

IVA's for the Self Employed

NancollasGreer, IVA specialists, are often asked if self-employed people do an Individual Voluntary Arrangement? The short answer is yes.

When IVA legislation was written in the mid 1980s it was intended that an IVA would be used as a rescue tool to preserve businesses, both sole traders and partnerships, who up until then only had bankruptcy as a method for dealing with debt. Back then no one anticipated that it would be used for dealing with consumer debt to the extent that it is today.

An IVA can be a suitable for the self-employed however it does often require a greater amount of preparatory work than a straightforward consumer IVA and many of the larger IVA "factories" will not be geared up to deal with anything other than a straightforward IVA. This is where a boutique firm like [nancollasgreer](#) come into their own. The legislation demands that an IVA must be administered by a licenced Insolvency Practitioner (there are about 1,300 who take insolvency appointments in the UK today). NancollasGreer Insolvency Practitioner, Sarah Nancollas, has over 22 years insolvency experience and has been undertaking IVAs since the legislation was first introduced and has a vast knowledge of IVA solutions for the self employed.

Sarah Nancollas said "IVAs can be a really useful rescue tool for the self employed who, for whatever reason find themselves with debt problems, whilst running a viable business that has a future."

As HM Revenue and Customs are likely to be a creditors one of the first steps is to ensure that any late accounts or tax returns are brought up to date and filed with HM Revenue and Customs as soon as possible. As a creditor they will almost certainly vote on the acceptance or otherwise of an IVA proposal. H M Revenue and Customs have issued guidance notes which state that they will vote in favour of IVA proposals where:

- An optimised and achievable offer is made to the creditors.
- Provision is made for payment of all future debts on time.
- All creditors within the same class are treated equally.
- There are no exceptional reasons for rejection.
- You make full and honest financial disclosure

The above are no different to the requirements of many lending institutes and most of the above are required by the legislation to form part of an IVA.

Being self-employed you will need to demonstrate to your creditors, your ability to earn a living, with the use of up to date accounts. H M Revenue and Customs will take a dim view, probably opting to reject an IVA in the event of any of the following:

- You have deliberately defaulted or had a past association with a continuing insolvency.
- You have operated a policy of withholding payment of Crown money.
- You have failed to meet obligations under a prior IVA.
- You have sought to exclude creditors.
- Any purchaser of the business who assumes responsibility for payment of some of your debts rather than paying that money to the general body of creditors.
- You have not brought all your tax and VAT returns up to date.

NancollasGreer feel that it is so important that people with debt problems get high quality professional advice before choosing a method to resolve their debts that they offer a free initial consultation. As part of the consultation NancollasGreer will review your financial position and discuss all options that are suitable for you. Their debt advice is tailored to the individual.

NancollasGreer are not just an [IVA company](#). They advise on ALL options for dealing with unsecured debt and urge anyone with debt problems to seek urgent professional advice from a Licenced Insolvency Practitioner before entering into any form of debt solutions. "It is vital that you understand all of the debt solutions open to you and the implications of each one. There are just too many unqualified debt advisers out there today who will only advise you on the option that suits them" says Sarah Nancollas

Self-employed people that NancollasGreer has dealt with by means of Individual Voluntary Arrangement include;

- Builders.
- Couriers.
- Accountants. Surveyors.

Solicitors.
Financial Advisors.
Florists.
Physiotherapist
Interior Designer
Beauty Therapist
Caterer
Hairdresser
Taxi Drivers.
Engineer

About the Author

For and on behalf of NancollasGreer

Source: <http://www.spivo.com/articles>