



INSOL International

Board Directors' Meeting Report to Member Associations

Singapore 30-31 January 2009

INSOL INTERNATIONAL

At the INSOL International Meeting the Board Directors held on January 30th and 31st, the Board requested that a report summarising the major matters discussed be prepared to assist them in keeping their respective Member Associations updated on key areas. These are grouped under the following four headings: Membership, International, Strategic and Housekeeping.

The meeting took place over two days and the following Board Directors were present:

Robert Sanderson, President
Sumant Batra, Vice President
Johnson Kong, Treasurer
Bruno Arboit, Hong Kong Institute of Certified Public Accountants (Restructuring and Insolvency Faculty)
Mark Aukema, INSOLAD - Vereniging Insolventierecht Advocaten
Stephen Darr, Association of Insolvency and Restructuring Advisors
Claude Gilbert, Canadian Association of Insolvency and Restructuring Professionals
Steven Golick, American Bankruptcy Institute (Professional Section)
Adam Harris, Association of Insolvency Practitioners of Southern Africa
John Melliush, Insolvency Practitioners Association of Australia
Maggie Mills, Nominated Director
David Perry, INSOL New Zealand
Howard Seife, Nominated Director
Gordon Stewart, Association of Business Recovery Professionals – R3
Michael Thierhoff, INSOL–Europe
Claire Broughton, Executive Director
Tina McGorman, Conference Manager

Apologies: James Sprayregen, Nominated Director

Membership

Year over year, the number of members are up slightly.

The Board approved CEF as a new member association.

International

1. Seminars & Training

In 2009 INSOL will hold two one day seminars and two training seminars.

INSOL International Cayman Islands, One Day Seminar 5 November 2009

INSOL International Auckland, One Day Seminar 24 November 2009

INSOL International Training Programmes

Rio De Janerio, 2 April 2009

Cross-Border Model Law and Regulators Roundtables, India, 27-28 April 2009

2. Projects

- a) Institute of Corporate Secretaries of India – working with the Institute create a long distance learning course. A special advisory committee has been established. INSOL has three members on the committee, Gordon Stewart, Kirtee Kapoor and Bob Jacobs. The INSOL Secretariat and SB will also be involved in the workings of the committee.
- b) Hawkamah – the event is a policy roundtable to be held on the 26-27 May 2009 followed by a special task force meeting all focused on insolvency capacity in the MENA region.
- c) Russia Judicial Training – this will take place either later this year or in early 2009.
- d) FAIR – the meeting will be held later this year.
- e) BRIC –INSOL has established a BRIC Committee with representatives from each of the four countries to co-ordinate and focus activities in those countries.

Strategic Issues

Review of Current Strategic Plan

Recognising that any Strategic Plan is not static, but needs to evolve as the environment changes, and since the Strategic Plan was first approved some 2 and ½ years ago the global economy has changed dramatically, the Plan was reviewed to determine if any fundamental changes needed to be made to the Plan. In particular, discussion concentrated on whether or not the current credit crisis was altering the landscape such that INSOL needed to change its focus. It was noted, that increasingly events in one country have a knock on effect in other countries around the globe and are occurring with unprecedented velocity. It was agreed that INSOL work on identifying new trends at the earliest date and to develop quickly responses to them. This could be in the form of new issues in our technical programmes and undertaking new projects. In considering the changing environment training opportunities were identified, web based training was explored and the issue of potentially competing with of Member Associations was discussed.

It was concluded that there were no major changes to be made to the strategic plan.

Review of progress in 2008 was undertaken with regard to the following:

Electronic newsletter

- Agreed to develop increased engagement with MA's and members in supplying content.

Seminars

- Agreed to continue with at least one each year in an emerging market.

UNCITRAL

- It was agreed that INSOL would form a committee when a new project is started to review project and give more collective feedback to representatives who attend on behalf of INSOL.

Small Practice Issues

The majority of INSOL's members either focus their professional activities on the smaller end of the market or are part of smaller professional services firms. In considering how INSOL may become more relevant to these members a discussion covering the criteria against which we should judge INSOL's activities, the nature of their specific requirements including at conferences, networking, publications, research and other specific matters took place.

Younger members

Results of a recent survey of members, targeted at those under 40 was discussed. Particular focus was on whether or not their needs were different, the best way of attracting them into the INSOL fold and how to involve them in our activities.

Academics/Scholars

The academic community has for a number of years been a strong supporter of INSOL and vice a versa. A robust discussion took place on how to increase our engagement with them. One idea suggested was, that as practitioners are currently so busy, INSOL should explore with the academics to see if they could assist in the delivery of our projects, for example, the editorship of a particular book.

International/Regional Governmental or Quasi Governmental Organisations

Currently, INSOL works with the following organisations:

UNCITRAL

World Bank

OECD

Hawkamah

EBRD

ADB

Institute of Company Secretaries

NCBJ

INSOL's involvement with each was reviewed and consideration of other opportunities that would assist in meeting our longer term objectives.

House Keeping

1 Finance

Preliminary year-end results

It was reported that the audit was currently underway and draft figures should be ready for the Finance Committee to review in about two weeks. Preliminary results indicated revenue of £812,664 against a budget of £818,776. Expenses were budgeted at £894,140 and actual was £762,178, a saving of £130,962. The net result was a surplus of £50,486 instead of a loss of £75,364.

The Board were informed that as the annual audited accounts are prepared in US\$ INSOL be required to recognise a foreign exchange loss of approximately \$400,000. As the majority of INSOL's retained funds are invested in Sterling as most its expenses are incurred in Sterling.

Review 2009 Budget

The Board had previously approved the 2009 budget; however, the following addition was made and approved: £20,000 to cover the cost of the proposed arrangement with ABI for the Global INSOLvency website.

The Secretariat and the Executive Committee appraised the Board that they have undertaken a review of the 2009 budget in order to see where we can make savings or to defer commitment until later in the year given the economic uncertainty and the potential impact on events such as the Congress.

The utility and value of continuing to print the membership directory, as compared to producing it as a CD-ROM was discussed and Member Associations are encouraged to let the Secretariat know their views.

Cost Analysis

The President shared with the Board an analysis that fully costed INSOL's various activities and the sensitivity to movements in the number of members on the cost per member of the INSOL deliverables.. It clearly demonstrated that increasing membership numbers had a material impact on the cost of servicing the members.

2 INSOL International technical research projects.

CD-ROM – Directors Duties in the Twilight Zone (3rd Edition)

Work on this project is in progress. There are 23 different country chapters including 4 new ones.

INSOL Case Studies

The Technical Research Committee has agreed three cases to be covered this year.

INSOL Technical Papers

The Technical Research Committee members have identified 10 topics. Target is for one paper for each month except for June and December.

3. INSOL World

Two years ago INSOL moved the printing and distribution of INSOL World to India. This resulted in substantial cost savings. As part of continually reviewing the production of this publication and as a result of significantly lower production costs in the UK the production and distribution will be brought back to the UK.

4 Nominating Committee

The Nominating Committee, currently chaired by Richard Gitlin, will be reconvening to discuss the following appointments:

- President
- Vice-President
- Treasurer
- Nominated Director