



Fixed Charge Receivership Scheme

Your guide to becoming a Registered Property Receiver

This guide provides background information to help you prepare, apply for and successfully complete the application and assessment process for the Fixed Charge Receivership Scheme (FCRS) to become a Registered Property Receiver (RPR).

Becoming an RPR will give your potential clients confidence in your ability to carry out the role and duties of an RPR, and in your commitment to best practice.

March 2010 Edition

(To include 2009 Exam Questions)

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Glossary

CPD	Continuing Professional Development
FCRS	Fixed Charge Receivership Scheme
FSA	Financial Services Authority
IPA	Insolvency Practitioners Association
JRC	Joint Registration Committee
LPA	Law of Property Act (1925)
nara	The Association of Property and Fixed Charge Receivers
R3	Association of Business Recovery Professionals
RICS	Royal Institution of Chartered Surveyors
RPR	Registered Property Receiver
SIP	Statement of Insolvency Practice

What is the FCRS?

The Fixed Charge Receivership Scheme was created in 1998 to provide a professional qualification for persons acting as Receivers under the provisions of the 1925 Law of Property Act (LPA). Aimed at instituting a professional code of conduct, exemplary standards and an effective monitoring process, the scheme is regulated and managed by the Joint Registration Committee (JRC).

The partner organisations in the scheme (IPA & RICS) are represented on the JRC – a committee set up to deal with authorisation, complaints and monitoring. The scheme was, and continues to be, encouraged and supported by the Insolvency Service.

nara (The Association of Property and Fixed Charge Receivers) is the trade body for this area of work and members of the scheme automatically qualify for nara membership. Courses are provided by nara to help practitioners maintain their Continuous Professional Development (CPD). Further information on nara's services can be found at www.nara.org.uk

Candidate Criteria

Members of IPA and RICS

Entry is open to all Insolvency Practitioners Association (IPA) and Royal Institution of Chartered Surveyors (RICS) members, if they can demonstrate an involvement in property receivership work and have fulfilled either of the criteria below.

Members of other Professional Bodies

Members of other relevant professional bodies (e.g. the Institute of Chartered Accountants in England & Wales, The Law Society etc) are also eligible, dependent on whether you can demonstrate an involvement in property receivership work and have fulfilled either of the following:

a) been appointed on at least one property receivership and has a minimum of 75 hours experience on such work within the last 3 years

Or

b) worked on, but not taken in their own name, appointments for at least 5 cases over the preceding 5 years and has a minimum of 75 hours experience on such work within the last 3 years (experience will need to be confirmed by relevant appointee).

Your Examination Application

The Application Process

Entry is open to all IPA & RICS members and property receivership Students of the IPA. The stages of the application are:

1. Complete and return the application form (see pages 20/21) including fee to the IPA
2. IPA sends notification of exam date(s) and location(s) of written exam
3. Candidates sit written exam
4. IPA notifies written exam results to candidates
5. RICS send out peer interview date(s) and location(s) to candidates with critical analysis deadline submission
6. Candidates prepare critical analysis and forward to RICS by specified dates
7. Candidates attend Peer Interview
8. RICS to notify candidates of interview results
9. IPA/RICS send out certificates to successful candidates and add them to their FCRS register.

Assessment Checks

At any time the JRC may undertake a random check, asking you to provide evidence to support the declarations you make on the FCRS application form, or in the peer interview. If a random check finds any irregularities, or a complaint is made against you as a member of FCRS, you may need to provide further information, and/or attend an interview. This may result in your FCRS membership being suspended or removed and your case being referred for further disciplinary investigation.

Refunds

Refunds are not given for candidates withdrawing from the exam after the closure date for entries.

The Written Examination

The examination is set and marked by the IPA. Sittings are organised at several locations within the British Isles depending on the number of candidates.

The written paper is a basic test of property receivership competence and the interrelationships between this work and other insolvency processes. The examination consists of a 90 minute paper held in June each year.

The paper will allocate approximately 30% of the marks to multiple choice questions that tests general insolvency knowledge and 70% to two written questions (from a choice of 3) that tests specific Law of Property Act (LPA) and Fixed Charge Receivership knowledge.

A suggested reading list has been supplied in the pack (please see page 8) along with nara guidance notes which can be accessed on the members pages of their website www.nara.org.uk

Exam Room Regulations

The exam room regulations applicable to this exam are those of the Institute of Chartered Secretaries and Administrators.

The Peer Interview

Three months after the written examination, successful candidates will be called for a Peer Interview of one hour duration. The interview panel consists of three experienced assessors, with at least one Registered Property Receiver and questions will be asked on the critical analysis that candidates need to submit in advance to the panel as well as general questions about Property Receivership. You will be notified of the date of your interview and the deadline for submission of your critical analysis.

This process is run and adjudicated by RICS members. Candidates must pass this assessment before becoming eligible for registration under the scheme.

Critical Analysis (See below)

The critical analysis is a written report of your involvement in a receivership. The conclusion is a critical appraisal of the receivership together with an outline of the lessons you learned.

This document is a major part of your assessment and the panel will use it to assess the breadth and depth of your professional experience and as a basis for some of the questions at your peer interview.

Presentation

You should prepare to give a ten-minute presentation on your investigations and conclusions relating to the case study that you have submitted for your critical analysis.

Candidates who wish to use a stand-alone laptop may do so if the format is appropriate for an audience of three. It is emphasised, however, that what is being assessed is your ability to communicate effectively, rather than your use of technology.

Interview Format

The interview will occupy the remaining time and you will be questioned on:

- matters arising from your presentation
- other matters relating to the case study
- the broader aspects of your experience and knowledge, including ethics, the rules of the FCRS and associated Insolvency Legislation
- knowledge of current issues of concern to the insolvency profession will also be tested.

In making their assessment the panel will take a holistic view of your performance. No one component of your peer interview will constitute a pass or referral.

An overall judgment will be made on your presentation and your interview. Marginal under-achievement in one area may be balanced by a better than average component elsewhere. However, in view of the fact that your case study will not have been prepared under examination conditions, technical and literary accuracy and a high standard of presentation will be expected.

The interviewing panel has to be satisfied that you have met the requirements set for membership of the FCRS. If your professional experience is considered unsatisfactory you will be failed.

Critical Analysis Guidance

Content

The critical analysis must give the assessors detailed evidence of your ability to work competently and to apply the core knowledge relevant to acting as a Fixed Charge Receiver.

You need to not only understand the case itself but the processes you followed and the rationale behind your decision making. The assessors will ask about what you did and why, and possibly why you did not take an alternative approach. They will also ask about your understanding of wider issues surrounding your case.

The assessors are trying to determine your general level of ability. They are looking to see if you meet a satisfactory level of competence in key areas and that you meet the level of professional conduct expected of a LPA and Fixed Charge Receiver.

Format

An electronic version of your critical analysis should be forwarded to the RICS, with a maximum of 3000 words. It is quality not quantity that counts. Appendices should support your report not add to or expand on it.

You need to include the following headings:

Key Issues

Identify the key issues that need to be addressed which are relevant to your case.

Options

Before reaching a conclusion as to a solution, you need to consider all of the options. You must also demonstrate you have genuinely considered the options over and above your preferred solution.

Reasons for Rejection of Certain Options

Demonstrate the reasoning behind why you thought some options were not suitable for your case. Give reasons why some solutions may not be feasible. Give reasons for rejecting those options not selected.

Your Proposed Solution

You must give a detailed account of the reasons supporting your adopted course of action. Try to widen your thought processes to think about all the aspects that can support your decision: legal, financial, technical, professional, rules of conduct, ethics and conflicts of interest, stakeholder care etc. You do not have to look at each of these if they did not form part of your decision.

Critical Appraisal

You must give a critical conclusion of the outcome and reflective analysis of the experience gained working on your case, the lessons you have learned and how you could do things differently in the future.

After The Assessment

Results and Referrals

Results for the written examination will be published in November each year. Grades will be PASS/FAIL/BAD FAIL. Further details are not available.

Results will be sent by first class mail to the correspondence address for you held by your professional body 14 days after your interview. It is your responsibility to ensure that your contact details are correct.

A pass list will be published on the Internet after the annual peer interviews have taken place. For security reasons, no results will be given over the telephone, by fax or to a third party.

Successful Candidates

On passing the examination and peer interview, successful candidates will be entitled to apply via their professional body (IPA/RICS) for voluntary registration on the joint scheme; a RPR certificate is then issued.

Re-takes

A maximum of three attempts at the examination and the peer interview will be permitted.

Special Requirements

Candidates with any special requirements should alert their professional body with the submission of their application.

Appeals

Details of how and when to lodge an appeal will be sent to you on request.

When an appeal is made it must:

- be in writing and accompanied by an administration fee of £50
- be made by you and not a third party
- clearly state the grounds upon which the appeal is being made
- be supported by appropriate evidence
- be received by your professional body no later than 14 days after your result was posted.

Any Other Questions

If you have any other questions about becoming a Registered Property Receiver on the Fixed Charge Receivership Scheme please contact:

IPA Members and members of other professional bodies

The Secretariat
IPA
Valiant House
4-10 Heneage Lane
London
EC3A 5DQ

secretariat@insolvency-practitioners.org.uk

T +44 (0)20 7623 5108

RICS Members

Fixed Charge Receivership Scheme
RICS
12 Great George Street
Parliament Square
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SW1P 3AD

fcrs@rics.org

T +44 (0)870 333 1600

nara

Fixed Charge Receivership Scheme
nara
P O Box 629
Oldham
OL1 9HH

T +44 (0)870 600 1925

Reading List

Fixed Charge and Property Receiverships

Property Insolvency
Authors: Peter Levaggi/Roger Elford
Publisher: Jordans 2009
ISBN 9781846611513
Price: £95

Law of Property Act Receiverships
Author: John Hughes
Publisher: Lime Legal (2007)
ISBN 0955283426
Price: £55

Commercial Leases and Insolvency
Author: Patrick McLoughline
Addleshaw Goddard LLP
ISBN 9781847661470
Price: £68

Kerr and Hunter on Receivers and Administrators
Publisher: Sweet & Maxwell (2006)
ISBN 9780421955905
Price: £65

nara Guidance Notes: accessed for download from the *Members Only* pages of the NARA website www.nara.org.uk

Insolvency

Insolvency Law Handbook (2nd Edition)
Publisher: The Law Society (paperback)
ISBN 978 1 85328 628 5
Price £69.95

Insolvency
Authors: Totty & Moss
Publisher: Thomson Sweet & Maxwell (2006)
ISBN 9780851211428
Price: £735 Loose-leaf

Annotated Guide to the Insolvency Legislation Volumes 1 & 2 – 9th Edition.
Authors: Sealy and Millman
Publisher: Thomson Sweet & Maxwell (2006)
ISBN 978 0421 95960-6 & 978 0421 95980-0
Price: £145 Paperback

Plus nara Guidance Notes & Practice Statements.

Syllabus

The syllabus covers general knowledge of all types of insolvency procedures in England and Wales in addition to detailed knowledge of the specific area of property receiverships. The level of knowledge required is noted in relation to each section:

- “*Basic knowledge*” requires general awareness of the principles involved but without detailed knowledge of the precise procedures.
- “*In-depth knowledge*” requires comprehensive knowledge of the detailed procedures as well as good appreciation of the overall principles.

The knowledge of statutes will be required to include any amendments to statute during the six months prior to the taking of the examination.

PART A – GENERAL LEGAL BACKGROUND TO INSOLVENCY AND RECEIVERSHIP

Part A1 – Relevant Statutes (*basic knowledge*)

- 1 Law of Property Act 1925
- 2 Insolvency Act 1986 and amending Acts (including Enterprise Act 2002)

Part A2 – Relevant Legal Awareness (*basic knowledge*)

- 3 Principles of the law of agency
- 4 Principles of Landlord & Tenant law in the context of receivership
- 5 Housing Act 2004
- 6 Non-Domestic Rating Regulations
- 7 Taxation Income from Land Regulations
- 8 Transfer of Undertakings (Protection of Employment) Regulation
- 9 VAT Regulations

PART B – PRINCIPLES OF INSOLVENCY – GENERAL ISSUES

Part B2 – Matters Relating to Insolvency Procedures Generally (*basic knowledge*)

- 10 Difference between types of insolvency (within the syllabus) and an outline of the Purpose of each
- 11 Definition of when a company/individual is insolvent
- 12 Differing appointment procedures for the types of insolvency included in this syllabus
- 13 Qualification requirements for appointees in insolvency procedures
- 14 Awareness of the powers and duties of appointees and how they can be ascertained
- 15 Knowledge of documents including, debentures, other charges
- 16 Position of secured and unsecured creditors
- 17 Awareness of appointee’s duty/ability to investigate and/or recover assets
- 18 Awareness of Company Directors Disqualification Act reports and guidelines
- 19 Definition of Retention Of Title and steps to be taken in regard to such claims
- 20 Effects of Retention Of Title, lien, Hire Purchase/leasing on those creditors’ claims
- 21 Awareness of Employees’ rights, including payment of claims by the Secretary of State under the Employment Rights Act 1996; preferential and unsecured additional claims; attachment of earnings
- 22 Debt collection procedures, VAT bad debt relief and awareness of different sorts of legal action available
- 23 Agreement of creditors’ claims and the rules of priority, preferential creditors including subrogated wages

PART C – PRINCIPLES OF INSOLVENCY – PERSONAL INSOLVENCY

Part C1 – Personal Insolvency – Individual Voluntary Arrangements (*basic knowledge*)

- 24 General effect of the procedure
- 25 Role of the Insolvency Practitioner as Nominee and Supervisor – powers and duties
- 26 Interim Order – effect on other proceedings
- 27 Comparisons with bankruptcy
- 28 Position of secured and unsecured creditors
- 29 Default of debtor and failure of proposals
- 30 Completion

Part C2 – Personal Insolvency – Bankruptcy (*basic knowledge*)

- 31 Effect of Bankruptcy Order
- 32 Powers and duties of the Trustee
- 33 Respective positions and functions of Trustee and Official Receiver
- 34 Assets forming part of the estate, exempt items/funds; after-acquired property; matrimonial homes; powers of sale; Income Payments Agreement/Order
- 35 Power to disclaim onerous contracts (e.g. leases) or property
- 36 Bankruptcy offences and disabilities
- 37 Discharge or annulment of bankruptcy

PART D – PRINCIPLES OF INSOLVENCY – CORPORATE INSOLVENCY

Part D1 – Company Voluntary Arrangement (*basic knowledge*)

- 38 Use of moratorium procedure
- 39 General effect of the procedure
- 40 Role of the Insolvency Practitioner as Nominee and Supervisor – powers and duties
- 41 Contents of the Proposal; and by whom prepared; requirement to bind creditors
- 42 Comparisons with other types of Corporate Insolvency
- 43 Failure of proposals
- 44 Completion

Part D2 - Matters Relating to Liquidation Generally (*basic knowledge*)

- 45 Consequences of wrongful trading
- 46 Powers and duties of Liquidators
- 47 Section 216 use of name
- 48 Post-receivership liquidations
- 49 Power to disclaim of onerous contracts (e.g. leases) or property

Part D3 - Members' Voluntary Liquidations (*basic knowledge*)

- 50 Basic principle and purpose – solvent liquidation
- 51 Appointment and role of the Insolvency Practitioner
- 52 Declarations of Solvency

Part D4 - Creditors' Voluntary Liquidations (*basic knowledge*)

- 53 Basic principles - appointment and role of the Insolvency Practitioner
- 54 Effects of winding-up Resolution

Part D5 - Compulsory Liquidations (*basic knowledge*)

- 55 Petitioning Creditors; effect of petition
- 56 Winding up orders and effect
- 57 Basic principles - appointment and role of the Insolvency Practitioner
- 58 Provisional Liquidation appointment
- 59 Respective positions and functions of Liquidator and Official Receiver

Part D6 - Administrations (*basic knowledge*)

- 60 General effect of the administration procedure
- 61 Purposes of an administration
- 62 Routes to appointment of administrator
- 63 The principle of the moratorium
- 64 Effect of the moratorium – secured lenders, receivers, fixed charge security, floating charge security, HP/leasing creditors, retention of title creditors
- 65 Notice/advertising requirements relating to appointment procedures
- 66 Implementation, including trading on
- 67 General power of court over the conduct of the whole procedure
- 68 Exit routes and discharge of administrator

Part D7 - Matters Relating to Administrative Receiverships (*basic knowledge*)

- 69 Circumstances in which an administrative receivership can still arise
- 70 Security documentation
- 71 Differences between Administrative Receivership and Law of Property Act (LPA) or fixed charge receiverships
- 72 Power and duties of the Administrative Receiver

PART E – PRINCIPLES OF PROPERTY RECEIVERSHIP

Part E1 – General Matters Relating to LPA & Fixed Charge Receiverships (*in-depth knowledge*)

- 73 General principles
 - Qualification
 - Principles of appointment
 - Receiver to consider if they are independent enough to take appointment
 - Powers
 - Principal duties
 - Relationship with borrower
 - Did the receivers provide the inception property valuation for the lender?
 - Liabilities – personal liability
 - Obtaining legal advice where necessary

- 74 Relationships with other parties
 - Mortgagee
 - Other mortgagees
 - Mortgagor
 - Effect of formal insolvency of mortgagor – (administration/liquidation)
 - Effect of formal insolvency of mortgagor – (bankruptcy/IVA)
 - Employees

Part E2 – LPA & Fixed Charge Receiverships – Conduct of a Receivership (*in-depth knowledge*)

- 75 Review of Pre-appointment Documentation
 - Security documentation
 - Final demand
 - Validity of appointment
 - Scope of powers
 - Indemnities
 - Law of Property Act 1925 – Sections 101 & 103

- 76 Acceptance of Appointment
 - Time limits on acceptance
 - Notice to Companies House (S.405(1) Companies Act 1985)
 - Awareness of potential need to file appointment in overseas jurisdiction
 - Property concerns e.g. contamination/environmental
 - Trading
 - Previous insolvency appointments

- 77 Insurance
 - Need for immediate insurance cover on appointment
 - Insurance in receivers' names
 - Awareness of effect of Financial Services Authority (FSA) regulation of insurance services

- 78 Plant, Machinery and Chattels
 - Need to check scope of charge
 - Plant and machinery - specialist valuation field

- Control of chattels on the property
- 79 Basic Property Knowledge
- Service of Landlord & Tenant Act and rent review notices
 - Valuation definitions and forced sale
 - Dealing with forfeiture or surrender of leases
 - Planning – use classes
 - Rating – liability for rates
 - Environmental scenario
- 80 Duties to Appointor
- Reporting
 - Agreed strategy
 - Valuation and disposal
 - Release from office
- 81 Public Interest
- Duties to third parties, guarantors, etc.
 - Information to other interested parties
 - Other creditors
 - Dealing with complaints
 - Anti-money laundering regulatory requirements
- 82 Resources
- Appointment of professional advisers
 - Availability of staff
 - Care on use of receivers own firm as agents/advisers with regard to potential conflicts of interest
- 83 Receivership accounting
- Basic financial accounting procedures
 - Maintaining cash-book
 - VAT records and accounting for VAT by Receiver(s)
 - Bank reconciliations
 - Filing of Receipts & Payments accounts at Companies House; (S.38 Insolvency Act 1986)
- 84 HM Revenue & Customs
- Awareness of potential tax/VAT liabilities on income, bank interest, asset sales
 - Recoverability of VAT
 - Lack of proper VAT accounting methods?
 - Receiver's lack of obligation for tax issues
- 85 Remuneration
- Time costs/Fixed fees/Percentages
 - LPA Act 1925 – Section 109
 - Disbursements
- 86 Sale
- Principles of receivership sales
 - Exclusion of personal liability
 - Differences between sale by receiver and sale by mortgagee
- 87 Ceasing to Act
- Repayment of debt

- Removal by mortgagee
- Resignation of receiver
- Sale of receivership asset
- Service of notice at Companies House (S.405(2) Companies Act 1985)

Part F - Regulation of Insolvency Practitioners and Receivers (*in-depth knowledge except where noted*)

- 88 Regulation of Insolvency Practitioners (basic knowledge)
- Qualification
 - Role of the Recognised Professional Bodies (e.g. Institute of Chartered Accountants, Insolvency Practitioners Association, etc.)
 - Role of R3 to support Insolvency Practitioners
- 89 Regulation of Property Receivers
- The three professional bodies
 - Role of The Joint Registration Committee
 - Qualification – “grandfathering” period – examinations
 - Required standards
 - Disciplinary process
 - Role of nara to support Registered Property Receivers
- 90 Other regulation
- Statutory obligations
 - Receivers own professional body
 - Accounting requirements
 - Ethical requirements
- 91 Principles of the nara guidelines
- Code of Practice and Practice Statements (mandatory)
 - Guidance Notes (statements of best practice for guidance)

Past Exam Paper - 2009

Registered Property Receivers Joint Scheme

WRITTEN EXAMINATION - WEDNESDAY 24 JUNE 2009

90 MINUTES

SECTION 1 (Multiple Choice)

Candidates should attempt all the questions and mark their answers on the question paper itself by circling the appropriate letter (a,b,c or d), which must be handed in whole at the end of the examination. There are 2 marks per question.

SECTION 2 (Written Questions)

Candidates should attempt 2 out of the 3 written questions and write their answers on the paper provided. Candidates must enter their name on each page used to answer the written questions. There are 30 marks per question.

NOTES

Candidates should note that all questions are based on the law and best practice as at 24 January 2009, ie six months before the date of the examination.

References to the "Act" are the Insolvency Act 1986 as amended.

References to Sections and Rules are to the Insolvency Act 1986 and the Insolvency Rules 1986 as amended, unless otherwise stated.

Candidates Name..... [Please print]

Number of sheets used for Section 2 Written Questions.....

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SECTION 1 - MULTIPLE CHOICE QUESTIONS

ALL QUESTIONS TO BE ATTEMPTED

1. Following the liquidation of a company, a director can be disqualified from acting as a director of a limited company for a number of years, under The Company Directors Disqualification Act (CDDA). Which of the following statements correctly describes the procedure to disqualify a director under the CDDA?
 - a) by court proceedings based on a report by the liquidator of the company
 - b) by petition to the court of the creditors of the company
 - c) by resolution of creditors passed at a creditors meeting called for this purpose
 - d) by court proceedings initiated by the largest creditors of the company

2. Since April 2006, tenanted houses in Multiple Occupation (HMO) are required to be licensed. Which of the following defines an HMO under the Housing Act. A property that has:
 - a) 2 or more storeys with 4 or more unrelated occupants with shared facilities
 - b) 3 or more storeys with 5 or more unrelated occupants with shared facilities
 - c) 4 storeys including the basement with 6 or more unrelated occupants with shared facilities
 - d) 4 storeys with unlimited unrelated occupants with shared facilities

3. An LPA Receiver is required to keep a record of his receipts and payments. In the case of a limited company appointment, the accounts must be filed with the Registrar of Companies
 - a) within 1 month after the expiration of 12 months from the date of appointment and every subsequent 6 months and within 1 month of ceasing to act.
 - b) within 1 month after the expiration of 6 months from the date of appointment and every subsequent 12 months and within 1 month of ceasing to act
 - c) within 1 month of each anniversary of his appointment and within 1 month of ceasing to act.
 - d) within 1 month after expiration of 6 months from the date of appointment and within 1 month of ceasing to act

4. The Insolvency Act sets out the circumstances where an LPA Receiver must vacate office. Which of the following is correct in relation to a company appointment?
 - a) Following the appointment of a liquidator
 - b) On the appointment of an administrator at his request
 - c) On the petition for the compulsory winding up of the company
 - d) Following the approval of a voluntary arrangement by the creditors of the company

5. At an adjourned meeting of shareholders an ordinary resolution is passed to wind up the company voluntarily. When is the liquidation deemed to commence?
 - a) On the date the original meeting was convened
 - b) On the date the resolution is passed

- c) On the date the notice of the resolution is registered with the Registrar of Companies
 - d) When notice is given to all shareholders of the winding up
6. Which of the following may not present a bankruptcy petition against an individual under S264 IA 1986?
- a) One or more of the individual's creditors
 - b) Any person who is bound by a voluntary arrangement proposed by the individual
 - c) The individual himself
 - d) The individual's solicitor
7. Which of the documents listed below would you refer to when checking your power of sale of a property over which you have been appointed as LPA Receiver?
- i Law of Property Act
 - ii Charge document
 - iii Appointment document
 - iv Written instructions from appointor
- a) None of these as you have power of sale under the Insolvency Act
 - b) ii, iii and iv only, as the LPA does not give power of sale to the Receiver
 - c) iv only as this document may override other documents
 - d) ii only as this is the only document required to be registered
8. You are appointed LPA Receiver over a property let under an onerous lease. There are obligations on the landlord which are proving very costly and the rental income does not cover these costs. What remedy do you have as Receiver for ending the lease with a view to issuing a new lease on more favourable terms?
- a) Forfeiture
 - b) Disclaimer
 - c) Application to court to end lease
 - d) Nothing the lease cannot be terminated
9. You have been appointed LPA Receiver over a property owned by a single asset property company. What is the effective date of your appointment?
- a) The date of the letter of appointment
 - b) The date the letter of appointment was received
 - c) The date the letter of acceptance was dated
 - d) The date Companies House was notified of the appointment

10. A property over which you have been appointed LPA Receiver is registered for VAT. VAT received on rental invoices issued by you as Receiver should be accounted for in which way?
- paid over to the borrower so that he can account to HMRC under his VAT registration and VAT inputs can be accounted for
 - paid direct to HMRC by the Receiver with explanation of Receiver appointment. VAT outputs less inputs should be accounted for in full
 - paid over to the appointor as all monies as required by the charge document
 - the Receiver should open a new VAT registration and account for output VAT less input VAT to HMRC
11. A creditor is entitled to have his goods returned if not paid for where the company is in an insolvency procedure, subject to
- The goods not being sold beforehand
 - The terms of sale including retention of title being accepted in advance
 - The company allowing the creditor access to identify the items claimed
 - The goods not being used in a manufacturing process
12. Before an LPA appointment is made, the lender must satisfy itself that any such appointment will be valid, which of the following is not a requirement?
- agree the debt with the borrower
 - issue formal demand to the borrower
 - check the validity of the charge document
 - confirm that the borrower is in breach of the lending terms
13. At a meeting of creditors held to approve proposals for a voluntary arrangement for a limited company or for an individual, the following majority of creditors voting is required
- 50%
 - 66.6%
 - 75%
 - 90%
14. As LPA receiver you have a responsibility under the Money Laundering regulations to carry out certain identification checks. Where you are dealing with a limited company, which of the following should be carried out in respect of the directors?
- Hold a meeting with company directors to confirm you have met individuals in person
 - Request sight of original photo identification

- c) Request sight of original proof of current address
 - d) Request sight of original photo identification and proof of current address
15. On ceasing to act as LPA receiver on a company appointment, you are required to give notice to the Registrar of Companies within what time scale?
- a) 7 days
 - b) 14 days
 - c) 21 days
 - d) 28 days
16. You find that the property over which you have been appointed LPA receiver is covered by an insurance policy in the name of the borrower. What course of action should you take?
- a) continue with the borrower's policy
 - b) review the borrower's policy and add the LPA receiver's interest
 - c) the LPA receiver should take out his own open cover policy as a matter of course until he was satisfied that any existing cover was adequate.
 - d) The LPA receiver should take out his own open cover policy on all cases
17. After you have been appointed LPA receiver on a property, the company owner of the property goes into compulsory liquidation. What effect does this event have on your appointment?
- a) No effect, you continue with your appointment
 - b) You need to contact the compulsory liquidator to agree the strategy of your appointment
 - c) You should not complete any sale of the property without approval from the liquidator
 - d) On completion of the appointment, the receiver must account for any surplus funds after costs to the compulsory liquidator
18. How is the remuneration of an LPA receiver agreed?
- a) By reference to the appointment document and as agreed between the borrower and the lender in writing
 - b) As set out in the mortgage document
 - c) As defined by the Law of Property Act 1925
 - d) None of the above, agreed on completion of the appointment with the lender
19. As LPA receiver, you have a duty of care in the course of your work. To whom do you owe this duty?
- a) To the lender and other creditors
 - b) To the borrower

- c) To both lender and borrower
 - d) To the lender, borrower and any guarantor
20. In the course of your work as an LPA receiver, there is a danger that you will be personally liable for liabilities arising in connection with the appointment. To reduce this risk it is advisable to put in place one of the following
- a) Exclude personal liability in all correspondence
 - b) Exclude personal liability on any sale documentation
 - c) Obtain an indemnity from the borrower
 - d) Obtain an indemnity from the appointor

Registered Property Receiver Examination 2009

SECTION 2 - Answer 2 out of the 3 Questions

1. A company operating a chain of retail shops is in financial difficulties and appears to be technically insolvent. The shops are freehold and leasehold. A prospective purchaser is on hand and wants to make an offer for the whole of the business including the trading name, and selective shops.
What advice would you give to the owner in respect of the properties and set out the procedure to be followed in achieving a pre-pack sale of the business to the purchaser bearing in mind an Administrator's reporting requirements under SIP 16. Explain the advantages of following this procedure.
2. You have been appointed LPA receiver over a property comprising freehold land. The land is in agricultural use.
Describe the actions you would take in respect of this appointment identifying differences from other appointments.
3. As an LPA receiver, you must be aware of the importance of compliance with health and safety and other regulations affecting the property over which you have been appointed. Summarise the routine checks required for a tenanted property and note the frequency of the checks.

.....



Fixed Charge Receivership Scheme Application Form

Personal details

Title Surname.....

Forenames.....

Designation

Your correspondence address:

Company name
.....

Address

.....

..... Postcode

Telephone Fax

Email.....

Exam/Interview Location (please tick one)

- Central London
- Birmingham
- Manchester

- Belfast
- Other; please state preference below, which we will aim to accommodate, subject to demand.
-

Continued.....

Candidate declaration

I hereby apply to sit this examination on **Thursday 24 June 2010** and understand that the written examination pass will be followed by a peer interview.

- I confirm that I can demonstrate an involvement in property receivership work and have fulfilled either
- a) that I have been appointed on at least one property receivership and have a minimum of 75 hours experience on such work over the last 3 years
- or
- b) that I have worked on, but not taken in my own name, appointments for at least 5 cases over the preceding 5 years and have a minimum of 75 hours experience on such work over the last 3 years (experience will need to be confirmed by relevant appointee).
- I confirm that I have read the regulations for this examination and I agree to be bound by them.
- The sum of £400 plus vat ie a **total of £470** is enclosed Cheque number _____
(payable to Insolvency Practitioners Association)

Please note that applications need to be received by IPA by 24 May 2010, later applications will not be entered until the following year.

Completed applications and payment should be posted to:

**The Secretariat
Insolvency Practitioners Association
Valiant House
4-10 Heneage Lane
London
EC3A 5DQ**

Candidate's signature Date.....

For Office Use Only

Application received	Date of Written Exam	Written Exam Result	Date of Peer Interview	Peer Interview Result	Date Certificate Issued
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Royal Institution of Chartered Surveyors

Fixed Charge Receivership Scheme, 12 Great George Street, Parliament Square, London SW1P 3AD

Tel. 0870 333 1600 Fax. 020 7334 3712

e-mail. fcrs@rics.org www.rics.org/fcrs

Insolvency Practitioners Association, Valiant House, 4-10 Heneage Lane, London, EC3A 5DQ

Tel. 020 7623 5108 Fax. 020 7623 5127

e-mail. secretariat@insolvency-practitioners.org.uk www.insolvency-practitioners.org.uk