

Individual Voluntary Arrangements

If you are facing debt, or you are a sole trader or partnership partner facing bankruptcy, an Individual Voluntary Arrangement (IVA) may allow you to reach an agreement with your creditors to pay all or part of your debts. When approved, this will give you more control over your existing assets than bankruptcy – and prevent your creditors from taking debt-related action against you.

IVAs are only available through a licensed insolvency practitioner such as Lynn Gibson at Gibson Hewitt. Fortunately though, the application process is simple, and your practitioner will do all the hard work for you. The application process is as follows:



1. Appoint a specialist insolvency practitioner

It is crucial to appoint an experienced insolvency practitioner to guide you through the IVA process.

2. Discuss all relevant information with your adviser

In order to act in your best interests, your practitioner will need to fully understand your financial position. Make sure your adviser has a clear picture of your debtors, creditors, income and assets.

3. Your practitioner will map out your arrangement

Using the information you provide, your adviser will work out and agree with you what you can afford to repay, on what basis, and how long the IVA will last.

4. Your adviser will contact your creditors to discuss

In order for your IVA to begin, creditors will be asked to vote on your proposal. 75 per cent by value of the creditors who vote must vote for the proposal for the IVA to take effect. Your practitioner will contact your creditors and negotiate with them on your behalf.

Then...

Arrangement approved?

If your arrangement is approved by 75 per cent by value of creditors who vote, the IVA will take effect and bind all unsecured creditors whether they voted for it or not.

Your licensed insolvency practitioner will be appointed Supervisor to oversee the IVA. Notice of the IVA will be added to the Individual Insolvency Register, but will be removed on completion.

Arrangement not approved?

If your arrangement is not approved by creditors your IVA will not take effect and your creditors will be entitled to take action against you as before.

In this event, your practitioner can advise on your options.