

ARM Insolvency Limited

Guide To Fees And Disbursements in relation to Individual Voluntary Arrangements

Fees Chargeable

ARM Insolvency Limited, subject to creditor approval, will charge two categories of fee in respect of implementing and subsequently monitoring an individual voluntary arrangement. These are detailed within the proposal as “Nominee Fee” and “Supervisor Fee” but are summarised below.

Nominee’s Fee

This is a fixed amount, and the amount of this was calculated to reflect the anticipated complexity and extent of the work to be undertaken in setting up the arrangement.

It should be noted that a fixed Nominees’ fee provides certainty as regards the level of the fee irrespective of unforeseen complications. If the Nominees were to charge a fee on an alternative basis, such as the cost of the time spent completing the necessary tasks there is little doubt that this would result in a nominee fee far in excess of that agreed as a fixed fee.

Supervisor’s Fee

If the IVA is approved, the Supervisor will work to ensure the terms of the arrangement are adhered to, the debtor complies with all their obligations, and accordingly that all available monies are introduced. The basis of the Supervisor Fee as disclosed within the proposal is that the Supervisor be paid a percentage of monies recovered into the estate on behalf of creditors. This fee enables the Supervisor to discharge his statutory and contractual responsibilities and obligations whilst ensuring that a portion of monies are available to creditors.

Agents Costs

It may prove necessary to instruct third party specialists in respect of realising assets and raising monies for creditors, these agents could include one or more of the following:

- Estate Agents
- Accountants
- Auctioneers/Valuers
- Solicitors/Legal Advisors
- Other Specialist Advisors

Any costs incurred in this regard will be met in accordance with the provisions for category 1 disbursements (see below).

Disbursements (Expenses)

In accordance with Statement of Insolvency Practice 9, disbursements are categorised as either Category 1 or Category 2.

Category 1

Category 1 expenses are directly referable to an invoice from a third party. These disbursements are recoverable in full from the estate without prior approval from creditors, either by a direct payment from the estate, or where the firm has made a payment on behalf of the estate, by a recharge of the amount invoiced by a third party.

Category 2

Category 2 expenses are incurred by ARM Insolvency Ltd and recharged to the estate. These disbursements are recoverable in full from the estate, subject to the prior approval of creditors.