidation (for instance, on an in-house basis) outweigh these concerns.

4.5 There was broad support for qualification and experience requirements, recognised professional oversight, insurance and a public register. Respondents also strongly supported access to non-resident expertise, provided that a non-resident Office Holder acts jointly with a locally resident Office Holder.

4.6 The proposed bonding requirements, annual registration period and fees were supported by the vast majority of respondents.

4.7 Respondents further supported proportionate supervisory and investigatory powers focused on approval, ongoing monitoring and continued compliance with the registration requirements, while avoiding unnecessary duplication of the functions of professional oversight bodies. Respondents also broadly supported powers to consider complaints, request documents, enforce registration conditions and address abuse of the registration process, with removal from the register where appropriate. The Committee has taken this feedback into account in developing the framework described below, distinguishing between the Registrar's administrative functions in considering information relevant to registration and continued

eligibility, and matters requiring substantive investigation or professional oversight which may appropriately be referred to the Royal Court, a professional oversight body or other competent authority.

5. Proposed Legislative Amendments

5.1 The Committee proposes that the Companies Law be amended to introduce the Register of Insolvency Practitioners and, subject to any appropriate exceptions, savings and transitional provisions, to prohibit the appointment of an unregistered person as an Office Holder in an insolvency process within scope.

5.2 The amendments will establish the statutory framework for the Register of Insolvency Practitioners, including the principal requirements governing eligibility, registration, renewal and continued compliance. Detailed operational matters may, where appropriate, be prescribed by future regulations of the Committee, or specified by the Registrar by way of procedure and/or guidance, as appropriate. This will allow forms, evidential requirements and administrative procedures to be adapted as necessary, without further amendment of the principal statutory framework.

5.3 Consequential amendments as are necessary to the provisions governing the appointment, resignation, removal, vacation of office and notification of Office Holders in Parts XXI, XXII, XXIII and section 459 of the Companies Law will be required, and provision should be made for such minor, incidental, consequential, supplementary, savings and transitional provision as is necessary to give practical effect to the registration requirement, and its application to Office Holder appointments under the Companies Law.

5.4 The Committee is also progressing a separate programme of wider amendments to the Companies Law. While that work is being developed independently, there may be areas of interaction with the proposed Register of Insolvency Practitioners, including where the introduction of a residency requirement for suitably qualified Office Holders enables consequential or complementary changes to be considered as part of those wider Companies Law amendments. Any such changes will be developed and considered through that separate policy process.

6. Scope of the Register of Insolvency Practitioners

6.1 <u>Appointments within scope</u>

6.1.1 The registration requirement will apply to an individual Office Holder appointed as:-

(a) an administrator under Part XXI of the Companies Law;

(b) a liquidator in an insolvent voluntary winding up under Part XXII of the Companies Law;

(c) a provisional liquidator or liquidator in a compulsory winding up under Part XXIII of the Companies Law; or

(d) a receiver of a cell under a receivership order made under section 459 of the Companies Law.

6.1.2 The registration requirement will apply whether the appointment is made by the Royal Court, the company, its members or another person entitled to appoint an Office Holder under the Companies Law. The registration requirement will also apply to appointments of Office Holders over entities which are licensed by the GFSC. It does not replace any separate consent, notification or supervisory requirement applicable to such a company or appointment.

6.2 Solvent voluntary liquidations

6.2.1 The registration requirement will not apply where a company is wound up voluntarily under Part XXII of the Companies Law, and its directors have made a declaration of solvency under section 391A.

6.2.2 The exclusion preserves the flexibility for a solvent voluntary liquidation to be undertaken by an unregistered person, whether in-house or otherwise, where this may be more time and cost effective than appointing an external registered Office Holder.

6.2.3 The Committee recognises that some solvent liquidations may involve complex structures, cross-border considerations or material tax consequences, and has also considered the concern that different registration requirements could result in a two-tier system. The Committee has, on balance, found that the flexibility and potential time and cost savings justify retaining the exclusion.

6.3 Prospective application and transition

6.3.1 The registration requirement will apply prospectively to appointments of Office Holders taking effect on or after the commencement date specified, in regulations, by the Committee.

6.3.2 Appropriate savings and transitional provisions will be made to address appointments already in existence, at commencement, and any other transitional matters arising from implementation of the regime.

6.3.3 The commencement arrangements will also ensure that eligible insolvency practitioners have an appropriate opportunity to apply for registration before the requirement for an Office Holder to be a registered insolvency practitioner becomes operative.

7. Eligibility for Registration

7.1 Individual registration and eligibility

7.1.1 Registration will apply to individual Office Holders rather than firms, partnerships or bodies corporate. This reflects the nature of the appointments made under the Companies Law and, in particular, the requirement that eligibility, qualification and experience are assessed at individual practitioner level.

7.1.2 An applicant will be required to satisfy the Registrar that the applicable statutory criteria for registration are met, and to provide such further information and evidence as the Registrar may reasonably require for that purpose.

7.1.3 The eligibility criteria will principally address: (i) the applicant's residence, (ii) relevant qualification and experience, (iii) recognised professional oversight and (iv) bonding and professional indemnity insurance arrangements, as set out below. Continued satisfaction of the applicable criteria will also form part of the annual renewal process for Office Holders.

7.2 Qualifications, experience and professional oversight

7.2.1 An applicant will be required to demonstrate appropriate qualification, and sufficient relevant insolvency experience, together with the requisite professional oversight.

7.2.2 The legislation should provide for recognition of the following:-

(i) a person licensed in the United Kingdom to act as an insolvency practitioner by a recognised professional body for the purposes of section 391 of the Insolvency Act 1986;

(ii) a member of the Institute of Chartered Accountants in England and Wales ("**ICAEW**");

(iii) a member of the Institute of Chartered Accountants of Scotland ("**ICAS**");

(iv) a member of Chartered Accountants Ireland ("**ICAI**"); and

(v) a member of the Association of Chartered Certified Accountants ("**ACCA**").

7.2.3 The Registrar should be able to specify the form in which qualification and experience are evidenced. This may include details of professional qualifications and authorisations, a curriculum vitae and details of relevant insolvency appointments and experience. The detailed evidential requirements will be developed with the Registry as part of implementation.

7.3 Additional eligibility criteria

7.3.1 Respondents to the consultation suggested a number of additional criteria which might be applied to registration, including continuing professional development requirements, additional annual compliance requirements or checks, minimum asset value experience thresholds and requirements linking eligibility to registration or employment under the Prescribed Business ("**PB**") regime, maintained by the GFSC under the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999.

7.3.2 The Committee does not propose to introduce additional statutory eligibility criteria of this nature at this stage, and considers that the requirements described in this Policy Letter provide an appropriate and proportionate basis on which to establish the Register of Insolvency Practitioners, while avoiding unnecessary duplication of existing professional oversight.

7.3.3 This does not prevent the Registrar from developing appropriate procedures, forms, evidential requirements or guidance for the administration of the Register of Insolvency Practitioners, within the statutory framework and consistently with the eligibility criteria established by the legislation.

7.4 Resident and non-resident practitioners

7.4.1 The Register of Insolvency Practitioners will distinguish between Office Holders who are resident in Guernsey and those who are non-resident. The precise structure by

which that distinction is reflected should be settled as part of the legislative drafting process.

7.4.2 An applicant will be eligible for inclusion on the register as a resident insolvency practitioner only if resident in Guernsey and otherwise qualified for registration.

7.4.3 An applicant who is not resident in Guernsey may be entered in the register as a non-resident insolvency practitioner if otherwise qualified. A non-resident Office Holder may act only jointly, with at least one resident Office Holder who is resident in Guernsey.

7.4.4 The joint appointment requirement is intended to preserve a local footprint and point of accountability, including access to an Office Holder resident in Guernsey and familiar with the Island's legal and insolvency framework. It should also support the retention of insolvency work and associated economic benefits in the Island, while preserving access to specialist sectoral, jurisdictional and cross-border expertise. The regime should also enable the Registry to consider information suggesting abuse of the resident registration requirement, including arrangements under which a resident Office Holder permits their registration to be used to circumvent the requirement for genuine local participation in an appointment, and to take action within its registration functions or, where appropriate, refer the matter to the Royal Court, a professional oversight body or other competent authority.

7.4.5 A change in residence will need to be notified to the Registrar.

7.5 Bonding and professional indemnity insurance

7.5.1 A registered Office Holder will be required to maintain a general bond of £750,000 and, before accepting each appointment, a specific bond of between £5,000 and £5,000,000 calculated by reference to the value of the assets concerned. The prescribed bonding requirements should be capable of amendment by regulations of the Committee.

7.5.2 The original consultation proposed a general bond of £250,000, reflecting the equivalent Jersey requirement then in force. Jersey has since increased its general bond requirement to £750,000, bringing it into line with the equivalent requirement in the United Kingdom. In light of that development, and having regard to the current requirements in those comparator jurisdictions, the Committee considers it appropriate for the Guernsey regime to commence with a general bond requirement of £750,000.

7.5.3 The bonding arrangements are intended to protect the insolvent estate against fraud and dishonesty and are in addition to professional indemnity insurance held by the Office Holder and/or their firm. Professional indemnity insurance provides separate protection in respect of losses arising from the negligence of the Office Holder. Evidence that the applicable bonding and professional indemnity insurance requirements are satisfied will form part of the registration and continued compliance requirements.

7.5.4 The precise requirements for specific bonds should be identified in the legislation and ancillary operational arrangements.

8. Operation of the Register of Insolvency Practitioners

8.1 Applications and decisions

8.1.1 Applications will be made to the Registrar in the prescribed or otherwise specified form and accompanied by the required evidence and fee.

8.1.2 An applicant will be required to provide sufficient information, and evidence, to enable the Registrar to determine whether the applicable requirements for registration are satisfied. This will include evidence relevant to identity, residence, qualification and experience, professional oversight, bonding and professional indemnity insurance, together with such other information as the Registrar may reasonably require.

8.1.3 The detailed application requirements, including the form of any declarations and supporting evidence, will be developed with the Registry as part of implementation, within the statutory framework established by the legislation. The Registrar should retain appropriate flexibility to request further information, or evidence, where reasonably required to determine an application.

8.1.4 The Registrar should be empowered to approve or refuse an application and to require further information where reasonably necessary. A refusal should be notified to the applicant in writing, with reasons, and should be subject to an appropriate reconsideration and/or appeal mechanism.

8.2 Annual registration and renewal

8.2.1 Registration will remain valid for one year. An Office Holder wishing to remain on the Register of Insolvency Practitioners will be required to apply for renewal and pay an annual fee, as outlined in paragraph 11 of this Policy Letter. Annual renewal will

provide the Registrar with an opportunity to confirm that the applicable registration requirements continue to be satisfied, including those relating to qualification and experience, professional oversight, residence, bonding and professional indemnity insurance. The Registrar should be able to require such declarations and updated evidence as are reasonably necessary for that purpose.

8.2.2 The renewal process, including the timing and form of renewal applications and the consequences of a failure to renew, will be addressed in the legislation and through ancillary operational arrangements developed with the Registry, as appropriate. An Office Holder, whose registration has expired, will not be eligible to accept a new appointment within scope unless and until re-registered.

8.3 Notification of changes

8.3.1 A registered Office Holder will be required to notify the Registrar of any material change in circumstances which affects, or may affect, continued satisfaction of the registration requirements or the accuracy of information held or published by the Registry.

8.3.2 Relevant changes may include (i) loss, suspension or restriction of a professional licence or membership, (ii) breach of the rules or regulations of a professional oversight body or findings of professional misconduct (leading to disqualification, or otherwise), (iii) lapse or material alteration of bonding or professional indemnity insurance, (iv) insolvency or bankruptcy, (v) relevant legal proceedings or findings, including findings of fraud or gross negligence, and any relevant criminal proceedings or convictions, (vi) a change in residence, (vii) retirement, (viii) removal from an insolvency office or (ix) cessation of practice. The detailed notification requirements should be capable of addressing other circumstances which materially affect continued eligibility for registration.

8.3.3 The Committee considers that a twenty one (21) day period would provide a practical starting point for the statutory notification requirement, subject to the possibility of requiring immediate notice for matters presenting a direct risk to an appointment of a registered Office Holder.

8.4 Public access

8.4.1 The Registrar will publish the Register of Insolvency Practitioners online.

8.4.2 The published information should be sufficient to identify each registered Office Holder, whether they appear on the register as resident or non-resident,

appropriate business contact information and their current registration status. The detailed information to be published will be determined as part of implementation, having regard to the purpose of the Register of Insolvency Practitioners and applicable data protection law.

8.4.3 The published Register of Insolvency Practitioners should accurately reflect whether an individual remains registered and eligible to accept an appointment within scope, including the expiry or cancellation of registration and any other current registration status required to be reflected on the register.

9. Administration by the Registrar

9.1 The Committee considers that the Registry is the most appropriate body to administer and maintain the Register of Insolvency Practitioners. The Registry already performs statutory functions under the Companies Law, including responsibilities for company filings, incorporations and public registers. Administration of the Register of Insolvency Practitioners therefore represents a natural extension of its existing statutory functions under the Companies Law.

9.2 The Registry also maintains secure information technology and public-facing systems capable of receiving online applications, processing fees and publishing searchable registers. Locating the Register of Insolvency Practitioners alongside existing company records will support transparency and accessibility, promote joined-up administration and data accuracy, and avoid the cost and complexity of establishing a separate administrative body or system.

9.3 The Committee also considered whether the Register of Insolvency Practitioners might instead be administered through the PB regime, maintained by the GFSC. While recognising the potential administrative efficiencies of that approach, the Committee concluded that the legal basis and scope of the PB regime are principally focused on AML/CFT/CPF matters and are not necessarily designed to assess the professional competence, qualifications or disciplinary matters relevant to the insolvency practice. The PB regime also operates primarily at firm level, whereas the Register of Insolvency Practitioners is to apply to individual Office Holders.

9.4 The Registrar should have such ancillary powers as are reasonably necessary to administer the Register of Insolvency Practitioners, including powers to specify forms and evidential requirements, request and verify information or documents, consult relevant professional or regulatory bodies, maintain and correct the Register of Insolvency Practitioners and publish appropriate procedures and/or guidance.

10. Complaints, Consideration and Registration Status

10.1 The arrangements for handling complaints and other relevant information will be proportionate and focused on the integrity of the registration regime. They are not intended to duplicate professional regulation, ethical oversight or disciplinary functions already undertaken by recognised professional bodies. Subject to this, the Registrar should nevertheless have appropriate powers to receive and consider complaints and other relevant information concerning registered Office Holders, and to refer or bring matters before the Royal Court, a professional oversight body or other competent authority where appropriate. The scope of those powers should reflect the purposes of the registration regime and Guernsey's statutory and institutional framework.

10.2 The Registrar should have appropriate powers to consider information or representations suggesting that an Office Holder no longer satisfies the applicable registration requirements, has failed to comply with obligations arising under the registration regime, has sought to circumvent or otherwise materially misuse the registration requirements, or where other circumstances arise which may warrant referral to the Royal Court, a professional oversight body or other competent authority.

10.3 The Registrar should be able to receive and consider representations, including complaints, concerning a registered Office Holder in connection with an appointment within scope, insofar as they raise matters relevant to the integrity of the registration regime or the Office Holder's continued eligibility for registration. The Registrar should also be able to consider other relevant information which comes to the Registrar's attention and gives reasonable cause for concern about a matter within the scope of the registration regime. The detailed procedures for considering such matters, including whether referral to the Royal Court, a professional oversight body or other competent authority is appropriate should be developed by the Registry, having regard to the respective functions of those bodies and the Registrar.

10.4 The legislation should enable the Registrar to decline to consider matters which are trivial, frivolous, vexatious or not made in good faith. Where appropriate, a complainant may also be expected to have first raised the matter with the Office Holder concerned, and allowed a reasonable opportunity for it to be addressed. Detailed complaints procedures or guidance developed with the Registry should address the circumstances in which a matter has been, or is being, considered by a professional oversight body or other competent authority and need not also be considered by the Registrar.

10.5 For these purposes, the Registrar should have appropriate statutory powers to:-

(a) require an Office Holder to provide information, documents, accounts or reports reasonably relevant to registration, continued eligibility for registration, compliance with the statutory registration requirements or an alleged abuse of the registration process;

(b) require information to be verified or documents authenticated where reasonably necessary;

(c) consult persons with relevant expertise, and relevant professional or regulatory bodies, where appropriate;

(d) consider information suggesting abuse of the registration process, including arrangements intended to circumvent the resident registration requirements; and

(e) where appropriate, refer matters to the Royal Court, a professional oversight body or other competent authority.

The scope and exercise of these powers should be subject to legal professional privilege, and such other appropriate protections as may be provided for in the legislation.

10.6 Where a complaint or other information may give rise to an adverse decision concerning an Office Holder's registration, the Registrar should inform the registered Office Holder of the substance of the matter, unless there is good reason not to do so, and give them a reasonable opportunity to respond.

10.7 Where a registered Office Holder ceases to satisfy a statutory requirement for registration, including as a consequence of a change of the kind referred to in paragraph 8.3.2, the legislation should provide for cancellation of their registration and removal from the Register of Insolvency Practitioners. The detailed arrangements should also provide for removal from the register upon the death of a registered Office Holder.

10.8 The legislation should address the consequences of expiry without renewal. Material non-compliance with the statutory registration regime, including the provision of materially false or misleading information, failure to comply with a lawful information requirement or abuse of the registration requirements, should

be capable of consideration by the Registrar and, where appropriate, referral to the Royal Court, a professional oversight body or other competent authority.

10.9 The legislation should further address the effect of expiry or cancellation of registration upon any existing appointment held by an Office Holder, including any consequential arrangements necessary to ensure the proper continuation of the relevant insolvency process.

10.10 Where a matter concerns the conduct of an Office Holder in a particular insolvency process, the Registrar should be able, where appropriate, to refer or bring the matter before the Royal Court. The registration regime should not displace the Royal Court's existing functions and powers under the Companies Law in relation to the supervision of Office Holders and insolvency proceedings generally.

10.11 A decision of the Registrar to refuse renewal or cancel registration should be notified to the Office Holder in writing, with reasons, and should be subject to an appropriate statutory mechanism for reconsideration and/or appeal. The legislation should also provide an appropriate reconsideration mechanism in relation to such other decisions of the Registrar made in the exercise of the Registrar's functions relating to complaints and other relevant information under this section as may be appropriate.

11. Fees

11.1 An application fee of £800 will be payable on initial registration and an annual fee of £800 will be payable on renewal, which the majority of consultation respondents considered fair and proportionate. The fees are intended to support the costs of establishing and administering the regime, including receiving and assessing applications, maintaining systems, processing renewals, publishing the Register of Insolvency Practitioners and carrying out proportionate monitoring and complaint functions.

11.2 It is estimated that the equivalent Jersey register generates approximately £32,000 annually from 40 practitioners (10 resident and 30 non-resident). ARIES membership in Guernsey is materially higher than in Jersey. While the number of registrants cannot be known in advance, the Committee considers that the proposed fee levels provide a reasonable and proportionate basis on which to establish and operate the regime, subject to ongoing review once actual registration numbers and administrative costs are known.

11.3 The legislation should provide for the fees to be prescribed by regulations made by the Committee, enabling the applicable fees to be amended from time to time.

12. Practical Implementation

12.1 Implementation will require Registry systems, published procedures and/or guidance, application and renewal forms, appropriate means of evidencing relevant experience, a complaint process and internal procedures for assessment and decision-making.

12.2 The application and renewal processes should enable the Registry to obtain the information and evidence reasonably required to determine whether the applicable registration requirements are satisfied. This will include matters relating to identity and residence, qualification and experience, professional oversight, bonding and professional indemnity insurance, together with appropriate declarations and such other supporting information or evidence as the Registrar may reasonably require. The detailed forms and evidential requirements should remain sufficiently flexible to accommodate different professional qualifications, experience and circumstances.

12.3 Before commencement, insolvency practitioners should be given adequate notice of the operative date, the application timetable, required evidence and the treatment of existing appointments. The Registry should be permitted to receive and determine applications before the appointment restriction comes into force.

13. Financial and Resource Implications

13.1 The Register of Insolvency Practitioners will create implementation and ongoing administrative work for the Registry. This will include system configuration, application assessment, renewal processing, publication, enquiries, consideration of complaints and other relevant information, and referrals, where required.

13.2 The proposed regime is intended to be proportionate, with its costs substantially supported by registration and renewal fees. The extent of any initial implementation expenditure, and the precise ongoing resource requirement, will be confirmed with the Registry during legislative and operational development.

13.3 The proposed regime does not establish a new regulatory body. It uses the Registry's existing statutory and operational infrastructure and relies on recognised professional bodies for the principal professional oversight of practitioners. This materially limits the public sector resource required.

13.4 Applicants and existing registered Office Holders will incur the registration and renewal fees, respectively, and may incur associated costs in demonstrating and maintaining compliance with the bonding, professional indemnity insurance and other applicable registration requirements of the proposed regime. The Committee considers these requirements proportionate to the creditor protection, transparency and public confidence benefits which the Register of Insolvency Practitioners is intended to provide.

14. Human Rights and Other Assessments

14.1 The proposals restrict who may accept specified statutory insolvency appointments and confer decision-making and information-gathering functions on the Registrar. The proposed framework therefore provides for clear registration requirements, appropriate procedural safeguards, reasoned decisions and a mechanism for reconsideration and/or appeal.

14.2 The proposed distinction between resident and non-resident registered Office Holders is intended to maintain a local footprint, and local point of accountability, while preserving access to specialist, sectoral, jurisdictional and cross-border expertise. Non-resident practitioners will remain eligible for registration but, when appointed as an Office Holder, must act jointly with at least one registered Office Holder who is resident in Guernsey.

14.3 The proposals have also been considered in the context of Guernsey's external relations and relevant international obligations, including any applicable trade commitments. In particular, regard was had to the resident and non-resident registration arrangements and the preservation of access to the Register of Insolvency Practitioners for appropriately qualified non-resident practitioners, and no issues were identified following that review in establishing the register locally.

14.4 The propositions have been submitted to His Majesty’s Procureur for advice on their legal, constitutional and human rights implications. Any necessary refinements, arising from that advice, have been reflected in the final Policy Letter.

14.5 Data protection and confidentiality requirements will be taken into account in the exercise of the Registrar’s functions under the proposed regime, including the receipt, use, disclosure and publication of information.

15. Conclusion

15.1 The Companies Law provides a modern corporate insolvency framework but does not currently establish a statutory threshold for the individuals appointed to exercise the significant powers of an Office Holder.

15.2 The proposed Register of Insolvency Practitioners will address that gap by requiring relevant insolvency practitioners to demonstrate appropriate qualification and experience, professional oversight, bonding and professional indemnity insurance, by making current registration status publicly accessible and by creating proportionate domestic mechanisms for continued compliance and accountability.

16. Compliance with Rule 4

16.1 Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, propositions laid before the States.

16.2 In accordance with Rule 4(1)(a), the propositions contribute to the States' objectives and policy plans by supporting economic competitiveness, finance sector development, professional standards and confidence in Guernsey's corporate insolvency framework. These objectives align with the Government Work Plan 2026 – 29, specifically the 'Foundations for our Future' and 'Island Resilience' areas of focus.

16.3 In accordance with Rule 4(1)(b), in preparing this Policy Letter and propositions, the Committee has consulted publicly and has engaged with ARIES, the IRC, the Registry, the GFSC and other industry and appropriate stakeholders.

16.4 In accordance with Rule 4(1)(c), the propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

16.5 In accordance with Rule 4(1)(d), the financial implications are set out in paragraph 13 of this Policy Letter, and the policy is that ongoing administration should be substantially supported by application and renewal fees, with final implementation and resource requirements to be confirmed with the Registry.

16.6 In accordance with Rule 4(2)(a), the propositions relate to the Committee's purpose and policy responsibilities to advise the States and to develop and implement

policies relating to the promotion and development of business, including financial services.

16.7 In accordance with Rule 4(2)(b), the propositions have the unanimous support of the Committee.

Yours faithfully

A Kazantseva-Miller
President

M Laine
Vice-President

R Humphreys
M Leadbeater
L Van Katwyk

B R Duerden
Non-Voting Member