

SCHEDULE 6
FREEZING ORDERS IN RESPECT OF PROPERTY LIABLE TO FORFEITURE

Protection of insolvency practitioners

- 11 (1) This paragraph applies where an insolvency practitioner seizes or disposes of property which is subject to a freezing order and the insolvency practitioner—
- (a) reasonably believes that such seizing or disposing is done in the exercise of the functions of the insolvency practitioner; and
 - (b) would be entitled so to seize or dispose of the property if it were not subject to a freezing order.
- (2) The insolvency practitioner shall not be liable to any person in respect of any loss or damage resulting from the seizure or disposal except in so far as the loss or damage is caused by the insolvency practitioner’s negligence.
- (3) The insolvency practitioner shall have a lien on the property seized or the proceeds of its sale—
- (a) for such of the expenses of the insolvency practitioner as were incurred in connection with the liquidation, sequestration or other proceedings in relation to which the seizure or disposal purported to take place; and
 - (b) for so much of the remuneration of the insolvency practitioner as may be reasonably assigned for the practitioner’s acting in connection with those proceedings.
- (4) Sub-paragraphs (1) to (3) above are without prejudice to the generality of any provision contained in the 1986 Act.
- (5) In this paragraph “insolvency practitioner” means a person acting as an insolvency practitioner in relation to property subject to a freezing order.
- (6) For the purpose of sub-paragraph (5) above any question whether a person is acting as an insolvency practitioner in Scotland or in England and Wales shall be determined in accordance with section 388 of the 1986 Act, except that—
- (a) the reference in section 388(2)(a) to a permanent or interim trustee in the sequestration of a debtor’s estate shall be taken to include a reference to a trustee in sequestration;
 - (b) section 388(5) shall be disregarded; and
 - (c) the expression shall also include the Official Receiver acting as receiver or manager of property.
- (7) For the purpose of sub-paragraph (5) above any question whether a person is acting as an insolvency practitioner in Northern Ireland shall be determined in accordance with Article 3 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405), except that—
- (a) Article 3(5) shall be disregarded; and
 - (b) the expression shall also include the Official Receiver acting as receiver or manager of property.