



An tSeirbhís Chúirteanna
Courts Service

Ms. Niamh Maguire
Committee of Public Accounts
Leinster House
Dublin 2

16th April 2014

Dear Ms. Maguire,

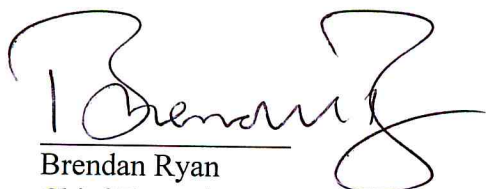
I refer to your letter of 9th April, 2014 regarding the appointment of specialist judges of the Circuit Court to deal with Insolvency cases.

Please find attached, as requested by the Committee, a note on the appointment of the Specialist Judges including

- The number of sittings since July 2013
- The number of cases handled since July 2013
- The salaries payable.

If you have any further queries or require any additional information please do not hesitate to contact me.

Yours sincerely



Brendan Ryan
Chief Executive

Note for Public Accounts Committee on Specialist Judges of the Circuit Court

The proceedings under the Personal Insolvency Act are conducted primarily in the Circuit Court with a role for the High Court in the very high value Debt Settlement Arrangements and Personal Insolvency Arrangements. To ensure effective access to the new remedies the Act introduced the establishment of a new cadre of “Specialist” judges in the Circuit Court. The Act makes provision for a maximum of 8 such judges.

Six Specialist Judges of the Circuit Court were appointed on 15th July 2013 to deal with insolvency matters coming before the Circuit Court. As the Specialist Judges are judges of the Circuit Court the salary is that of a Circuit Court Judge i.e. €131,373.00. The judges were appointed from serving County Registrars. The vacancies created by these appointments have not been filled and the work is being carried out by county registrars from adjacent counties. The Specialist Judge in Dublin has also done three civil motion courts every week since October 2013. These would ordinarily be done by the County Registrar but in the absence of a permanent County Registrar and given the amount of other work that the acting County Registrars are doing in relation to family law motions, case progression, taxations and ground rent applications, it was agreed that the Specialist Judge could do these courts. The legislation does not allow the Specialist Judges to deal with any other Circuit Court work.

One office in each Circuit Court Circuit was designated as the office to deal with all insolvency applications in that Circuit and at least one Judge was appointed to each Circuit for insolvency purposes as shown below.

Name	Circuit
Mary N. Enright	South Eastern, Dublin
Verona Lambe	Midland, Dublin
William G. Lyster	Western, Northern
Patrick Meghen	South Western, Cork
Mary O'Malley Costello	Eastern, Dublin
Susan Ryan	Dublin

Court Applications

Applications can be made to the Court for the following:

Debt Relief Notice (DRN)

The purpose of a Debt Relief Notice is to give relief from debt to people who are in debt and have little or no disposable income or assets which they could use to repay what they owe. The qualifying debts owed cannot exceed €20,000. The DRN process enables eligible insolvent debtors to write off their debts where they can prove they are not in a position to repay them and it is unlikely their financial situation will improve in the next 3 years.

Debt Settlement Arrangement (DSA)

A DSA can be entered into between a debtor and his/her unsecured creditors. A DSA only includes unsecured debts without a limit on the amount of debt. However, certain unsecured debts cannot be included and certain other unsecured debts require the consent of the creditor prior to being included. The DSA differs from a Personal Insolvency Arrangement (PIA) as it only includes unsecured debts. Unsecured debts are debts where the unsecured creditor would not be entitled to seize specific assets if the debtor fails to make repayments because that creditor does not hold security over those assets. Secured debts cannot be covered in a DSA. A DSA must be agreed by the debtor and approved at a creditor's meeting by 65% of creditors (in value). In addition it must be processed by the ISI and approved by the Court. Under a DSA, a debtor's unsecured debts subject to the DSA, will be settled over a period of up to 5 years (extendable to 6 years in certain circumstances). If successfully complied with, the debtor will be discharged from debts specified in the DSA at the end of the period.

Personal Insolvency Arrangement (PIA)

A PIA can be entered into between a debtor and one or more of his/her creditors. A PIA can include secured and unsecured debts, but certain debts cannot be included in a PIA and certain other debts require the consent of the creditor prior to being included. A limit

of €3m applies to the amount of secured debt that can be included in a PIA, unless all secured creditors consent to the inclusion of a higher amount. The PIA differs from a Debt Settlement Arrangement (DSA) as it includes secured debt. Secured debt is a debt backed or secured by an asset (e.g. a housing loan where a house is mortgaged to secure the loan debt). A PIA must be agreed by the debtor and approved at a creditors' meeting by a qualified majority of creditors. In addition it must be processed by the ISI and approved by the Court. Under a PIA, a debtor's unsecured debts will be settled over a period of up to 6 years (extendable to 7 years in certain circumstances) and the debtor will be released from those unsecured debts at the end of that period. Secured debts can be restructured under a PIA (e.g. to provide for payments for a certain period or a write-down of a portion of negative equity). Depending on the terms of the PIA, the debtor may be released from a secured debt at the end of PIA period or the secured debt can continue to be payable by the debtor (although perhaps on restructured terms).

Information on the number of sittings and cases dealt with under the new Insolvency Arrangements are set out on the attached sheet.

Protective Certificate (PC)

A certificate issued by the Court offers the applicant and his or her assets protection from legal proceedings by creditors while applying for a DSA or a PIA.

In general, a Protective Certificate remains in force for 70 days but it may be extended in limited circumstances.

Once a Protective Certificate has been issued, another cannot be issued for another 12 months.

Statistics

Statistics of the number of court sittings and applications dealt with since July 2013 are set out in the attached tables.

Number of Court Sittings July 2013 to 9th April 2014

The number of sittings (based on the number of Insolvency Lists in the system) is **84** since July 2013.

The number of new cases since July 2013 to 9th April 2014

	DRN	DSA PC	PIA PC	Total New Cases
TOTAL	48	35	61	144

Applications and Motions Processed since July 2013 to April 2014

Applications & Motions Processed*	DRN Approved	DSA PC Approved	PIA PC Approved	Total Approved	DSA Arrangement Approved	PIA Arrangement Approved	DRN Applications Adjourned	DSA Applications Adjourned	PIA Applications Adjourned	Objections, Withdrawals, Strike outs Extensions	Total Court Orders
Total	46	31	55	132	4	3	2	4	7	6	158