



**ISI Statistics**  
**Quarter 4 2016**



**ISI**  
**Tackling problem debt together**

# Insolvency Service of Ireland

## Quarter 4 2016

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***THE DEBT RELIEF NOTICE (DRN) PROVIDES FOR THE WRITE-OFF OF QUALIFYING DEBT UP TO €35,000 SUBJECT TO A 3-YEAR SUPERVISION PERIOD.***

***THE DEBT SETTLEMENT ARRANGEMENT (DSA) PROVIDES FOR THE AGREED SETTLEMENT OF UNSECURED DEBT WITH NO LIMITS INVOLVED OVER A PERIOD OF UP TO 5 YEARS.***

***THE PERSONAL INSOLVENCY ARRANGEMENT (PIA) PROVIDES FOR THE RESTRUCTURING OR SETTLEMENT OF SECURED DEBT UP TO €3M AND THE SETTLEMENT OF UNSECURED DEBT OVER A PERIOD OF UP TO 6 YEARS.***

***IN THE CASE OF A DSA OR PIA, AFTER A PROTECTIVE CERTIFICATE ISSUES, PERSONAL INSOLVENCY PRACTITIONERS (PIPS) WILL HAVE 70 DAYS IN WHICH TO DEVELOP AN ARRANGEMENT.***

# 1 Foreword

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I am pleased to publish the statistical report of the Insolvency Service of Ireland (ISI) covering the fourth quarter of 2016 (Q4).

The number of bankruptcy cases continue to rise. There has been a minor fall in the number of Arrangements issued. This in part reflects the number of cases currently in the Courts system seeking a Court review of proposals rejected by creditors.

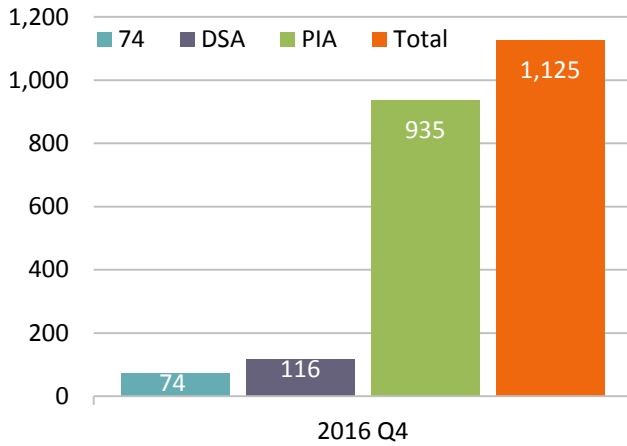
There has been strong growth in new applications (up over 100% on equivalent quarter in 2015) and in Protective Certificates (up 50% on equivalent quarter in 2015)

Lorcan O'Connor  
Director  
February 2017

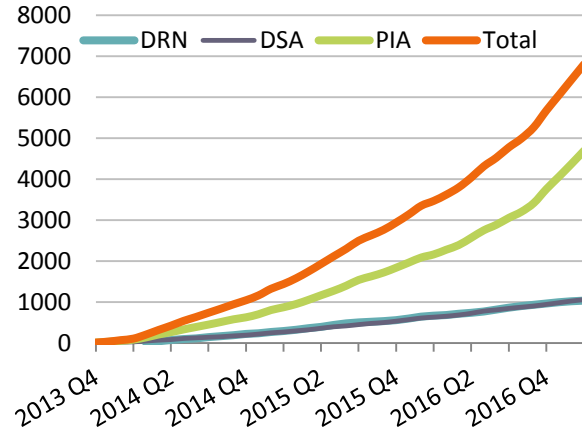
*These statistics are for information purposes only. No person should place reliance on the accuracy of the statistics, nor should they act solely based on them. The statistics are primarily based upon cases created by duly authorised Approved Intermediaries and Personal Insolvency Practitioners on the ISI Case Management System, the official registers of Approved Intermediaries and Personal Insolvency Practitioners and the statement of affairs submitted by those seeking to be declared bankrupt. Figures cover the period 01 October 2016 to 31 December 2016, unless otherwise stated.*

## 2 Case Management – DRN, DSA, PIA

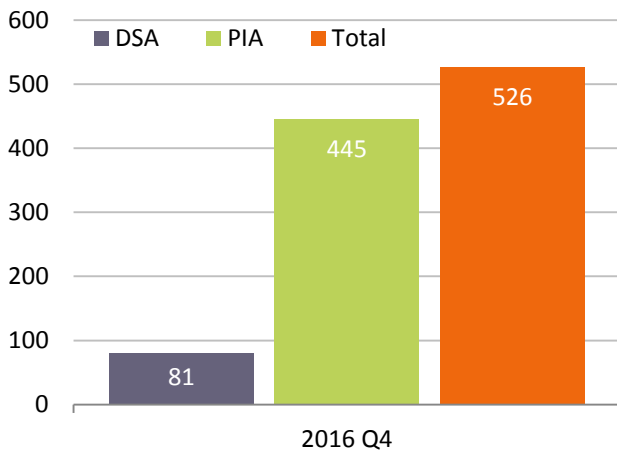
**1,125 New applications in Q4**



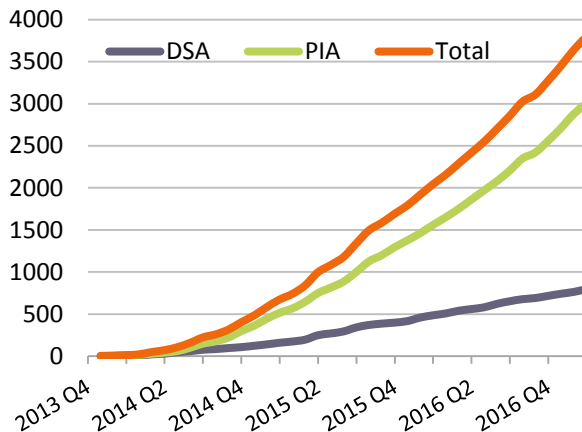
**6,800 applications since launch**



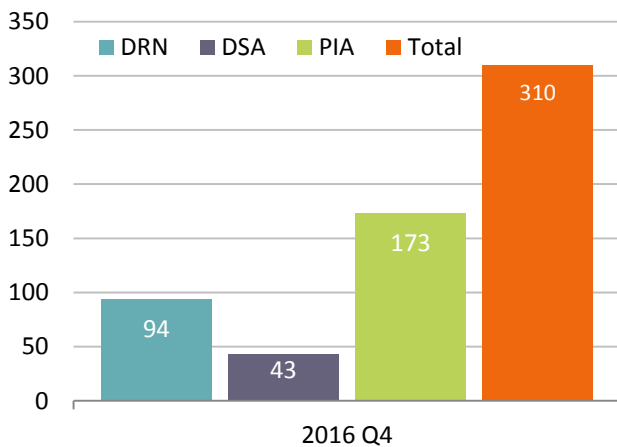
**526 Protective Certificates in Q4**



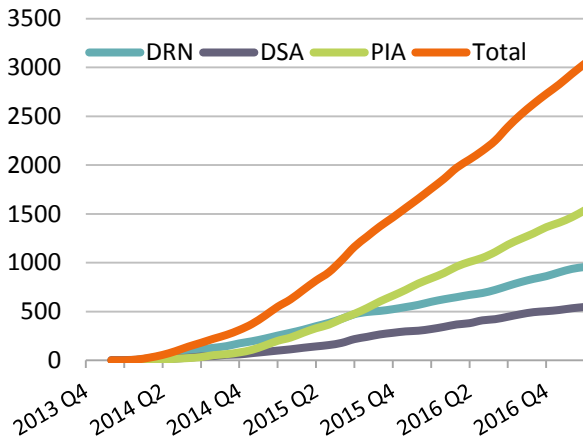
**3,799 Protective Certificates since launch**



**310 Arrangements in Q4**



**3,038 Arrangements since launch**



### 3 Creditor Acceptance/Rejection

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The ISI has undertaken an analysis of protective certificates issued and the extent to which they have led to a solution that has returned insolvent debtors to solvency. Once a protective certificate has issued, one of the following outcomes is possible:

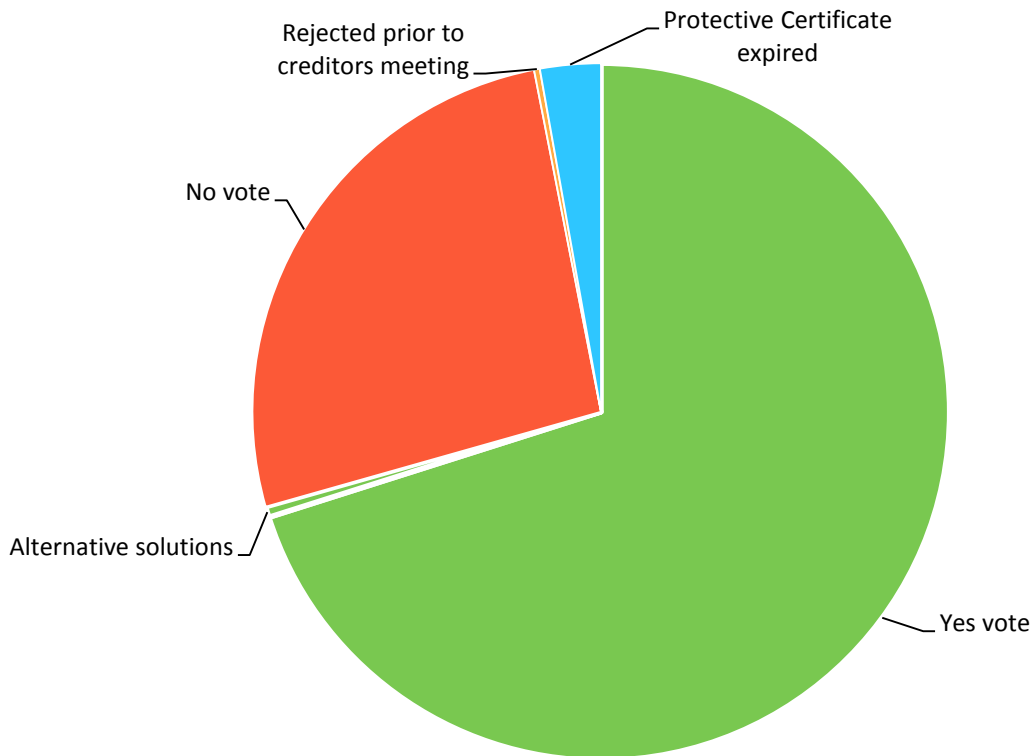
- PIP successfully uses the protective certificate period of 70 days to reach agreement between the debtor and his or her creditors. This is ultimately reflected in a 'YES' vote at a creditors' meeting
- PIP identifies and implements an alternative solution for the debtor that does not necessitate a DSA or PIA. No creditors' meeting or vote is held
- PIP is unsuccessful in reaching an agreement between the debtor and his or her creditors. This is ultimately reflected in a 'NO' vote at a creditors' meeting or, if the PIP is of the view that a 'NO' vote is inevitable, the PIP may not proceed with a creditors' meeting

In collating these figures, where a protective certificate has expired and the ISI is unaware of the outcome, it is assumed that an alternative solution has not been put in place. This conservative approach may be overstating the number of cases that have been unsuccessful.

Since late 2015, where creditors reject a debtor's PIA proposal involving a family home, a PIP can make an application to Court on the debtor's behalf for a review of that decision.

Subject to meeting a number of criteria, a Court may impose a rejected PIA proposal on creditors. The ISI will publish data pertaining to the new review process in due course.

## Creditor Acceptance/Rejection (from 2013 Q4 to 2016 Q4)

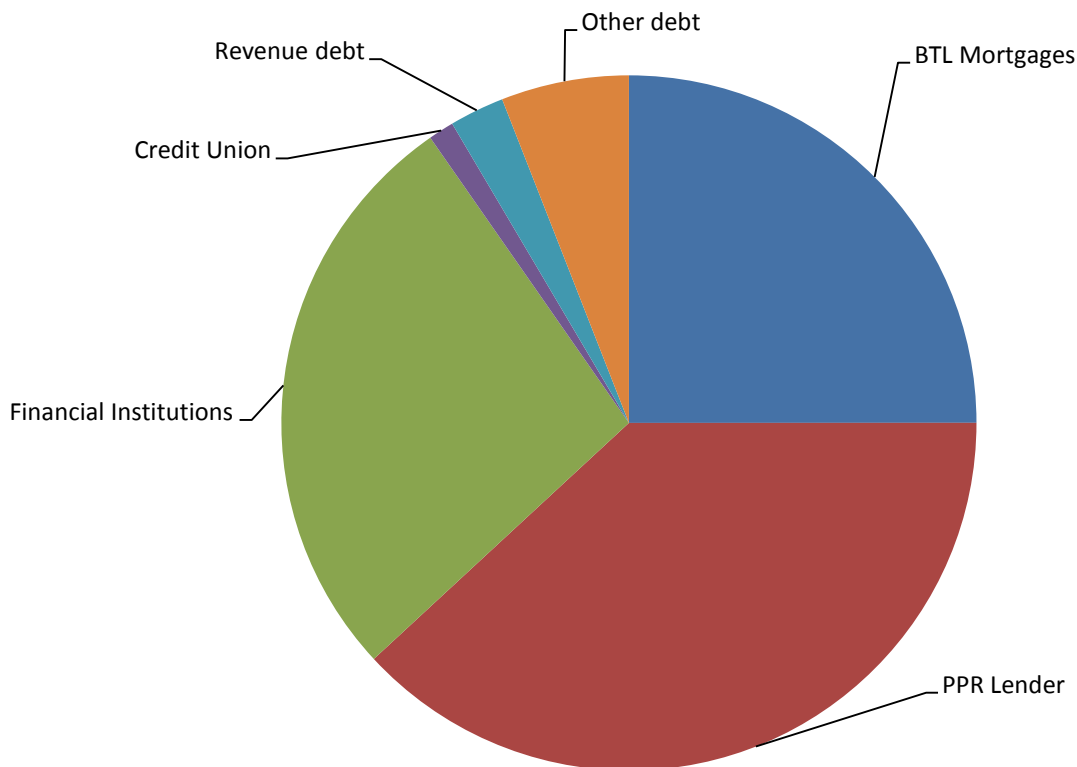


	Outcome	DSA	PIA	Total
YES	YES vote	82.4%	66.6%	70.1%
	Alternative solution	0.5%	0.5%	0.5%
	<b>Successful outcome</b>	<b>82.9%</b>	<b>67.1%</b>	<b>70.6%</b>
NO	NO vote	15%	29.5%	26.3%
	Rejected prior to creditors' meeting	0.0%	0.4%	0.3%
	Protective certificate expired	2.1%	3%	2.8%
	<b>Unsuccessful</b>	<b>17.1%</b>	<b>32.9%</b>	<b>29.4%</b>

**Note:** In 2016 Q4, 57% of P.I.A.s and 71% of D.S.A.s - 59% of all arrangements were approved by creditors.

## 4 Qualifying Debt – DRN, DSA, PIA

**€614 Million Qualifying Debt**



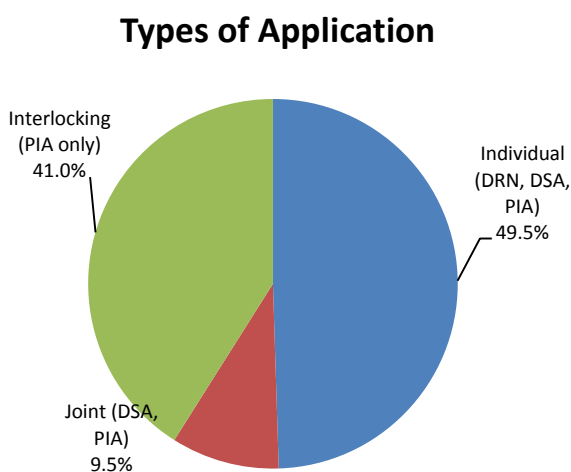
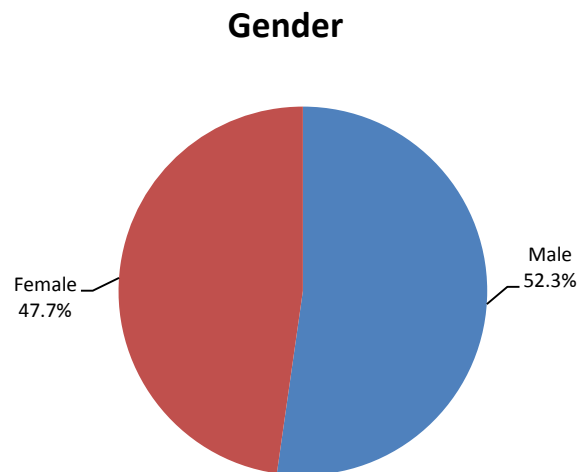
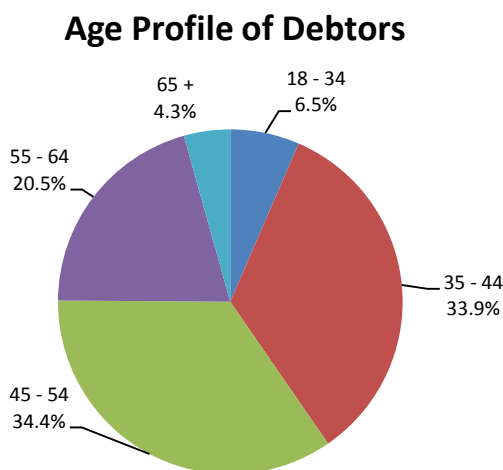
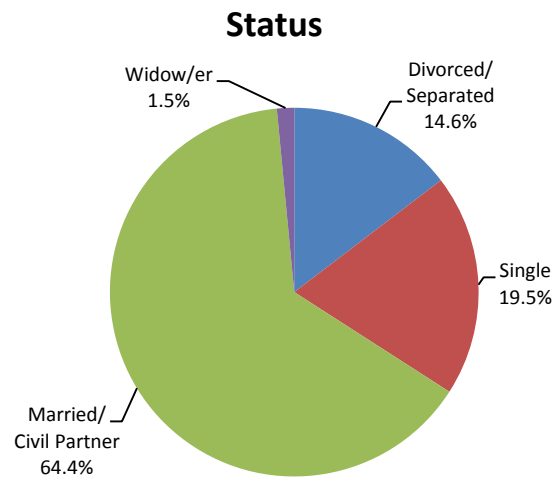
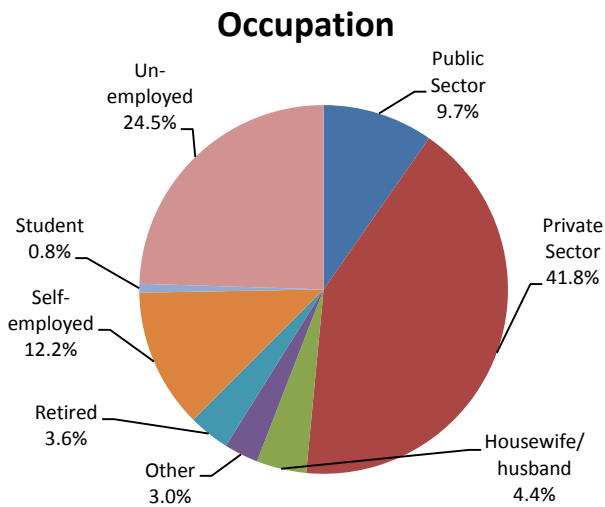
*\*Other debt includes trade creditors, connected creditors, contingent debt, hire purchase, personal guarantees, utilities, store cards/catalogues and professional fees.*

The total debt involved in the 1125 new cases created in Q4 is approximately €614 million. You can find a breakdown of the type of debt in the chart above and the table below.

Type of debt	Value of debt (millions)	As a % of total
BTL Mortgages	€ 153.529	25.0%
PPR Lender	€ 234.153	38.1%
Financial Institutions	€ 167.060	27.2%
Credit Union	€ 7.324	1.2%
Revenue debt	€ 15.655	2.6%
Other debt	€ 36.506	5.9%
<b>Total Q4 debt</b>	<b>€ 614.227</b>	<b>100.0%</b>



## 5 Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2016 Q4)



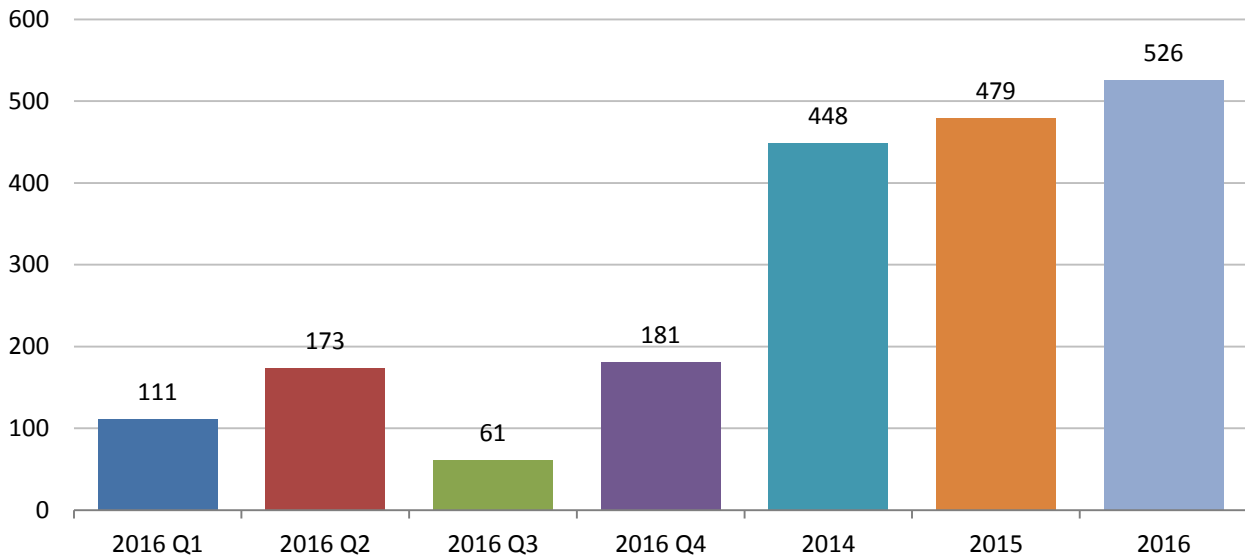
An individual application is an application by a sole debtor.

Where there are two (or more) debtors who are jointly liable for all of the debts to be included in a DSA or a PIA, a joint application is appropriate.

An interlocking application would be appropriate where two (or more) PIAs are to be administered in common - usually because of the financial relationship of the debtors involved. Examples would be a couple or business partners, where they are jointly liable for some - but not all - of the debts to be included in the PIA.

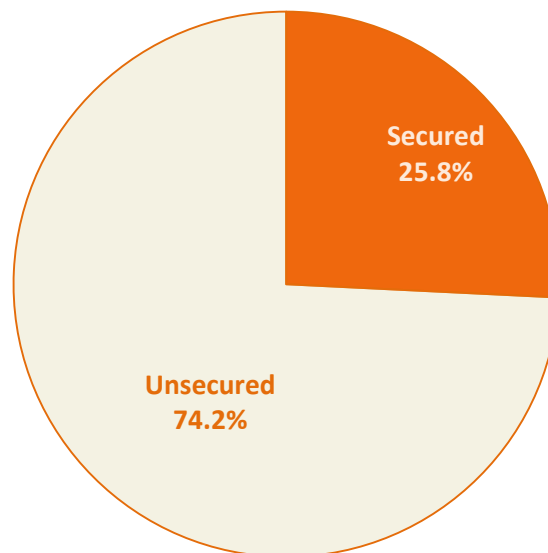
## 6 Bankruptcy

### Bankruptcy Adjudications



The one year bankruptcy term was introduced on the 29<sup>th</sup> January 2016.

### €370 Million Bankruptcy Debt in Q4



The total debt involved in bankruptcy adjudications for Q4 is approximately €370 million. This comprises 25.8% secured debt and 74.2% unsecured debt. In the case of secured debt, it is likely that current market values of securities are significantly below debt levels.

## 7 Appendix

### 7.1 Table: Case Management

Case Management Quarterly Statistics											
Period	New Applications <sup>1</sup>				Protective Certificates			Arrangements Approved <sup>2</sup>			
	Total	DRN	DSA	PIA	Total	DSA	PIA	Total	DRN	DSA	PIA
2016 Q4	1,125	74	116	935	526	81	445	310	94	43	173
2016 Q3	899	98	98	703	417	64	353	337	100	57	180
2016 Q2	735	129	121	485	438	93	345	334	92	66	176
2016 Q1	570	70	93	407	375	74	301	300	71	60	169
2015 Q4	527	104	99	324	351	87	264	294	76	39	179
2015 Q3	445	60	85	300	352	57	295	300	51	64	185
2015 Q2	566	104	89	373	344	93	251	346	123	75	148
2015 Q1	490	104	92	294	324	90	234	268	96	43	129
2014	1,331	297	243	791	661	153	508	548	252	97	199
2013	112	0	29	83	11	5	6	1	0	1	0
<b>Total</b>	<b>6,800</b>	<b>1,040</b>	<b>1,065</b>	<b>4,695</b>	<b>3,799</b>	<b>797</b>	<b>3,002</b>	<b>3,038</b>	<b>955</b>	<b>545</b>	<b>1,538</b>
Percentage change, 2016 Q4 compared with:											
2016 Q3	25%	-24%	18%	33%	26%	27%	26%	-8%	-6%	-25%	-4%
2015 Q4	113%	-29%	17%	189%	50%	-7%	69%	5%	24%	10%	-3%
<sup>1</sup> New applications adjusted for subsequently withdrawn cases											
<sup>2</sup> For Q4 2016, 'Arrangements Approved' represent only those cases approved by Court, prior quarters also included cases approved by Creditors but awaiting Court approval.											

### 7.2 Table: Bankruptcy

Period	Bankruptcy Adjudications
2016 Q4	181
2016 Q3	61
2016 Q2	173
2016 Q1	111
2016	526
2015	479
2014	448
2013	58
Percentage change, 2016 Q4 compared with:	
2016 Q3	196%
2015 Q4	27%

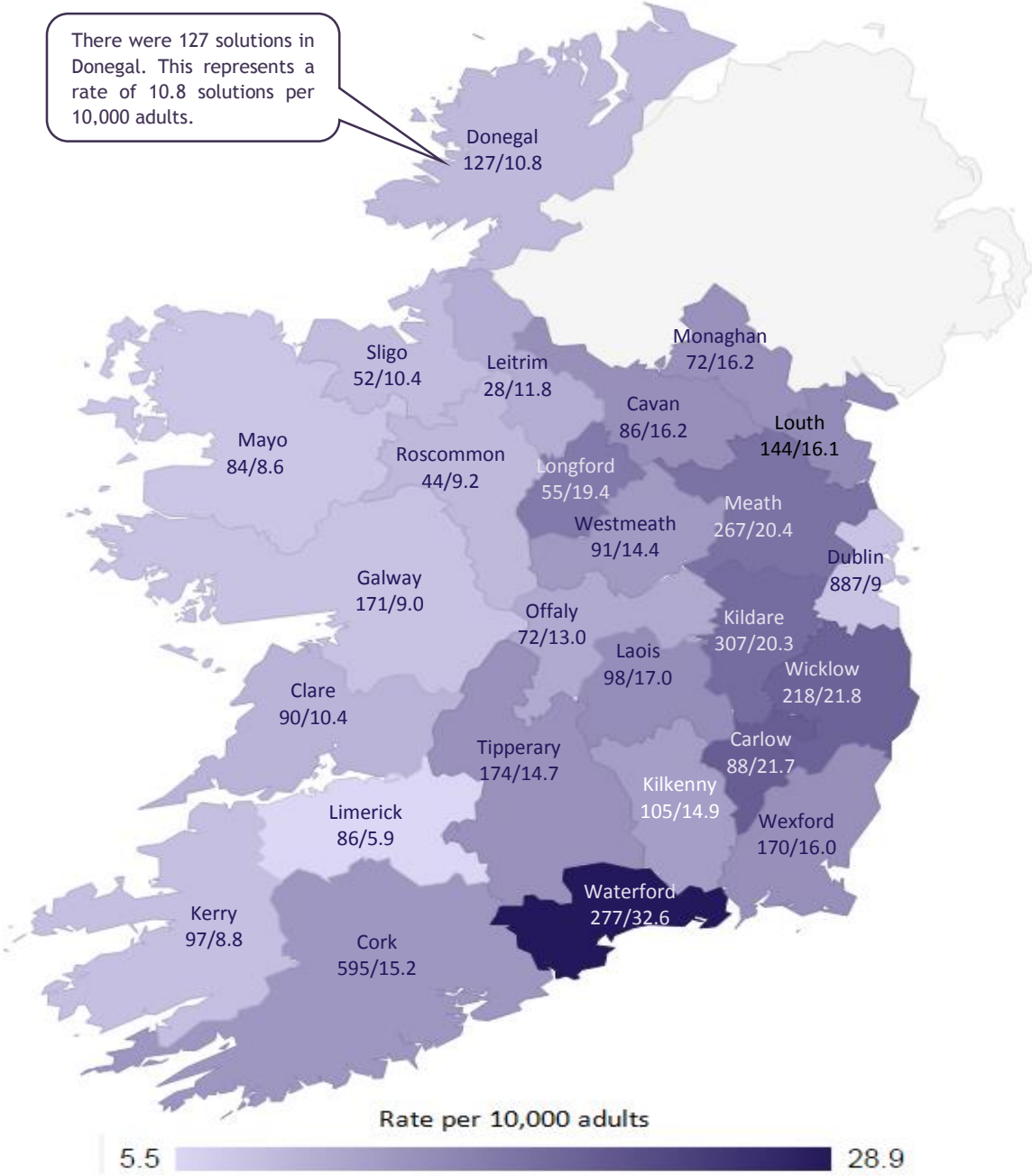
### 7.3 Table: Regulation

Personal Insolvency Practitioners (PIP)	116
Approved Intermediaries (AI)	53
Responsible Person (RP)	142
<b>Total regulated persons available to help debtors</b>	<b>258</b>

52 MABS companies and the Irish Mortgage Holders Association (IMHO) have been authorised as Approved Intermediaries. There are 142 Responsible Persons linked to these 53 authorisations.

**7.4 Geochart: Debt Solutions from 2014 Q1 to 2016 Q4**

The geochart below shows the number of DRNs, DSAs, PIAs and bankruptcies approved from 2014 Q1 to 2016 Q4, together with the rate per 10,000 adults<sup>1 2</sup>.

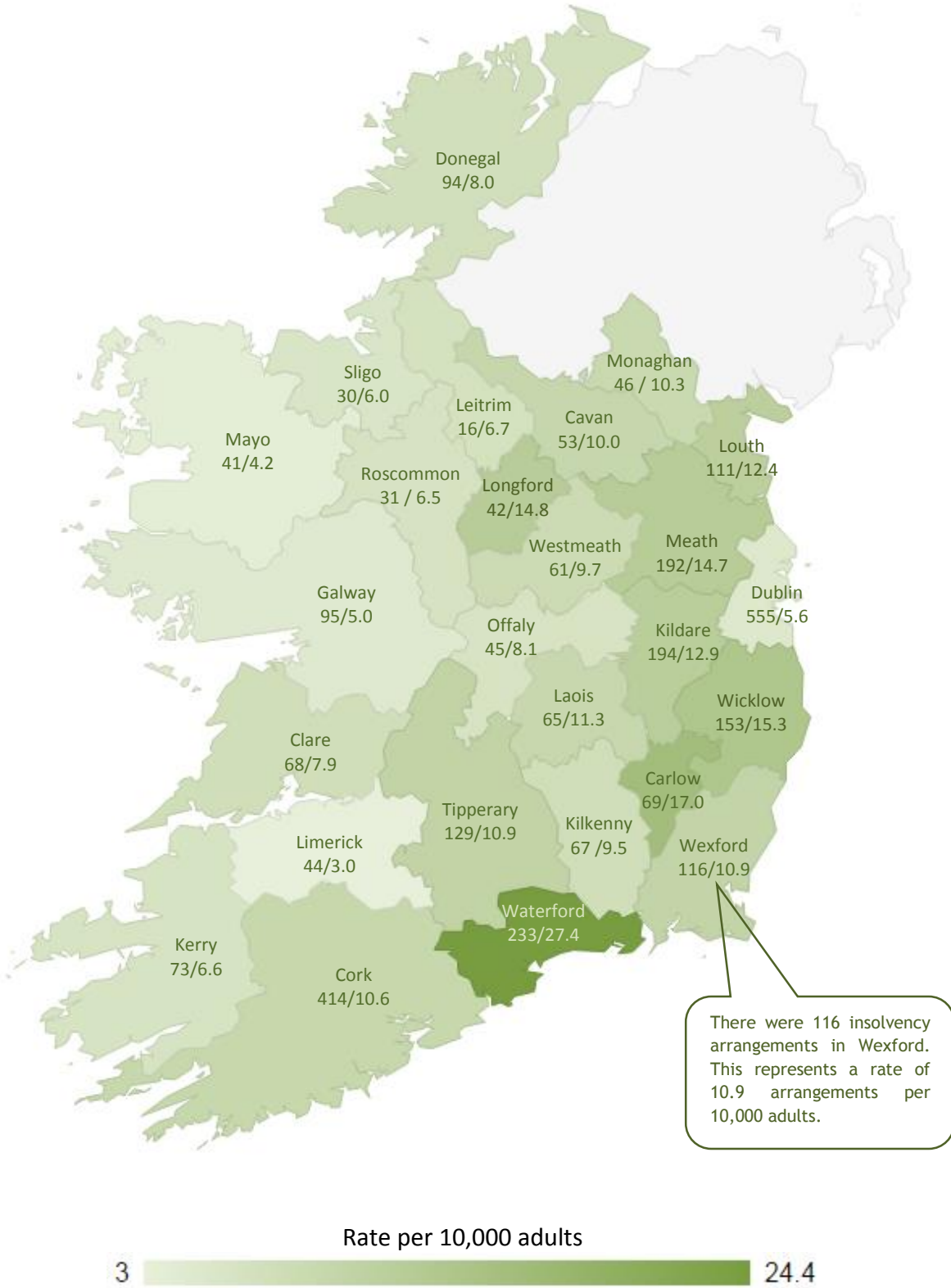


<sup>1</sup> Population data taken from the CSO’s *Population by Single Year of Age, Sex, Province County or City and Census Year*. Available on the CSO’s website at <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=CD207&PLanguage=0>.

<sup>2</sup> There have been five bankruptcies where the debtors have been residing outside of the state at the time of adjudication.

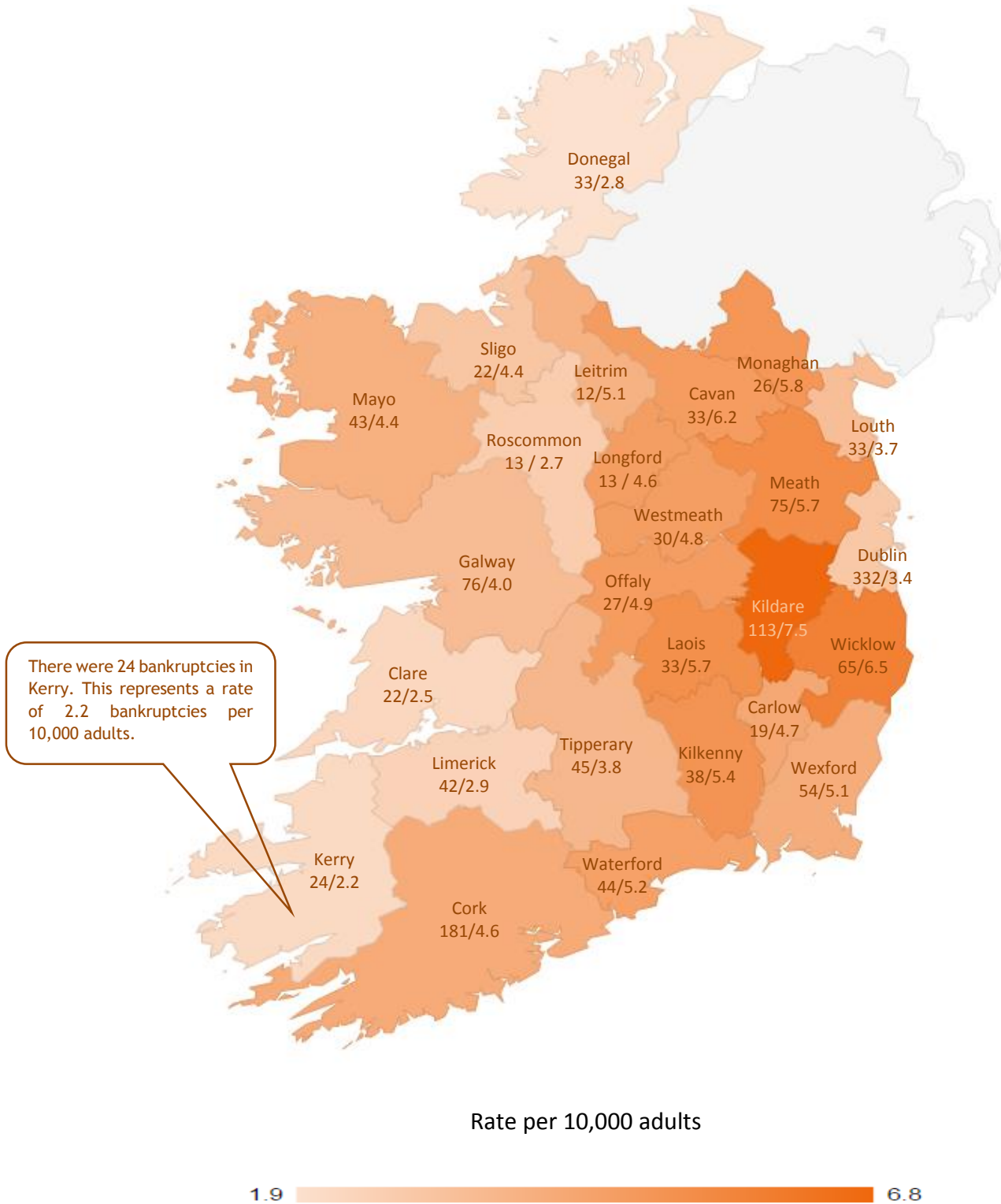
### 7.5 Geochart: DRN, DSA, and PIA Arrangements from 2014 Q1 to 2016 Q4

The geochart below shows the number of DRN, DSA and PIA arrangements approved by creditors and/or Court from 2014 Q1 to 2016 Q4, together with the rate per 10,000 adults.



## 7.6 Geochart: Bankruptcy Adjudications from 2014 Q1 to 2016 Q4

The geochart below shows the number of bankruptcy adjudications from 2014 Q1 to 2016 Q4, together with the rate per 10,000 adults<sup>3</sup>.



<sup>3</sup> There have been five bankruptcies where the debtors have been residing outside of the state at the time of adjudication.