
STATUTORY INSTRUMENTS

1986 No. 1925

The Insolvency Rules 1986

THE FIRST GROUP OF PARTS

PART 1

COMPANY VOLUNTARY ARRANGEMENTS

CHAPTER 5

PROCEEDINGS ON A PROPOSAL MADE BY THE DIRECTORS,
OR BY THE ADMINISTRATOR, OR BY THE LIQUIDATOR

SECTION C: IMPLEMENTATION OF THE ARRANGEMENT

Hand-over of property etc. to supervisor

1.23.—(1) After the approval of the voluntary arrangement—

- (a) the directors, or
- (b) where the company is in liquidation or is subject to an administration order, and a person other than the responsible insolvency practitioner is appointed as supervisor of the voluntary arrangement, the insolvency practitioner,

shall forthwith do all that is required for putting the supervisor into possession of the assets included in the arrangement.

(2) Where the company is in liquidation or is subject to an administration order, the supervisor shall on taking possession of the assets discharge any balance due to the insolvency practitioner by way of remuneration or on account of—

- (a) fees, costs, charges and expenses properly incurred and payable under the Act or the Rules, and
- (b) any advances made in respect of the company, together with interest on such advances at the rate specified in section 17 of the Judgments Act 1838 at the date on which the company went into liquidation or (as the case may be) became subject to the administration order.

(3) Alternatively, the supervisor must, before taking possession, give the responsible insolvency practitioner a written undertaking to discharge any such balance out of the first realisation of assets.

(4) The insolvency practitioner has a charge on the assets included in the voluntary arrangement in respect of any sums due as above until they have been discharged, subject only to the deduction from realisations by the supervisor of the proper costs and expenses of such realisations.

(5) The supervisor shall from time to time out of the realisation of assets discharge all guarantees properly given by the responsible insolvency practitioner for the benefit of the company, and shall pay all the insolvency practitioner's expenses.

(6) References in this Rule to the responsible insolvency practitioner include, where a company is being wound up by the court, the official receiver, whether or not in his capacity as liquidator; and any sums due to the official receiver take priority over those due to a liquidator.