

**24 January 2014**

## **Renewed calls for more independence in turnaround appointments**

RBS's independent lending review has again highlighted the need for more independence in turnaround and restructuring appointments, according to senior turnaround professionals.

Directors of the European Association of Certified Turnaround Professionals (EACTP) believe the review conducted by Sir Andrew Large raises broader issues than just SME lending that need to be addressed collectively by financial providers and the authorities, particularly the conflict of interest for secured lenders when recommending 'preferred' advisors or enforcing insolvency proceedings.

Representatives of the EACTP have spoken out after the RBS report revealed potential and perceived conflicts of interest between actions of the secured lenders and the broader interests of all stakeholders in a distressed business.

It follows the recent publication of the Tomlinson Report, commissioned by the Department of Business, which also highlighted the question of professional independence in turnaround.

Alan Tilley, Executive Director of EACTP, says the RSB lending review again underlines the need for greater transparency and more independence in turnaround and restructuring appointments.

Mr Tilley said: "Secured lenders have every right to protect their interests when a company is in distress, but not by the abuse of their position.

"Directors should also be mindful of their obligations to all stakeholders. They have a wider duty of care and should ensure they receive advice that is both of the highest professional standard and independent of any stakeholder group.

"Merely accepting a bank's recommendation of advisor is inviting conflict, either perceived or real. Who does the professional work for? The company or the stakeholder initiating the mandate?"

The EACTP, which has established the first European-wide accreditation programme for all turnaround professionals across the continent, is striving to further the standing of turnaround and restructuring practitioners within an independent professional association dedicated to preserving enterprise value for the benefit of all stakeholders.

The independent organisation provides a respected and recognised certification scheme based on the Turnaround Management Association (TMA) Global Certified Turnaround Professional (CTP) programme.

Tyrone Courtman, President of the EACTP, said: "Achieving and demonstrating the standards required to become a CTP is recognition of the highest level of professional competence and the adherence to a strict code of professional ethics.

“It equips the professional with cross-discipline knowledge, management, law and finance and to act with independence and integrity to approach assignments with an appropriate balance of stakeholder interests in business distress in the zone of insolvency.

“Gaining recognition through an independent body to globally recognised standards gives practitioners an edge and the status to better manage their own commercial and professional conflicts.”

The EACTP is currently allowing senior professionals with a strong turnaround record to be certified on the basis of their experience without examination qualification. Applicants need to demonstrate technical expertise and practical experience in turnaround, by providing case studies and references in which they had substantial and significant influence in the turnaround and restructuring of underperforming and distressed business in Europe.

During 2014 the organisation will introduce its education platform and from 2015 all applicants will be required to demonstrate technical competence through examination success in the three cornerstone disciplines of management, finance, and the law relevant to their jurisdiction of operation.

To find out more about EACTP see [www.eactp.eu](http://www.eactp.eu)

**Notes to editors:**

Please call Victoria Clark 07980 931857 to arrange an interview with Alan Tilley or for any other media query.

The European Association of Certified Turnaround Professionals (EACTP) is an independent organisation set up to establish the first European-wide accreditation programme for all turnaround professionals across the continent. The pioneering body aims to promote high standards in turnaround by providing a respected and recognised pan-European professional qualification.