



THE CORPORATE INSOLVENCY ACT NO 9 OF 2017 AND INSOLVENCY PRACTITIONERS ACCREDITATION REGULATIONS (SI 40 OF 2019) WORKSHOP 10TH SEPTEMBER 2019.

OPENING REMARKS BY THE ZICA PRESIDENT- MR JASON KAZILIMANI JR DURING THE CORPORATE INSOLVENCY ACT NO 9 OF 2017 AND INSOLVENCY PRACTITIONERS ACCREDITATION REGULATIONS (SI 40 OF 2019) WORKSHOP HELD AT SAROVAR PREMIERE HOTEL, LUSAKA ON TUESDAY, 10TH SEPTEMBER 2019

OPENING REMARKS BY THE ZICA PRESIDENT- MR JASON KAZILIMANI JR DURING THE CORPORATE INSOLVENCY ACT NO 9 OF 2017 AND INSOLVENCY PRACTITIONERS ACCREDITATION REGULATIONS (SI 40 OF 2019) WORKSHOP HELD AT SAROVAR PREMIERE HOTEL, LUSAKA ON TUESDAY, 10TH SEPTEMBER 2019

THE PACRA REGISTRAR AND CHIEF EXECUTIVE

OFFICER, MR. ANTHONY BWEMBYA,

THE ZICA CHIEF EXECUTIVE OFFICER, MR. BONNA

KASHINGA

PACRA OFFICIALS,

THE PRACTITIONERS,

SENIOR ACCOUNTANTS,

DISTINGUISHED WORKSHOP PARTICIPANTS,

MEMBERS OF THE PRESS

LADIES AND GENTLEMEN,

GOOD MORNING

It is my pleasure to welcome you all to the first of a series of the Corporate Insolvency Act No 9 of 2017 and Insolvency Practitioners Accreditation Regulations (SI 40 of 2019) workshop that the

Institute has planned for 2019. Your presence today is testimony to the fact that there is willingness from our members and the practitioners to be accredited as Receivers, Receiver Managers, Judgement Receivers, Liquidators and Business Rescue Administrators.

Ladies and Gentlemen,

It is gratifying to note that the Zambian Government has come up with an Act to help regulate the Insolvency Practitioners and protect the public. An Act that will provide for corporate receiverships, appointment of receivers, business rescue, rights of affected persons during business rescue proceedings, business rescue plans; schemes of arrangements or compromise with creditors; winding up of companies, appointment of liquidators, Insolvency practitioners and cross-border insolvency.

The glaring absence of a legal framework to accredit and regulate Zambia's insolvency practitioners highlighted strong reasons why such practitioners should be regulated. Previously, Insolvency practitioners in Zambia were not professionally regulated or accredited, albeit the existence of some evidence, which suggested that some of these individuals and firms purposely and with disregard for the law, enriched themselves from the estate of insolvent companies under their control. As an incentive to promote more efficient compliance with best practices in corporate governance, and to deter misconduct by company directors, legal rules to disqualify persons convicted of such offences as wrongful unethical practices should be introduced as this could help bolster and strengthen Zambia's legal and institutional framework for corporate insolvency.

I therefore, urge all Practitioners to consider being accredited with the Patents and Companies Registration Agency (PACRA) as this will help bring quality, professionalism, integrity and sanity in the market.

Distinguished Guests,

Legal uncertainty around different national insolvency regimes is a significant disincentive for entrepreneurs to start business. According to a recent business survey, 49% of Entrepreneurs would not start a business because of the fear of failure. That fear is justified given that at least 50% of businesses do not survive the first 5 years of their existence.

For individuals, the fear of the social stigma and the inability to pay off debts is stronger in Europe than

in many other parts of the world. This is also due to much longer debt discharge periods in the European Union.

Resolving insolvency cases can be lengthy and on some occasions can take more than one year.

Distinguished Workshop Participants,

ZICA supports this initiative of accrediting more insolvency practitioners and calls on PACRA to ensure that it aligns insolvency proceedings with other regional countries which will help reduce the length and costs of proceedings.

We also need to bring the insolvency systems towards a model that helps ailing companies and gives people a second chance.

Ladies and gentlemen,

As I conclude, I wish to state that the Institute is working in conjunction with PACRA to ensure that its members are accredited.

Finally, I wish to urge all of you to bring out the practical challenges you encounter in your day-to-day activities. I therefore wish you an interactive, fruitful and educative workshop and declare this workshop officially open.

I THANK YOU.