



**ISI Statistics**  
**Quarter 4 2019**



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

# Insolvency Service of Ireland

## Quarter 4 2019

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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 (UNLESS ALL SECURED CREDITORS CONSENT TO THE INCLUSION OF A HIGHER AMOUNT) 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 2019 (Q4). Key statistics for Quarter 4 2019 are as follows:

- 652 Protective Certificates
- 470 Arrangements approved
- 80 Bankruptcies

The number of protective certificates issued for a PIA, the solution that deals with secured debt, increased 29% on the same Quarter in 2018.

Total arrangements approved in the Quarter increased by 29% over the same period in 2018 indicating a busy finish to the year with total arrangements up 10% overall for 2019 compared to 2018. The number of PIAs were up 23% on the same Quarter in 2018 while there was a 131% jump in DRNs approved in Quarter 4 compared to the same period last year. The number of DRNs were up 38% for the year overall compared to 2018.

While bankruptcies increased in the final Quarter compared to the previous two Quarters, the yearly trend is downwards with the overall number again falling in 2019 compared to 2018.

Michael McNaughton

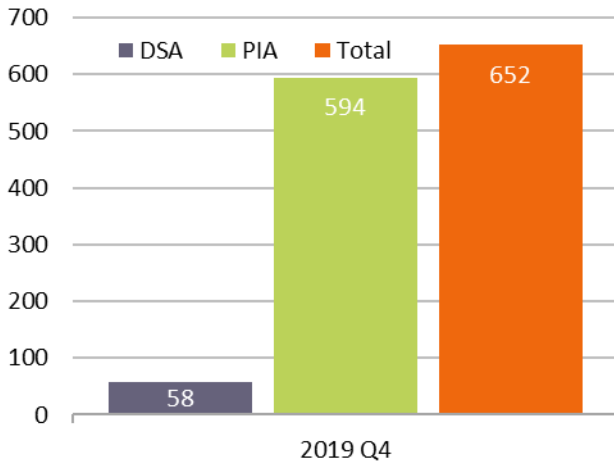
Director

March 2020

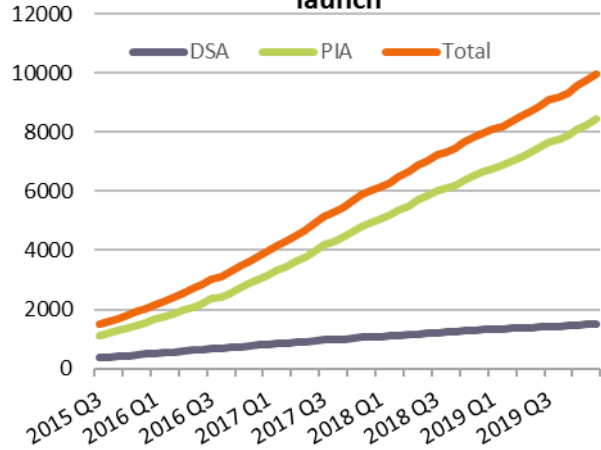
*These statistics are for information purposes only. No person should place reliance on the accuracy of the statistics, nor should they act solely based on them. The statistics are primarily based upon cases created by duly authorised Approved Intermediaries and Personal Insolvency Practitioners on the 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 2019 to 31 December 2019, unless otherwise stated.*

## 2 Case Management – DRN, DSA, PIA

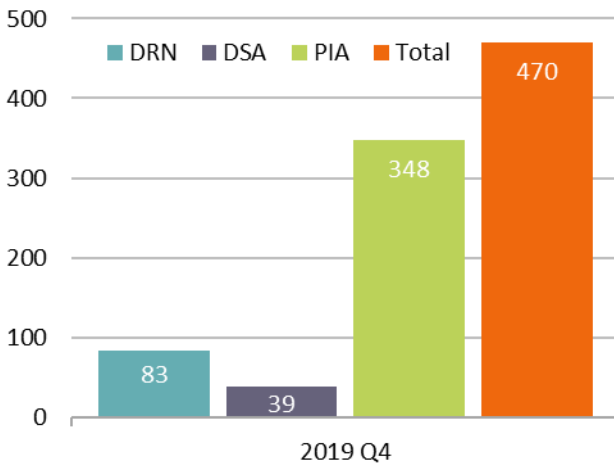
**652 Protective Certificates in Q4**



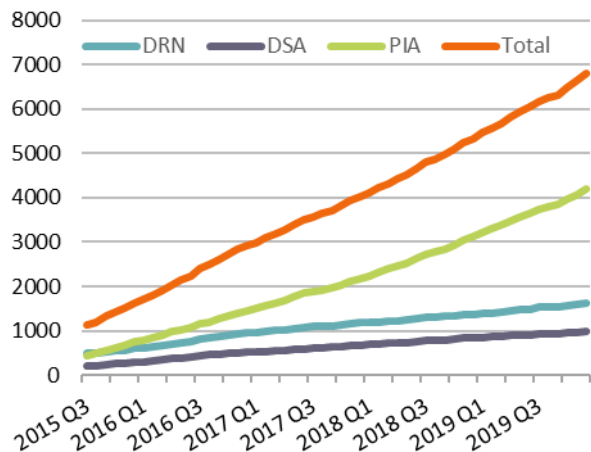
**9,966 Protective Certificates since launch**



**470 Arrangements in Q4**



**6,790 Arrangements since launch**



### 3 Outcome of Protective Certificates

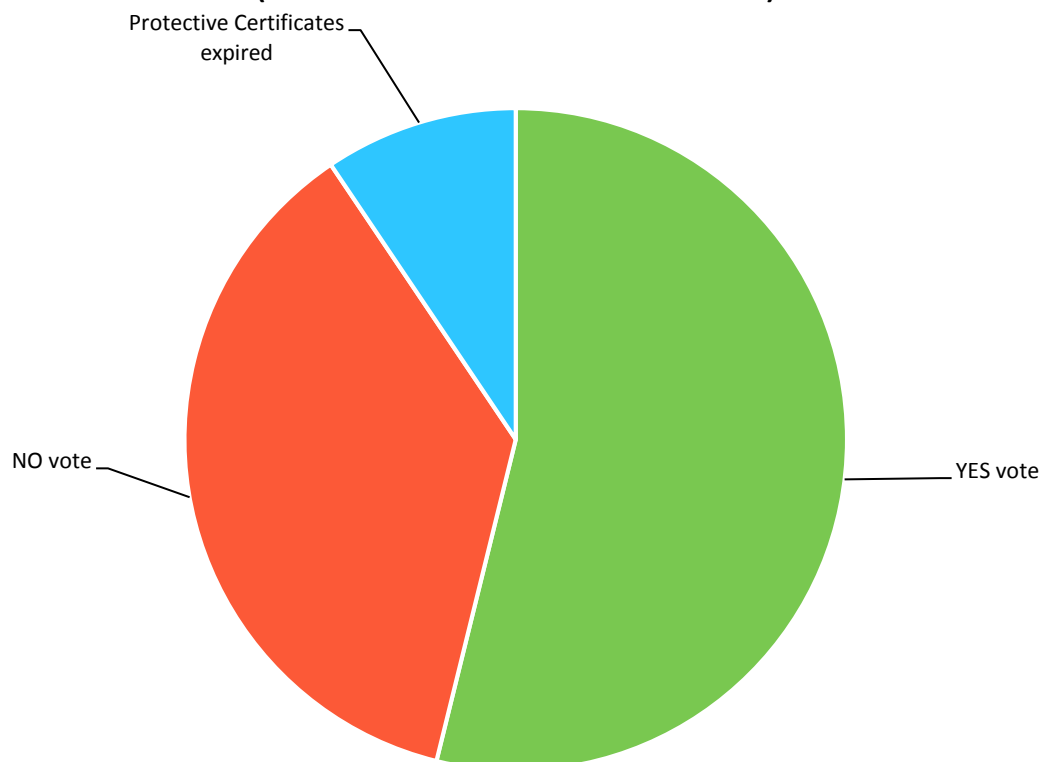
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The ISI has undertaken an analysis of Protective Certificates issued and their outcomes. The analysis has been broken down into three categories:

- **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 2018](#). It is intended that further analysis will also be included in future Annual Reports.

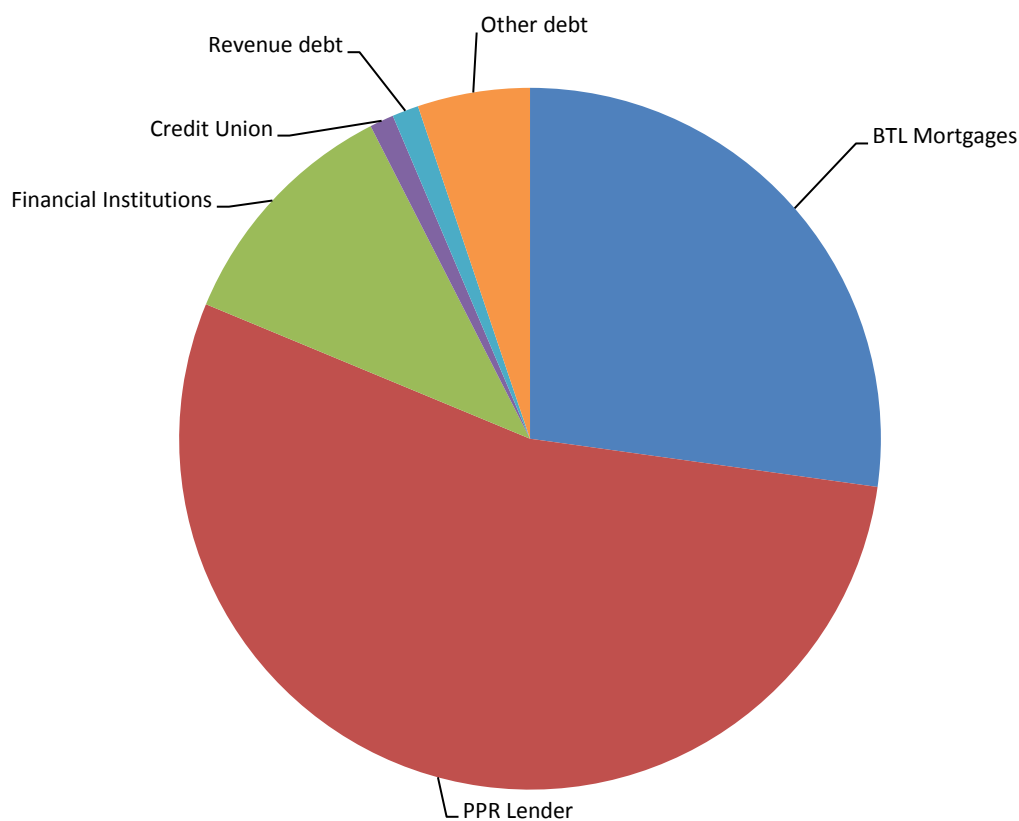
## Outcome of Protective Certificates (from 2013 Q4 to 2019 Q4)



Outcome	DSA	PIA	Total
YES vote	70.4%	50.8%	53.8%
NO vote	20.2%	39.8%	36.8%
Protective Certificates expired	9.4%	9.4%	9.4%

## 4 Arrangement Debt – DRN, DSA, PIA

### €110 Million Arrangement Debt



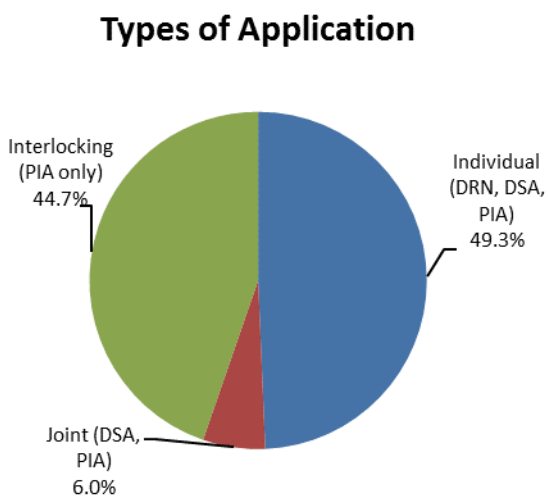
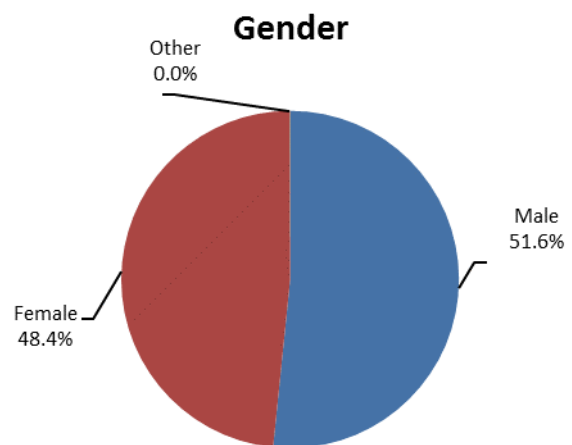
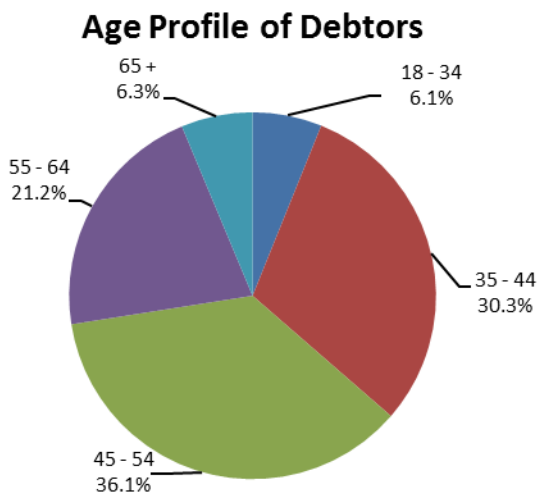
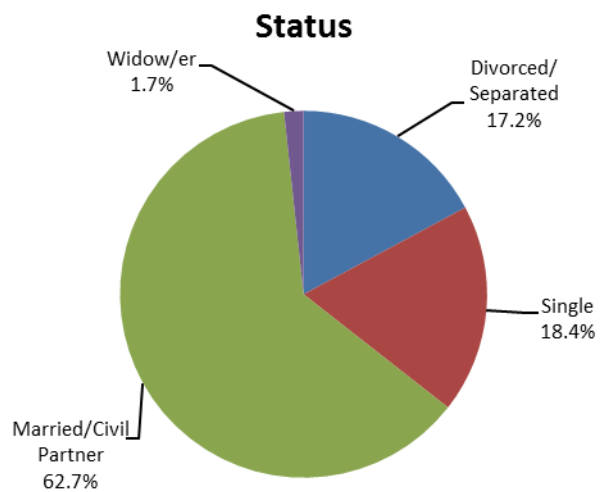
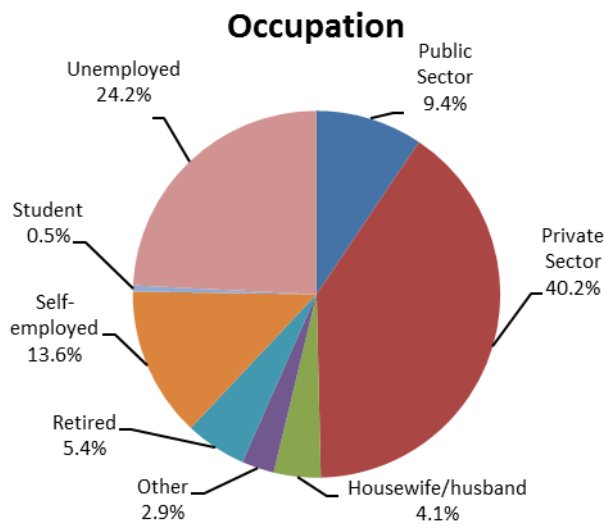
*\*Other debt includes trade creditors, connected creditors, contingent debt, hire purchase, personal guarantees, utilities, store cards/catalogues and professional fees.*

The total debt involved in the 470 approved arrangements in Q4 is approximately €110 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	€ 29.926	27.2%
PPR Lender	€ 59.490	54.1%
Financial Institutions	€ 12.362	11.2%
Credit Union	€ 1.220	1.1%
Revenue debt	€ 1.345	1.2%
Other debt	€ 5.694	5.2%
<b>Total Q3 debt</b>	<b>€ 110.037</b>	<b>100.0%</b>



## 5 Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2019 Q4)



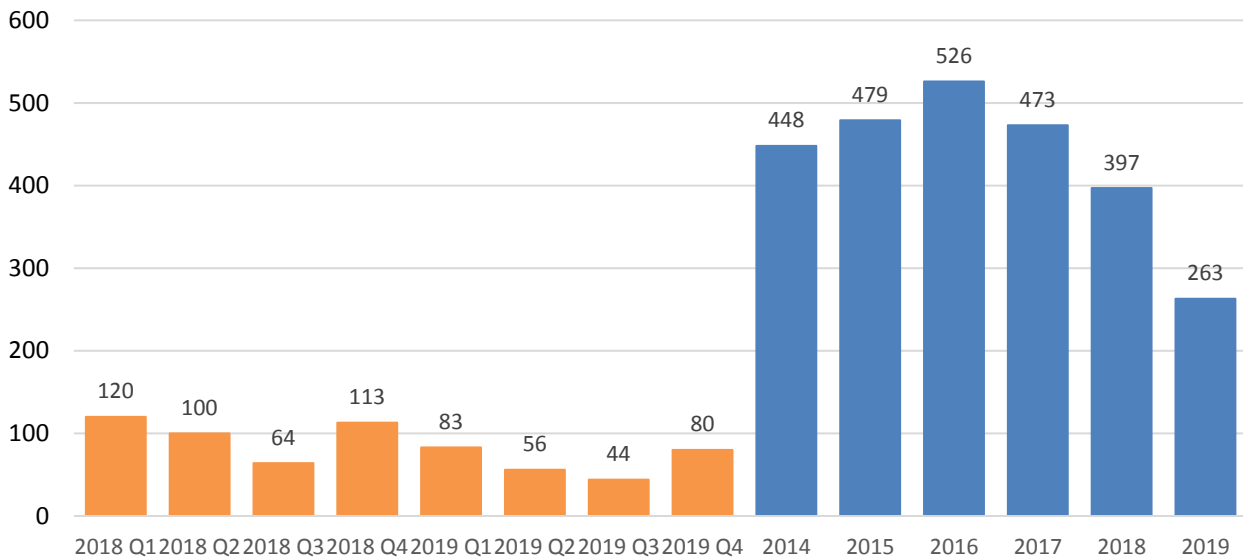
An individual application is an application by a sole debtor.

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.

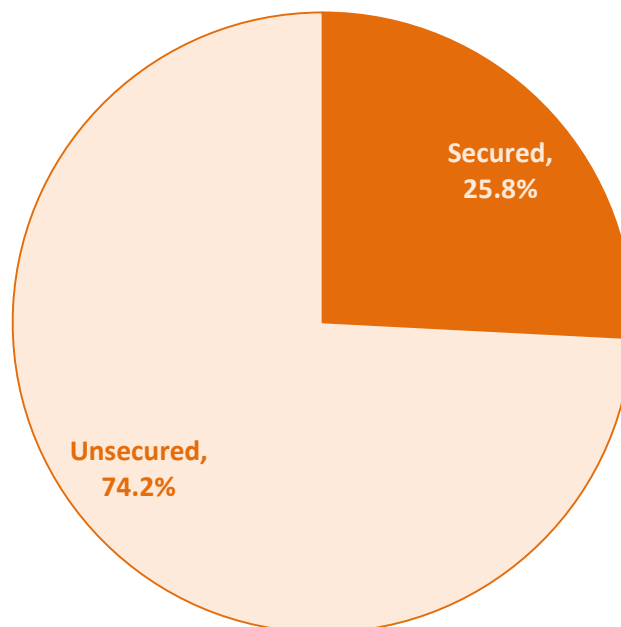
## 6 Bankruptcy

### Bankruptcy Adjudications



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

### €112 Million Bankruptcy Debt in Q4



The total debt involved in bankruptcy adjudications for Q4 is approximately €112 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 1

7.1 Table: Case Management

Case Management Quarterly Statistics							
Period	Protective Certificates			Arrangements Approved			
	Total	DSA	PIA	Total	DRN	DSA	PIA
2019 Q4	652	58	594	470	83	39	348
2019 Q3	432	42	390	271	53	23	195
2019 Q2	526	50	476	360	75	30	255
2019 Q1	376	45	331	347	50	40	257
2018 Q4	530	68	462	365	36	45	284
2018 Q3	418	55	363	305	59	28	218
2018 Q2	548	62	486	344	59	47	238
2018 Q1	462	53	409	298	35	44	219
2019	1,986	195	1,791	1,448	261	132	1,055
2018	1,958	238	1,720	1,312	189	164	959
2017	2,198	278	1,920	1,115	222	160	733
2016	1,786	314	1,472	1,289	357	235	697
2015	1,363	326	1,037	1,170	347	204	619
2014	664	153	511	455	251	78	126
2013	11	5	6	1	0	1	0
Total	9,966	1,509	8,457	6,790	1,627	974	4,189
Percentage change, 2019 Q4 compared with:							
2019 Q3	51%	38%	52%	73%	57%	70%	78%
2018 Q4	23%	-15%	29%	29%	131%	-13%	23%

7.2 Table: Bankruptcy

Period	Bankruptcy Adjudications
2019 Q4	80
2019 Q3	44
2019 Q2	56
2019 Q1	83
2018 Q4	113
2018 Q3	64
2018 Q2	100
2018 Q1	120
2019	263
2018	397
2017	473
2016	526
2015	479
2014	448
Percentage change, 2019 Q4 compared with:	
2019 Q3	81.8%
2018 Q4	-29.2%

### 7.3 Table: Regulation

Personal Insolvency Practitioners (PIP)	98
Approved Intermediaries (AI)*	13
Responsible Person (RP)	136
<b>Total regulated persons available to help debtors</b>	<b>234</b>

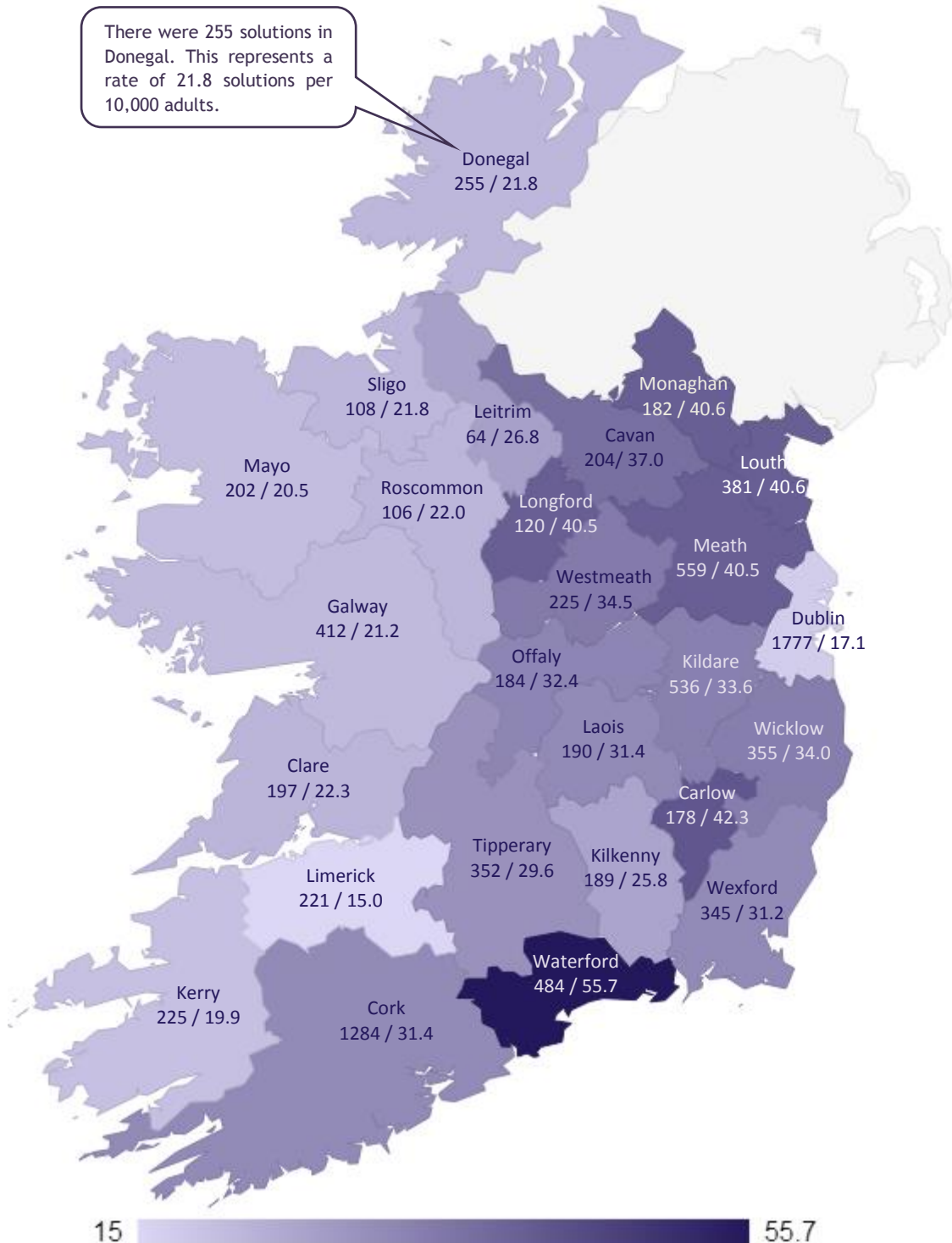
The 13 Approved Intermediary entities are composed of the following:

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

There are 136 Responsible Persons linked to these 13 authorisations.

## 7.4 Geochart: Debt Solutions from 2014 Q1 to 2019 Q4

The geochart below shows the number of DRNs, DSAs, PIAs and bankruptcies approved from 2014 Q1 to 2019 Q4, together with the rate per 10,000 adults<sup>1 2</sup>.



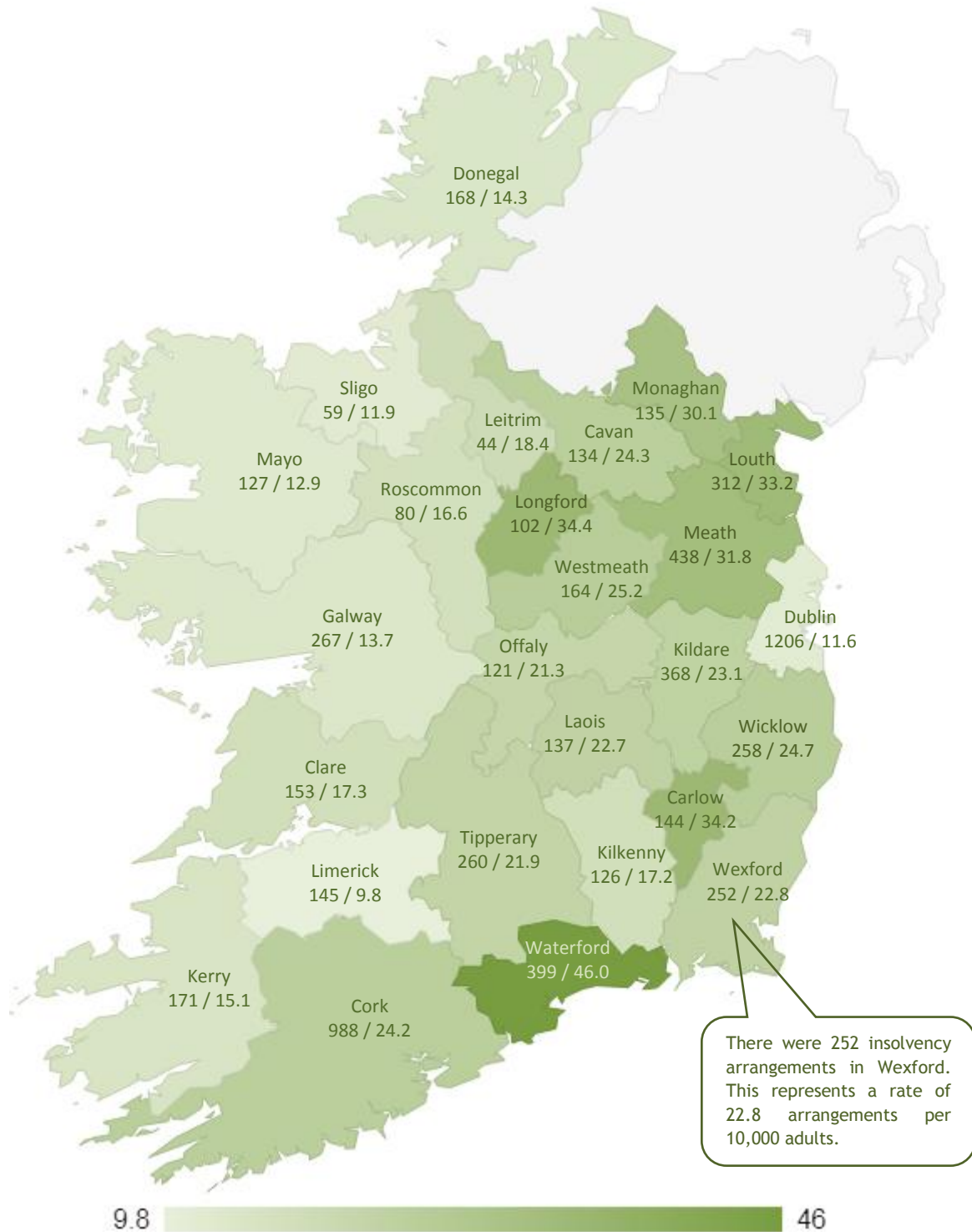
<sup>1</sup> Population data taken from the CSO's *Population 2011 to 2016 by Single Year of Age, Sex, County and City and CensusYear*. Available on the CSO's website at

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

<sup>2</sup> There have also been 27 insolvencies and 9 bankruptcies where the debtors have been residing outside of the State.

## 7.5 Geochart: DRN, DSA, and PIA Arrangements from 2014 Q1 to 2019 Q4

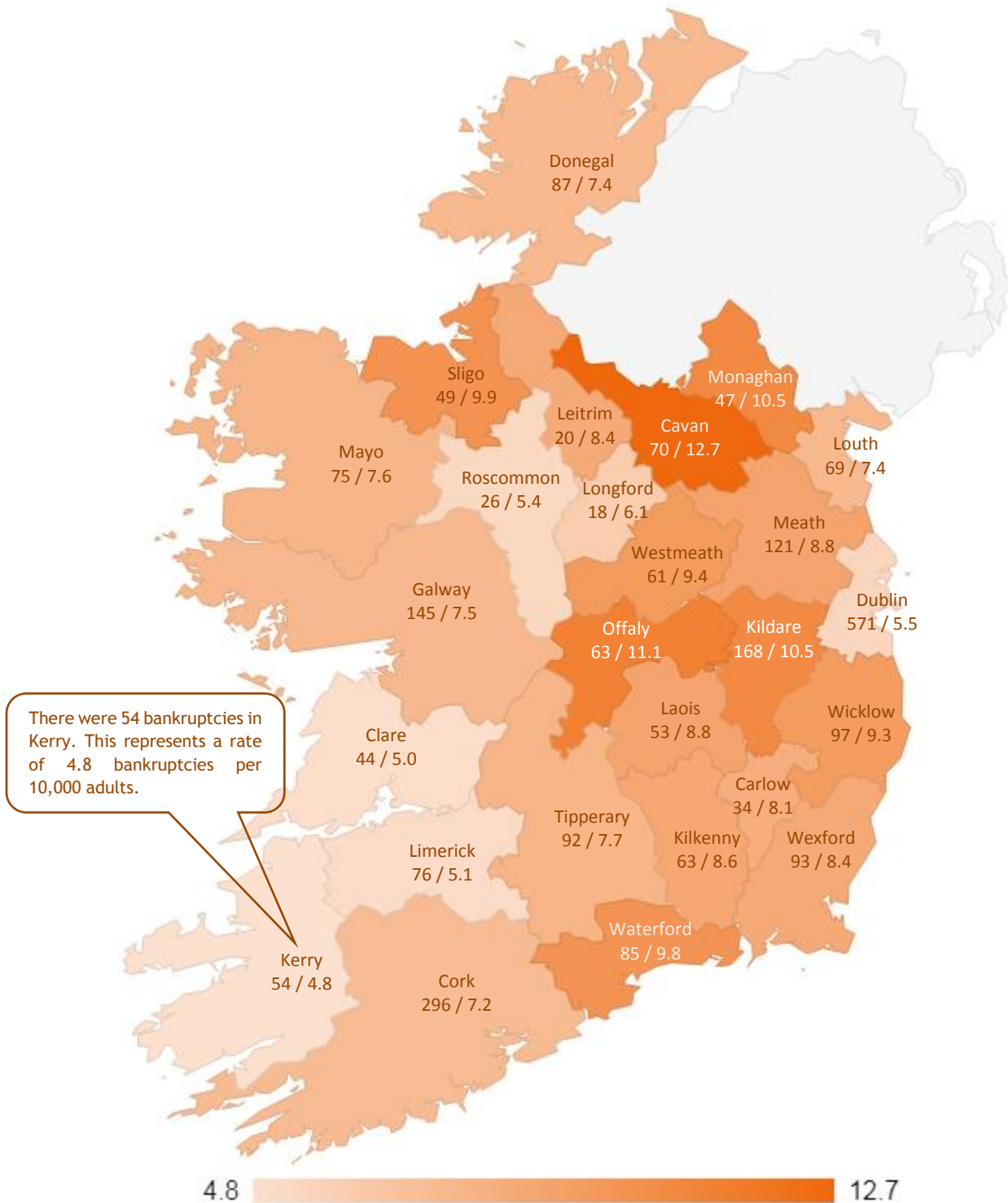
The geochart below shows the number of DRN, DSA and PIA arrangements approved by Court from 2014 Q1 to 2019 Q4, together with the rate per 10,000 adults<sup>3</sup>.



<sup>3</sup> There have also been 27 insolvencies where the debtors have been residing outside of the State.

## 7.6 Geochart: Bankruptcy Adjudications from 2014 Q1 to 2019 Q4

The geochart below shows the number of bankruptcy adjudications from 2014 Q1 to 2019 Q4, together with the rate per 10,000 adults<sup>4</sup>.



<sup>4</sup> There have also been 9 bankruptcies where the debtors have been residing outside of the State at the time of adjudication.