
STATUTORY INSTRUMENTS

1986 No. 1925

The Insolvency Rules 1986

THE FIRST GROUP OF PARTS

PART 4

COMPANIES WINDING UP

CHAPTER 13

THE LIQUIDATION COMMITTEE WHERE WINDING UP FOLLOWS
IMMEDIATELY ON ADMINISTRATION (NO CVL APPLICATION)

Preliminary

4.173.—(1) The Rules in this Chapter apply where—

- (a) the winding-up order has been made immediately upon the discharge of an administration order under Part II of the Act, and
- (b) the court makes an order under section 140(1) of the Act appointing as liquidator the person who was previously the administrator.

(2) In this Chapter, “insolvent winding up”, “solvent winding up”, “creditor member” and “contributory member” mean the same as in Chapter 12.

Continuation of creditors' committee

4.174.—(1) If under section 26 a creditors' committee has been established for the purposes of the administration, then (subject as follows in this Chapter) that committee continues in being as the liquidation committee for the purposes of the winding up, and—

- (a) it is deemed to be a committee established as such under section 141, and
- (b) no action shall be taken under subsection (1) to (3) of that section to establish any other.

(2) This Rule does not apply if, at the time when the court's order under section 140(1) is made, the committee under section 26 consists of less than 3 members; and a creditor who was, immediately before that date, a member of it, ceases to be a member on the making of the order if his debt is fully secured.

Membership of committee

4.175.—(1) Subject as follows, the liquidation committee shall consist of at least 3, and not more than 5, creditors of the company, elected by the creditors' meeting held under section 26 or (in order to make up numbers or fill vacancies) by a creditors' meeting summoned by the liquidator after the company goes into liquidation.

(2) In the case of a solvent winding up, the liquidator shall, on not less than 21 days' notice, summon a meeting of contributories, in order to elect (if it so wishes) contributory members of the liquidation committee, up to 3 in number.

Liquidator's certificate

4.176.—(1) The liquidator shall issue a certificate of the liquidation committee's continuance, specifying the person who are, or are to be, members of it.

(2) It shall be stated in the certificate whether or not the liquidator has summoned a meeting of contributories under Rule 4.175(2), and whether (if so) the meeting has elected contributories to be members of the committee.

(3) Pending the issue of the liquidator's certificate, the committee is suspended and cannot act.

(4) No person may act, or continue to act, as a member of the committee unless and until he has agreed to do so; and the liquidator's certificate shall not issue until at least the minimum number of persons required under Rule 4.175 to form a committee have signified their agreement.

(5) As and when the others signify their agreement, the liquidator shall issue an amended certificate.

(6) The liquidator's certificate (or, as the case may be, the amended certificate) shall be filed by him in court.

(7) If subsequently there is any change in the committee's membership, the liquidator shall report the change to the court.

Obligations of liquidator to committee

4.177.—(1) As soon as may be after the issue of the liquidator's certificate under Rule 4.176, the liquidator shall report to the liquidation committee what actions he has taken since the date on which the company went into liquidation.

(2) A person who becomes a member of the committee after that date is not entitled to require a report to him by the liquidator, otherwise than in a summary form, of any matters previously arising.

(3) Nothing in this Rule disentitles the committee, or any member of it, from having access to the records of the liquidation (whether relating to the period when he was administrator, or to any subsequent period), or from seeking an explanation of any matter within the committee's responsibility.

Application of Chapter 12

4.178. Except as provided above in this Chapter, Rules 4.155 to 4.172 in Chapter 12 apply to the liquidation committee following the issue of the liquidator's certificate under Rule 4.176, as if it had been established under section 141.