

National Insolvency Statistics Update: Ireland

There were 663 Corporate insolvencies in Ireland during 2023. The insolvency rate in 2023 was still lower than in 2019, but closer to pre-pandemic levels. This reflects the impact of cost inflation and higher interest rates on many businesses. Retail, hospitality and construction were the most affected sectors, accounting for over half of the insolvencies. *Report by Barry Cahir (Partner, Beauchamps LLP, Dublin, Ireland) and Damien Murren (Senior Managing Director, Teneo, Dublin, Ireland)*



SCARP, a process for SMEs to restructure, was used by 33 companies in 2023, with 78% of them saving jobs. SCARP is still under-utilised by business owners and advisors, perhaps due to lack of awareness and ongoing deferral of warehoused tax debt from the pandemic reliefs.

Warehoused debt owed to Revenue by 58,152 businesses amounted to €1.8 billion, with 10% of them owing more than €50,000. Businesses currently have until 1 May 2024 to pay or agree a phased payment arrangement, otherwise the debt becomes due and owing, although it is widely anticipated that this deadline may be extended.

Personal Bankruptcy Adjudications have been falling rapidly over the last few years as alternative debt solutions are engaged. There were only 39 personal Bankruptcy Adjudications in the first 9 months of 2023, while there were 1,148 new applications for alternative personal debt solutions during the same period. This is a testament to the modernisations of our bankruptcy laws over the last decade.