

## Conditions of accreditation policy

This document sets out the Registrar of Companies' policy for imposing, varying, removing, or adding to conditions of accreditation. This policy is made further to section 39 of the Insolvency Practitioners Regulation Act 2019 (the Act).

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### Standard conditions

#### Policy

The Registrar's policy is that the standard conditions will apply to all accredited bodies. However, the Registrar acknowledges that the circumstances of each accredited body (or applicant for accreditation) will not necessarily be identical and the Registrar will consider whether modification of the standard conditions is appropriate in accordance with the processes set out in this section.

#### Standard conditions

The Registrar's standard conditions of accreditation are as follows.

### Continuing compliance with minimum standards

- (1) The accredited body must comply, on an ongoing basis, with the minimum standards for granting accreditation;

### Informing the Registrar of accreditation matters and regulatory functions

- (2) The accredited body must promptly notify the Registrar of any events, circumstances or actions by any party that may prevent or impede the accredited body's performance of its regulatory functions under the Act;
- (3) The accredited body must, as soon as practicable following the end of its financial year, provide the Registrar with a copy of its audited financial statements for that financial year;
- (4) The accredited body must promptly notify the Registrar of any appointment, resignation or dismissal, of a member of the governing body, a senior manager, or other key personnel;
- (5) The accredited body must promptly notify the Registrar of any action taken by a regulatory body against a member of its governing body, a member of a relevant committee, a senior manager, or any other key personnel;
- (6) The accredited body must promptly notify the Registrar of any action taken by another regulatory body against the accredited body;

### Informing the Registrar of monitoring and enforcement matters

- (7) The accredited body must promptly notify the Registrar if it becomes aware of, or has reasonable grounds to suspect, any material breach of the Act, the Insolvency Act 2006, Parts 15, 15A or 16 of the Companies Act 1993, the Receiverships Act 1993, the conditions of license or registration, or the professional body's rules or code of ethics, by a licensed insolvency practitioner (or a person who was a licensed insolvency practitioner at the time of the breach), together with an explanation of the action the accredited body has taken or proposes to take; and
- (8) The accredited body must promptly notify the Registrar of any cancellation of a licence (including at the request of the licensee), together with the reason for that cancellation.

## Modifications

The Registrar may vary, remove, or add to (collectively “modify”) conditions of accreditation. The Registrar’s policy is that such modifications may be made:

- at the request of accredited bodies;
- in response to regulatory concerns;
- in response to changes in law; and/or
- in any other circumstances that the Registrar considers it necessary or desirable to make such modifications.

The Registrar may modify conditions generally (the standard conditions and existing conditions applicable to all accredited bodies) or the conditions applying to specific accredited bodies.

The Registrar will give notice to each accredited body of her/his intention to modify the conditions of accredited that are applicable that accredited body. The Registrar will endeavour to give as much notice as possible as is practicable in the circumstances, having regard to the urgency or necessity of the modification.

### On-request modifications

The Registrar will consider requests for modification, but applicants requesting such modification will need to support such requests by providing supporting evidence to show why such modifications are required for the applicant, how the modified conditions will satisfy the Act’s policy and principles, and otherwise impose overall equivalent regulation.

### Modifications in response to regulatory concerns

The Registrar is charged with monitoring and reporting on the regulatory systems of accredited bodies. If the Registrar has concerns regarding an accredited body’s regulatory systems, s/he may issue directions to the accredited body. In addition or as an alternative to issuing directions to accredited bodies, the Registrar may modify conditions of accreditation where the Registrar is satisfied that modifying a condition will better address the underlying issue than a direction under section 42 of the Act.

The Registrar’s policy is that the requirements for directions set out in section 42 also be used as a guide for modifications of conditions in response to regulatory concerns. Generally the Registrar must be satisfied on reasonable grounds that the accredited body’s regulatory systems:

- are not adequate or effective;
- can be improved in order to better meet the purposes of the Act; or
- are materially inconsistent with the Registrar’s plan under section 38.

The Registrar will discuss her/his concerns with the accredited body and provide reasons for the decision to modify conditions of accreditation.

### Modifications in response to changes in law

Under section 35(2)(d) of the Act, conditions may be prescribed by regulation. Regulations may be made or amended after accredited bodies have been accredited. If new regulations are made, or existing regulations amended, the Registrar’s policy is to review the conditions of all existing accredited bodies and consider whether it is appropriate to modify existing conditions to reflect changes in law.