

## **STATEMENTS OF INSOLVENCY PRACTICE (SCOTLAND)**

### **EXPLANATORY FOREWORD**

1. This explanatory foreword explains the scope and authority of Statements of Insolvency Practice (Scotland) approved by the Council of the Institute of Chartered Accountants of Scotland "the Institute" in April 1997 and will be applied to all Statements of Insolvency Practice whenever issued subsequently. It should be read in conjunction with the Statements of Insolvency Practice (Scotland) to which it forms a collective preface.
2. Statements of Insolvency Practice (Scotland) are issued for the benefit of members of the Institute and lay down the appropriate means e.g. best practice, to be adopted by licensed insolvency practitioners having regard to the relevant legislation.
3. Failure to follow the Statements of Insolvency Practice may form the basis of a report to the Institute's Insolvency Permit Committee and/or Investigation Committee, unless the practitioner can persuade the Institute that the course of action which he followed was appropriate in the circumstances. Whereas such failure may not of itself lead to regulatory action or constitute misconduct, the practitioner will therefore be required to justify any departure from the statements.
4. Practitioners are advised that a court, when considering the adequacy of the work of an insolvency practitioner, is expected to take into account any pronouncements or publications which it thinks may be indicative of good practice. Statements of Insolvency Practice are likely to be so regarded.
5. Neither the Institute nor the Society of Practitioners of Insolvency warrants that adherence by licensed insolvency practitioners to the Statements of Insolvency Practice (Scotland) will in any particular case or set of circumstances prevent them from civil or criminal suit, and they shall not be liable to them for any liability, loss, damage, cost or expense arising directly or indirectly in connection with their use.
6. Where practitioners, holding an insolvency permit issued by the Institute, act in relation to a company registered in England they are advised to refer to the Society of Practitioners of Insolvency's Statements of Insolvency Practice (England & Wales). Copies are available to be viewed at the Institute libraries in Edinburgh and Glasgow.

***Effective date : 1 May 1997***