

The Voluntary Arrangement Mole: PVAs

Partnership Voluntary Arrangements (PVAs) are the seldom mentioned and virtually invisible form of insolvency. They were introduced under the Insolvent Partnerships Order 1994 as an amendment to the 1986 Insolvency Act. Where the case raises issues relating to personal insolvency the law on IVAs applies and where the case raises issues of corporate insolvency the law on Company Voluntary Arrangements (CVAs) applies.

PVAs were intended to provide for insolvent partnerships so that they could continue trading after making the arrangement with their creditors. The technicalities of a PVA differ very little from those of an IVA except that they were intended to cover partnership debts and it was envisaged that individual partners who were also personally insolvent would take up linked IVAs but there is no requirement to do this. Partners can enter 'stand alone' PVAs.

There are however no figures on PVAs because there is an anomaly in the law which means that PVAs are not recorded anywhere despite the fact that IVAs are placed on public record with the [Individual Insolvency Register](#) and CVAs are recorded with Companies House.

The only 'place of record' for PVAs are in the filing cabinets of the County Courts which have jurisdiction in the case but these files are not listed and they are not available for public scrutiny.

You would need to know that a particular PVA existed before you could even ask the court if they had the file and, as there is no public record, this also means that a PVA would not appear on the individual partner's credit history.

Although PVAs can be more complex than IVAs because they were intended to keep partnerships afloat they also have the advantage for traditional professional partnerships - solicitors, accountants, insolvency practitioners - that they do not effect the professional's ability to practice.

All forms of insolvency are serious matters but it should come as no surprise that - either deliberately or by default - the voluntary arrangement available to professional partnerships is based on principles of confidentiality that do not apply to either personal debtors or insolvent companies.

Who knows, the insolvency practice dealing with your insolvency might itself be insolvent and you would have no way of finding out unless they told you. No surprise then that no one seems to be complaining about the mis-selling of PVAs.