



ISI Statistics
Quarter 4 2017



ISI
Tackling problem debt together

Insolvency Service of Ireland

Quarter 4 2017

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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

I am pleased to publish the statistical report of the Insolvency Service of Ireland (ISI) covering the fourth quarter of 2017 (Q4).

Key statistics for Quarter 4 2017:

- New applications down 15%
- Protective Certificates up 14%
- Overall Arrangements up 42%
- Bankruptcy cases up 143%

Key Statistics for the full year 2017:

- New applications up 39%
- Protective Certificates up 23%
- Overall Arrangements down 13%
- Bankruptcy down 10%

Lorcan O'Connor

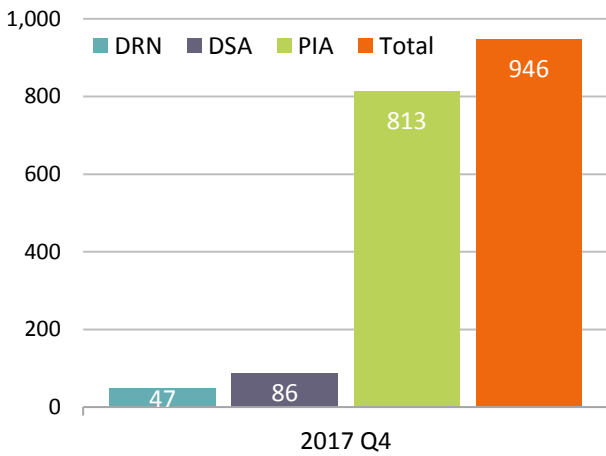
Director

March 2018

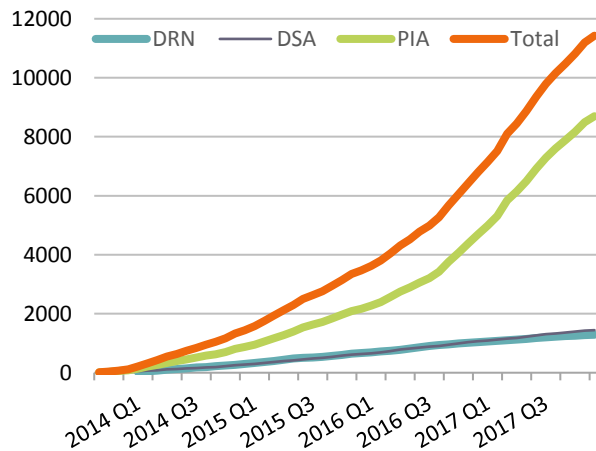
These statistics are for information purposes only. No person should place reliance on the accuracy of the statistics, nor should they act solely based on them. The statistics are primarily based upon cases created by duly authorised Approved Intermediaries and Personal Insolvency Practitioners on the 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 2017 to 31 December 2017, unless otherwise stated.

2 Case Management – DRN, DSA, PIA

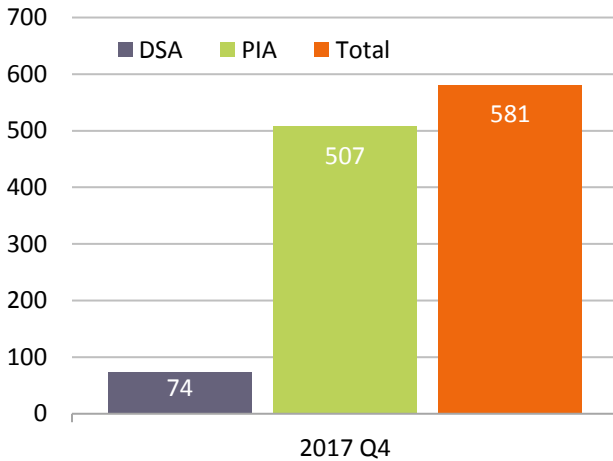
946 new applications in Q4



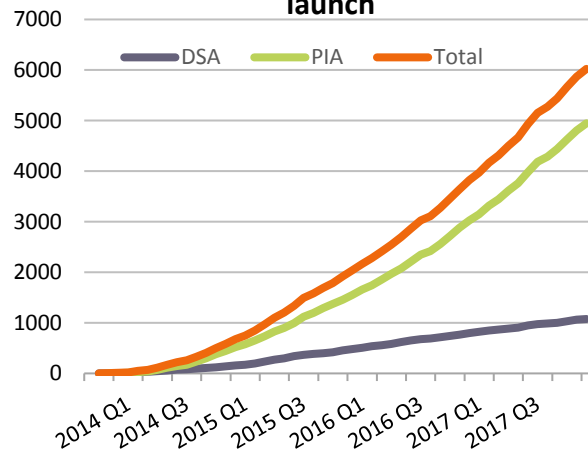
11,426 applications since launch



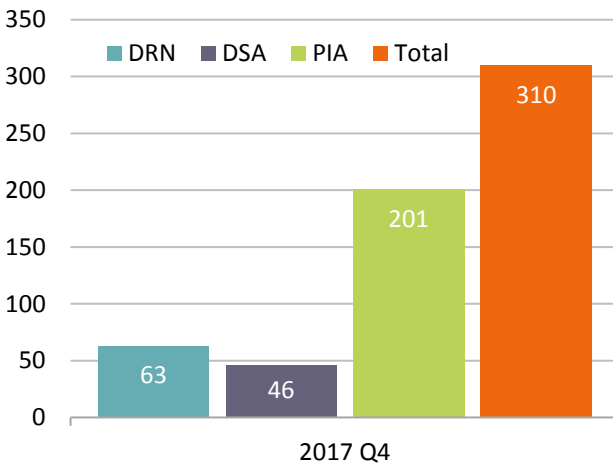
581 Protective Certificates in Q4



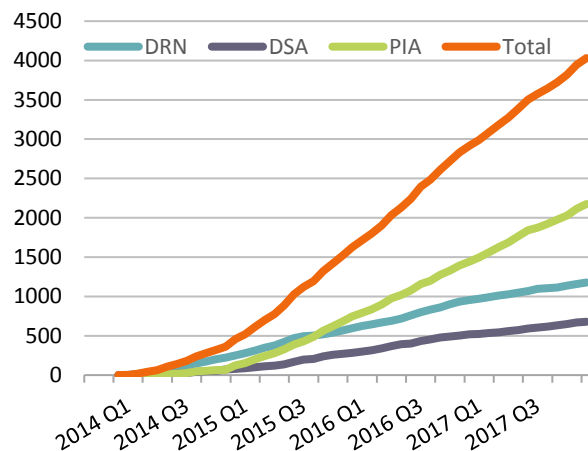
6,022 Protective Certificates since launch



310 Arrangements in Q4



4,030 Arrangements since launch



3 Outcome of Protective Certificates

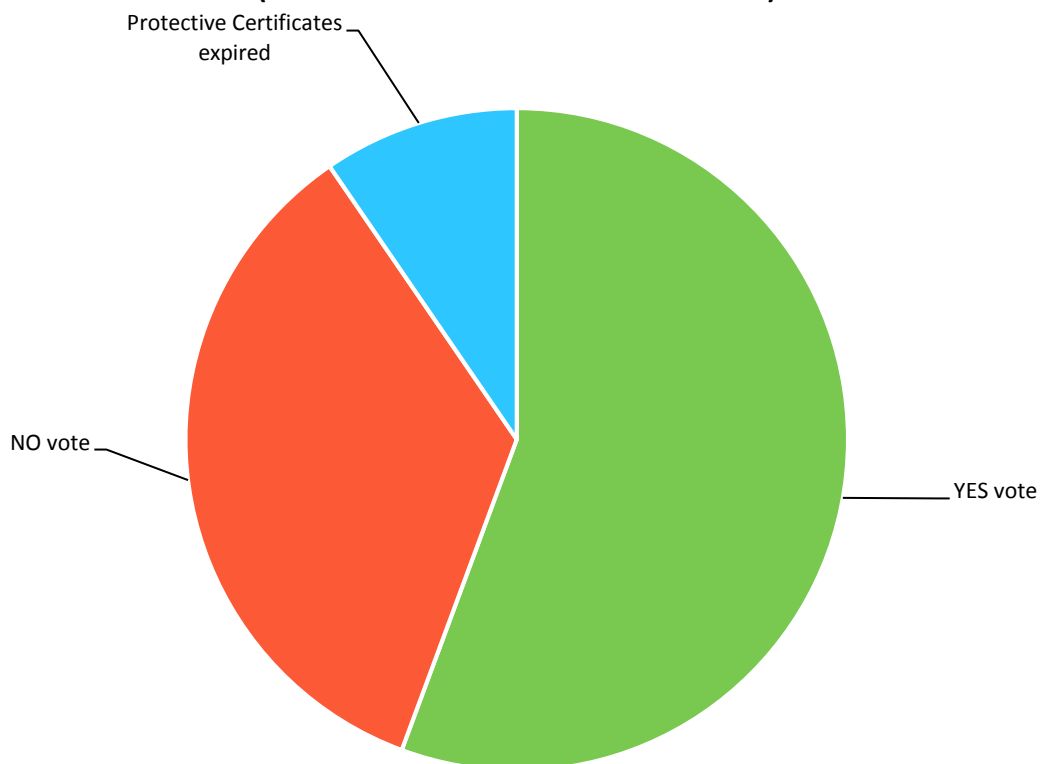
The ISI has undertaken an analysis of Protective Certificates issued and their outcomes. The analysis has been broken down into three categories:

- **Yes Vote:** Personal Insolvency Practitioner (PIP) successfully uses the Protective Certificate period of 70 days to put an agreement in place between the debtor and his or her creditors, following a vote at the creditors' meeting.
- **No Vote:** PIP is unsuccessful in reaching an agreement, following a vote at the creditors' meeting, between the debtor and his or her creditors.
- **Protective Certificate Expired:** The Protective Certificate can expire, without a formal insolvency solution in place, if the PIP is of the view that a Debt Settlement Arrangement/Personal Insolvency Arrangement is no longer appropriate. For example, where further time is required to prepare the case, where the debtor's circumstances have changed, where the PIP is of the view that a No vote is inevitable or where an alternative solution has been put in place between the debtor and his or her creditors. Once a Protective Certificate expires, information relating to any further action taken by the debtor in relation to their financial situation is not readily available to the ISI as the Debt Settlement Arrangement/Personal Insolvency Arrangement procedure is deemed to have ended.

Where a proposal for a PIA is not approved at a creditors' meeting, the Court may be asked to review the case in certain circumstances, in accordance with Section 115A of the Personal Insolvency Act. Further details concerning the Section 115A Court Review process is contained in the ISI's Annual Report for 2016 ([link](#)). It is intended that further analysis will also be included in future Annual Reports.

Appendix 2 contains further analysis of the outcome of Protective Certificates.

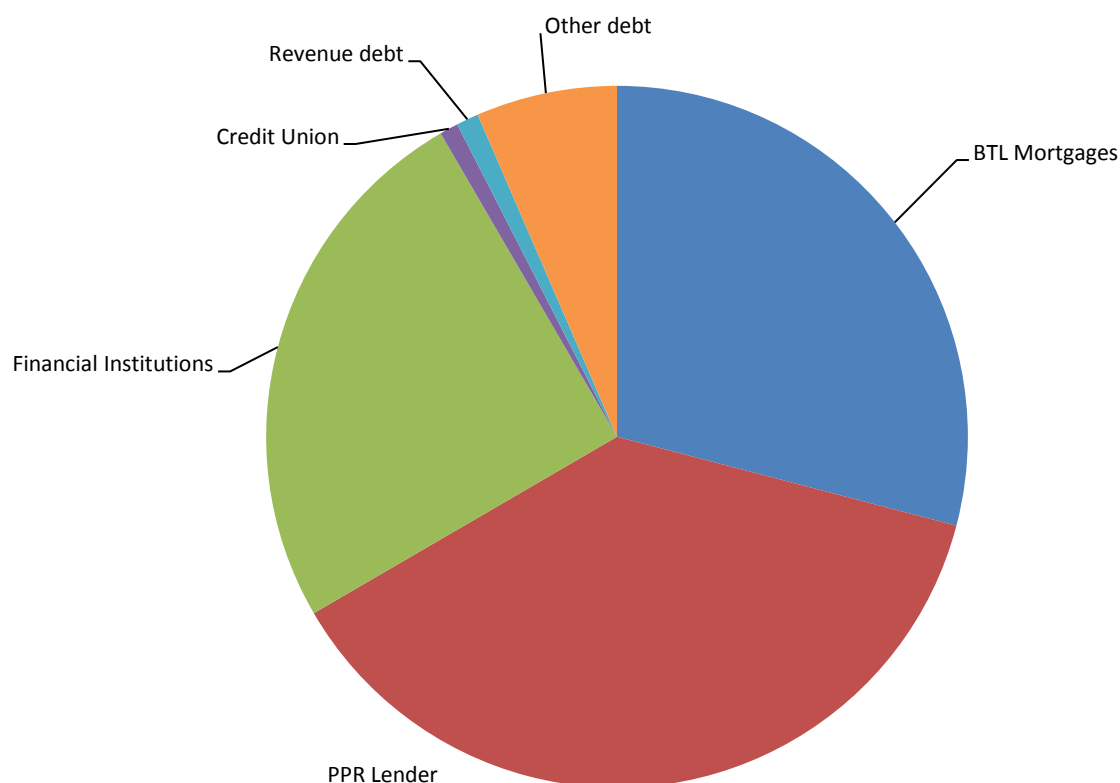
Outcome of Protective Certificates (from 2013 Q4 to 2017 Q4)



Outcome	DSA	PIA	Total
YES vote	71.8%	52.0%	55.6%
NO vote	19.5%	38.3%	34.8%
Protective Certificates expired	8.7%	9.7%	9.6%

4 Qualifying Debt – DRN, DSA, PIA

€516 Million Qualifying Debt

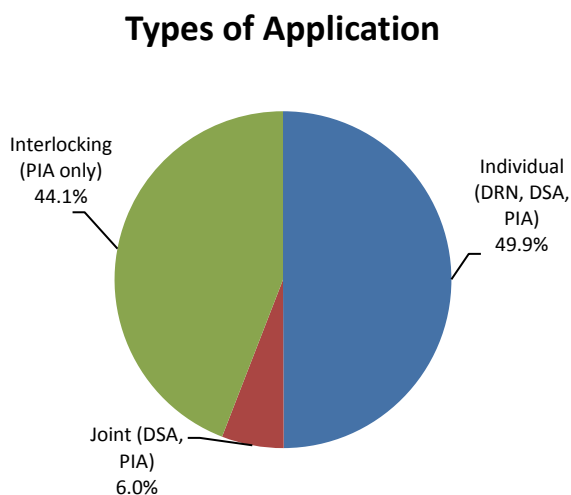
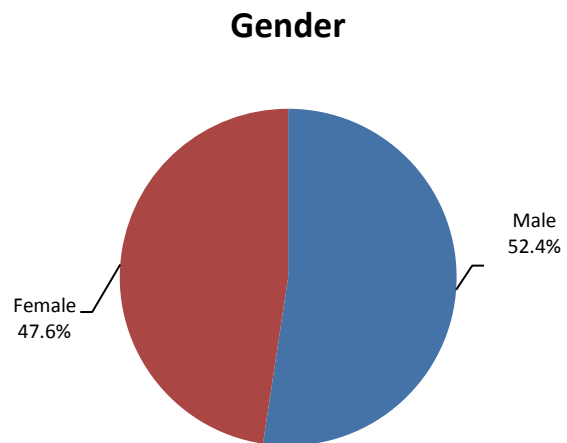
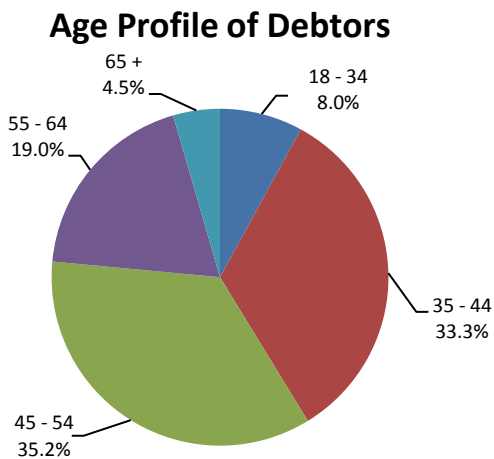
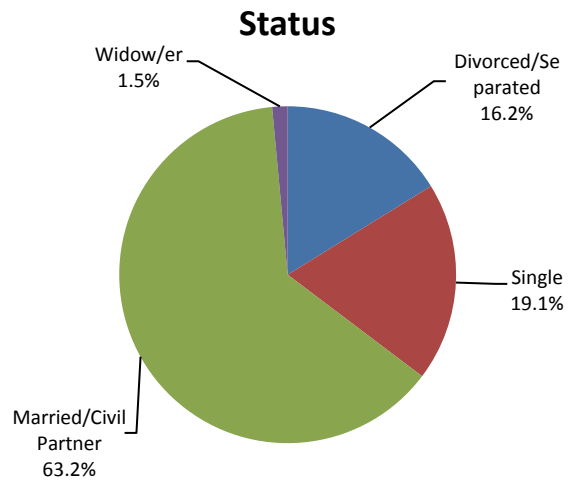
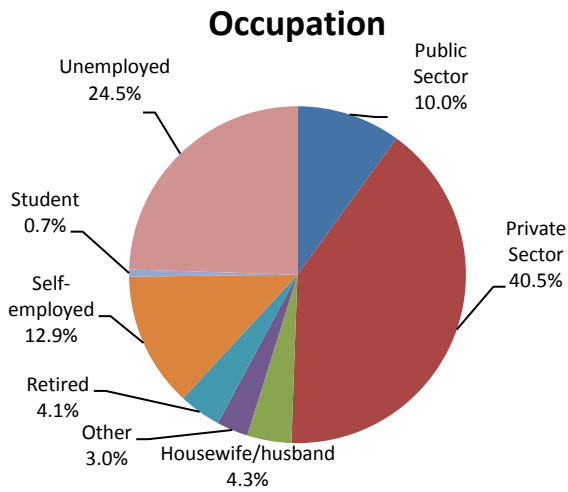


**Other debt includes trade creditors, connected creditors, contingent debt, hire purchase, personal guarantees, utilities, store cards/catalogues and professional fees.*

The total debt involved in the 946 new cases created in Q4 is approximately €516 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	€ 150.072	29.1%
PPR Lender	€ 193.684	37.5%
Financial Institutions	€ 129.041	25.0%
Credit Union	€ 4.409	0.9%
Revenue debt	€ 5.303	1.0%
Other debt	€ 33.551	6.5%
Total Q4 debt	€ 516.060	100.0%

5 Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2017 Q4)

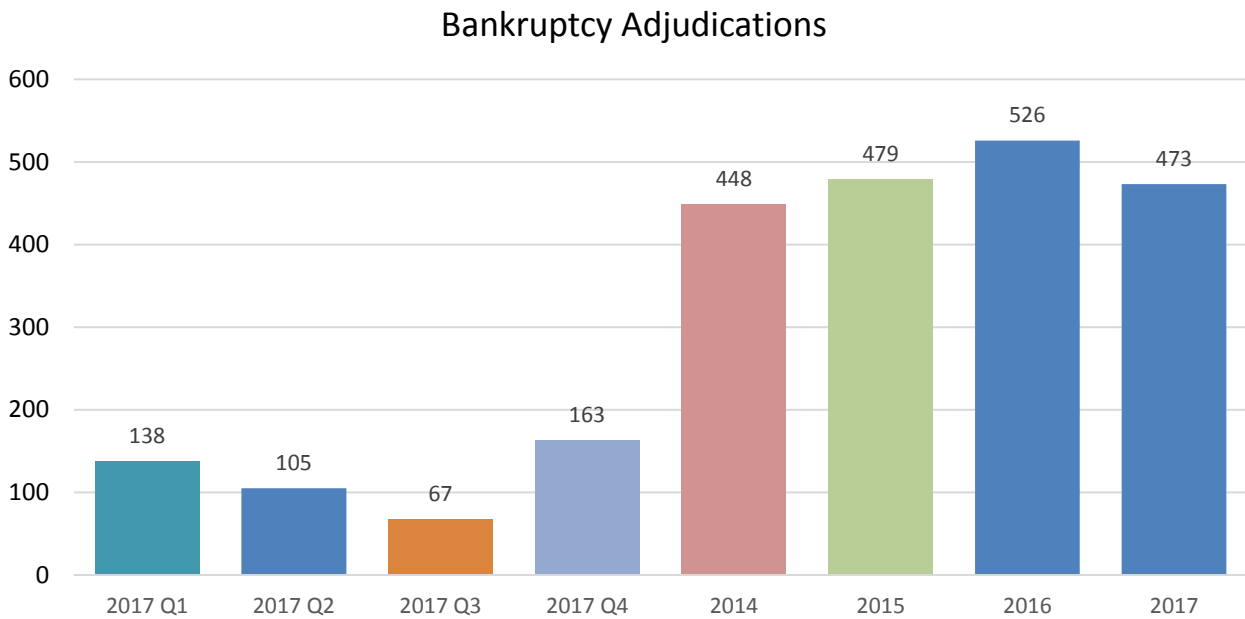


An individual application is an application by a sole debtor.

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.

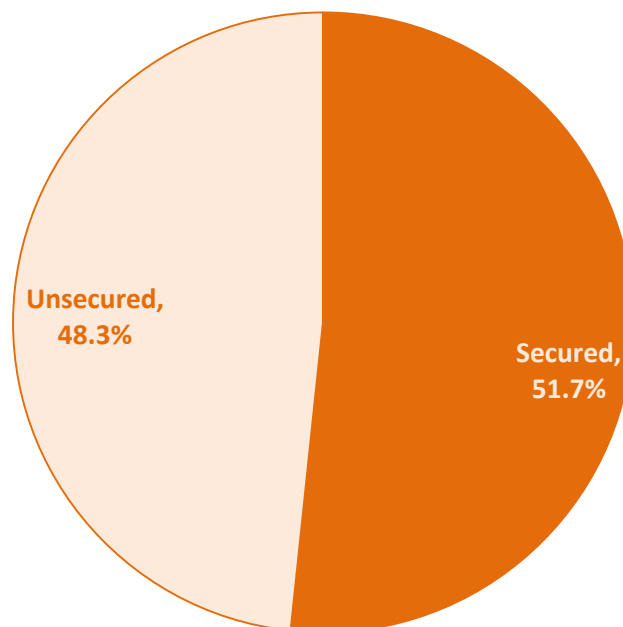
An interlocking application would be appropriate where two (or more) PIAs are to be administered in common - usually because of the financial relationship of the debtors involved. Examples would be a couple or business partners, where they are jointly liable for some - but not all - of the debts to be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

6 Bankruptcy



The one-year bankruptcy term was introduced on the 29th January 2016.

€251 Million Bankruptcy Debt in Q4



The total debt involved in bankruptcy adjudications for Q4 is approximately €251 million. This comprises 51.7% secured debt and 48.3% unsecured debt. In the case of secured debt, it is likely that current market values of securities are significantly below debt levels.

7 Appendix 1

7.1 Table: Case Management

Case Management Quarterly Statistics											
Period	New Applications				Protective Certificates			Arrangements Approved			
	Total	DRN	DSA	PIA	Total	DSA	PIA	Total	DRN	DSA	PIA
2017 Q4	946	47	86	813	581	74	507	310	63	46	201
2017 Q3	1,119	67	90	962	510	53	457	218	45	41	132
2017 Q2	1,259	68	109	1,082	617	82	535	323	59	46	218
2017 Q1	1,302	65	93	1,144	490	69	421	264	55	27	182
2017	4,626	247	378	4,001	2,198	278	1,920	1,115	222	160	733
2016 Q4	1,125	74	116	935	551	84	467	303	94	41	168
2016 Q3	899	98	98	703	412	60	352	372	100	75	197
2016 Q2	735	129	121	485	448	96	352	336	92	63	181
2016 Q1	570	70	93	407	375	74	301	278	71	56	151
2016	3,329	371	428	2,530	1,786	314	1,472	1,289	357	235	697
2015	2,028	372	365	1,291	1,363	326	1,037	1,170	347	204	619
2014	1,331	297	243	791	664	153	511	455	251	78	126
2013	112	0	29	83	11	5	6	1	0	1	0
Total	11,426	1,287	1,443	8,696	6,022	1,076	4,946	4,030	1,177	678	2,175
Percentage change, 2017 compared with:											
2016	39%	-33%	-12%	58%	23%	-11%	30%	-13%	-38%	-32%	5%
2015	128%	-34%	4%	210%	61%	-15%	85%	-5%	-36%	-22%	18%
Percentage change, 2017 Q4 compared with:											
2017 Q3	-15%	-30%	-4%	-15%	14%	40%	11%	42%	40%	12%	52%
2016 Q4	-16%	-36%	-26%	-13%	5%	-12%	9%	2%	-33%	12%	20%

7.2 Table: Bankruptcy

Period	Bankruptcy Adjudications
2017 Q4	163
2017 Q3	67
2017 Q2	105
2017 Q1	138
2017	473
2016	526
2015	479
2014	448
Percentage change, 2017 compared with:	
2016	-10.1%
2015	-1.3%
Percentage change, 2017 Q4 compared with:	
2017 Q3	143.3%
2016 Q4	-9.9%

7.3 Table: Regulation

Personal Insolvency Practitioners (PIP)	110
Approved Intermediaries (AI)*	55
Responsible Person (RP)	143
Total regulated persons available to help debtors	253

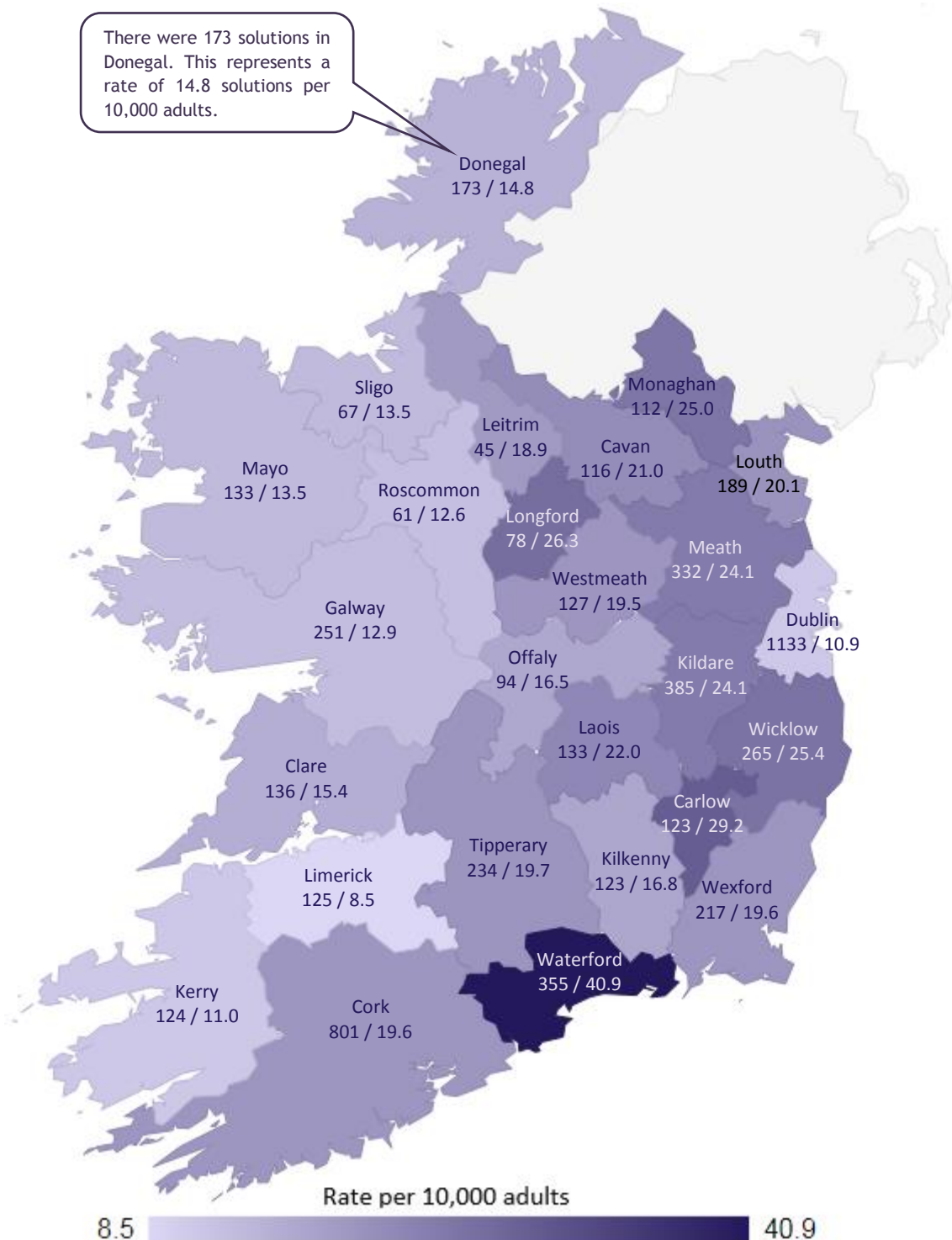
*The 55 Approved Intermediary entities are composed of the following:

- 52 MABS companies
- Irish Mortgage Holders Organisation (IMHO)
- AMI Financial Solutions
- Insolvency Resolution Service

There are 143 Responsible Persons linked to these 55 authorisations.

7.4 Geochart: Debt Solutions from 2014 Q1 to 2017 Q4

The geochart below shows the number of DRNs, DSAs, PIAs and bankruptcies approved from 2014 Q1 to 2017 Q4, together with the rate per 10,000 adults^{1 2}.



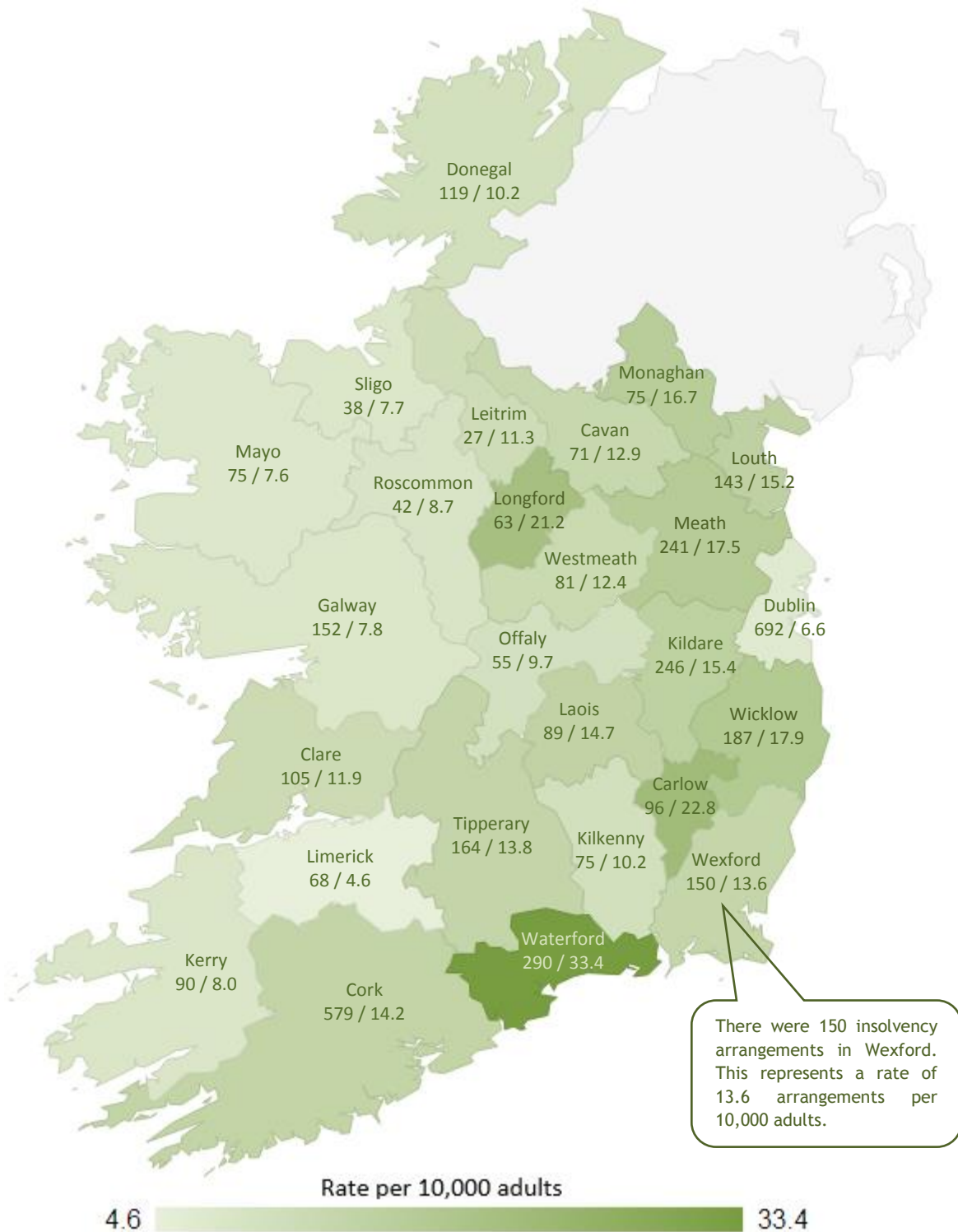
¹ Population data taken from the CSO's *Population 2011 to 2016 by Single Year of Age, Sex, County and City and CensusYear*. Available on the CSO's website at

<http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=E3003&PLanguage=0>.

² There have been 16 insolvencies and seven bankruptcies where the debtors have been residing outside of the State.

7.5 Geochart: DRN, DSA, and PIA Arrangements from 2014 Q1 to 2017 Q4

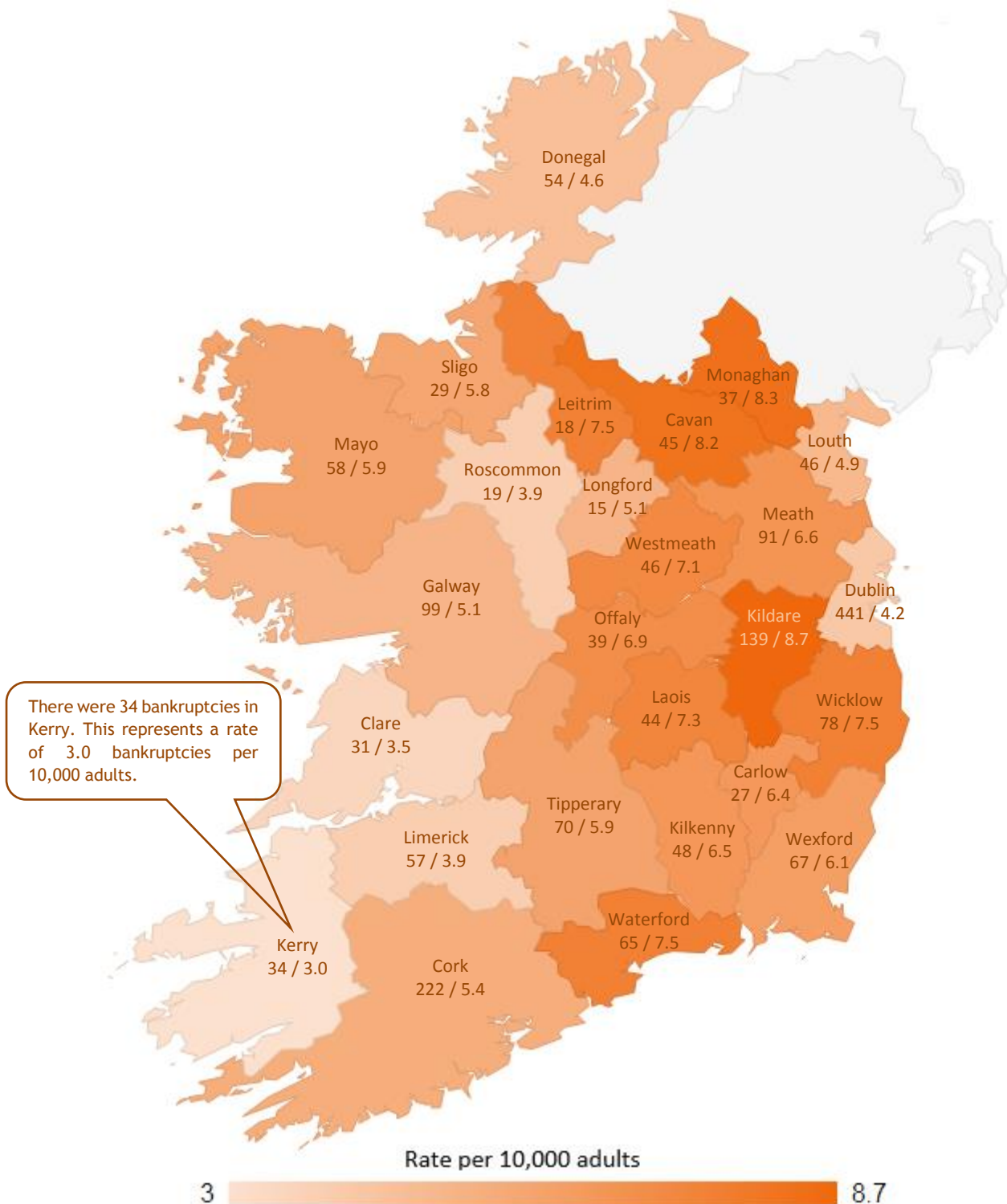
The geochart below shows the number of DRN, DSA and PIA arrangements approved by Court from 2014 Q1 to 2017 Q4, together with the rate per 10,000 adults³.



³ There have been 16 insolvencies where the debtors have been residing outside of the State.

7.6 Geochart: Bankruptcy Adjudications from 2014 Q1 to 2017 Q4

The geochart below shows the number of bankruptcy adjudications from 2014 Q1 to 2017 Q4, together with the rate per 10,000 adults⁴.



⁴ There have been seven bankruptcies where the debtors have been residing outside of the State at the time of adjudication.

8 Appendix 2 – Detailed analysis of the outcome of Protective Certificates

8.1 Background

The ISI publishes a breakdown of DSA and PIA acceptance rates in each of its quarterly statistical reports. Since Quarter 1 2017, the level of creditor “Yes Votes” are calculated with reference to the Registers for DSAs and PIAs to ensure accuracy. The balance of cases are broken down into two categories based upon the status of each case on the ISI’s system. The two categories are creditor “No Vote” and “PC expired”.

Sections 75 and 112 of the Personal Insolvency Act 2012 (as amended) require a PIP to notify the ISI of creditors’ approval of a DSA or PIA as appropriate, as soon as practicable after the date of the creditors’ meeting. The Personal Insolvency Act does not require a PIP to notify the ISI in cases where creditors vote against a DSA or PIA proposal, although many PIPs do provide this information to the ISI in an unstructured format. As a consequence of this the potential for inaccurate reporting of the split between creditor “No Vote” and “PC expired” was identified and as a result, the ISI recently examined every case where a Protective Certificate was issued but an arrangement was not approved at a creditors’ meeting. This examination covered the period from the date the ISI was established to the end of 2017.

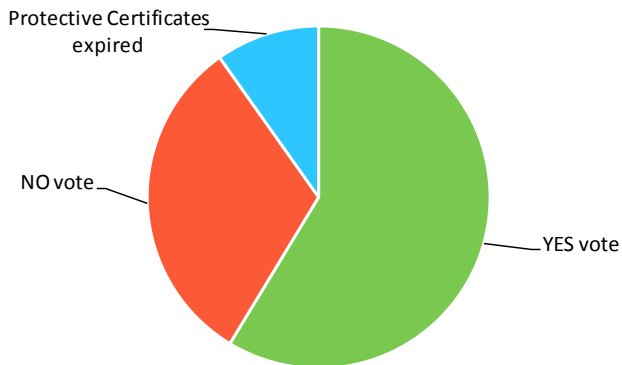
The unstructured data (letters, emails, notifications, etc.) for every case was examined to see if the PIP had notified the ISI of a “No Vote” at the creditors’ meeting. Where the unstructured data did not reveal a “No Vote”, the ISI contacted the relevant PIP to establish if a creditors’ meeting had resulted in a “No Vote”. The results of this analysis are shown overleaf for the first three quarters of 2017. This approach was used for the acceptance rate analysis in section 3 of this report (for Quarter 4 2017) and will be used for future reports.

The only material change this exercise has resulted in is to reduce the category of “PC expired” with a corresponding increase in creditor “No Votes”. **The level of “Yes Votes” was not impacted** and remains unchanged*.

**Minor differences arises from timing. For example, the published data for Quarter 1 2017 was extracted in mid-May 2017 whereas the data reported overleaf for the same quarter was extracted in mid-February 2018. The later data has the advantage of being more complete and accurate. (e.g. A PC application that had been adjourned beyond May 2017 is now caught)*

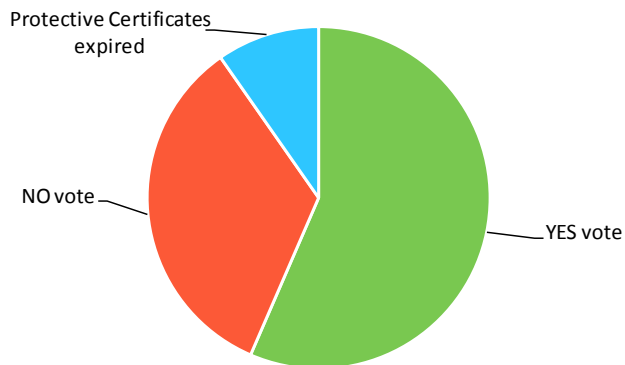
8.2 Outcome of Protective Certificates – 2017 Q1, Q2 and Q3

Outcome of Protective Certificates
(from 2013 Q4 to 2017 Q1)



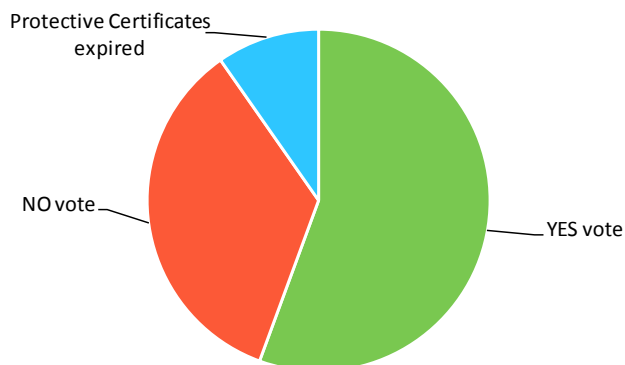
Outcome	DSA	PIA	Total
YES vote	72.7%	55.1%	58.7%
NO vote	17.9%	35.0%	31.5%
Protective Certificates expired	9.4%	9.9%	9.8%

Outcome of Protective Certificates
(from 2013 Q4 to 2017 Q2)



Outcome	DSA	PIA	Total
YES vote	72.1%	52.8%	56.5%
NO vote	18.8%	37.3%	33.8%
Protective Certificates expired	9.1%	9.9%	9.7%

Outcome of Protective Certificates
(from 2013 Q4 to 2017 Q3)



Outcome	DSA	PIA	Total
YES vote	71.4%	52.0%	55.6%
NO vote	19.7%	38.2%	34.7%
Protective Certificates expired	8.9%	9.8%	9.7%