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STATUTORY INSTRUMENTS

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**1986 No. 1925**

**The Insolvency Rules 1986**

THE SECOND GROUP OF PARTS

PART 6

BANKRUPTCY

CHAPTER 16

INCOME PAYMENTS ORDERS

**Application for order**

**6.189.**—(1) Where the trustee applies for an income payments order under section 310, the court shall fix a venue for the hearing of the application.

(2) Notice of the application, and of the venue, shall be sent by the trustee to the bankrupt at least 28 days before the day fixed for the hearing, together with a copy of the trustee's application and a short statement of the grounds on which it is made.

(3) The notice shall inform the bankrupt that—

- (a) unless at least 7 days before the date fixed for the hearing he sends to the court and to the trustee written consent to an order being made in the terms of the application, he is required to attend the hearing, and
- (b) if he attends, he will be given an opportunity to show cause why the order should not be made, or an order should be made otherwise than as applied for by the trustee.

**Action to follow making of order**

**6.190.**—(1) Where the court makes an income payments order, a sealed copy of the order shall, forthwith after it is made, be sent by the trustee to the bankrupt.

(2) If the order is made under section 310(3)(b), a sealed copy of the order shall also be sent by the trustee to the person to whom the order is directed.

**Variation of order**

**6.191.**—(1) If an income payments order is made under section 310(3)(a), and the bankrupt does not comply with it, the trustee may apply to the court for the order to be varied, so as to take effect under section 310(3)(b) as an order to the payor of the relevant income.

(2) The trustee's application under this Rule may be made *ex parte*.

(3) Sealed copies of any order made on the application shall, forthwith after it is made, be sent by the court to the trustee and the bankrupt.

(4) In the case of an order varying or discharging an income payments order made under section 310(3)(b), an additional sealed copy shall be sent to the trustee, for transmission forthwith to the payor of the relevant income.

### **Order to payor of income: administration**

**6.192.**—(1) Where a person receives notice of an income payments order under section 310(3)(b), with reference to income otherwise payable by him to the bankrupt, he shall make the arrangements requisite for immediate compliance with the order.

(2) When making any payment to the trustee, he may deduct the appropriate fee towards the clerical and administrative costs of compliance with the income payments order.

He shall give to the bankrupt a written statement of any amount deducted by him under this paragraph.

(3) Where a person receives notice of an income payments order imposing on him a requirement under section 310(3)(b), and either—

(a) he is then no longer liable to make to the bankrupt any payment of income, or

(b) having made payments in compliance with the order, he ceases to be so liable,

he shall forthwith give notice of that fact to the trustee.

### **Review of order**

**6.193.**—(1) Where an income payments order is in force, either the trustee or the bankrupt may apply to the court for the order to be varied or discharged.

(2) If the application is made by the trustee, Rule 6.189 applies (with any necessary modification) as in the case of an application for an income payments order.

(3) If the application is made by the bankrupt, it shall be accompanied by a short statement of the grounds on which it is made.

(4) The court may, if it thinks that no sufficient cause is shown for the application, dismiss it; but it shall not do so unless the applicant has had an opportunity to attend the court for an ex parte hearing, of which he has been given at least 7 days' notice.

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard.

(5) At least 28 days before the date fixed for the hearing, the applicant shall send to the trustee or the bankrupt (whichever of them is not himself the applicant) notice of the venue, accompanied by a copy of the application.

Where the applicant is the bankrupt, the notice shall be accompanied by a copy of the statement of grounds under paragraph (3).

(6) The trustee may, if he thinks fit, appear and be heard on the application; and, whether or not he intends to appear, he may, not less than 7 days before the date fixed for the hearing, file a written report of any matters which he considers ought to be drawn to the court's attention.

If such a report is filed, a copy of it shall be sent by the trustee to the bankrupt.

(7) Sealed copies of any order made on the application shall, forthwith after the order is made, be sent by the court to the trustee, the bankrupt and the payor (if other than the bankrupt).