
STATUTORY INSTRUMENTS

1986 No. 1925

The Insolvency Rules 1986

THE THIRD GROUP OF PARTS

PART 8

PROXIES AND COMPANY REPRESENTATION

Definition of “proxy”

8.1.—(1) For the purposes of the Rules, a proxy is an authority given by a person (“the principal”) to another person (“the proxy-holder”) to attend a meeting and speak and vote as his representative.

(2) Proxies are for use at creditors', company or contributories' meetings under the Act or the Rules.

(3) Only one proxy may be given by a person for any one meeting at which he desires to be represented; and it may only be given to one person, being an individual aged 18 or over. But the principal may specify one or more other such individuals to be proxy-holder in the alternative, in the order in which they are named in the proxy.

(4) Without prejudice to the generality of paragraph (3), a proxy for a particular meeting may be given to whoever is to be the chairman of the meeting; and for a meeting held as part of the proceedings in a winding up by the court, or in a bankruptcy, it may be given to the official receiver.

(5) A proxy requires the holder to give the principal's vote on matters arising for determination at the meeting, or to abstain, either as directed or in accordance with the holder's own discretion; and it may authorise or require the holder to propose, in the principal's name, a resolution to be voted on by the meeting.

Issue and use of forms

8.2.—(1) When notice is given of a meeting to be held in insolvency proceedings, and forms of proxy are sent out with the notice, no form so sent out shall have inserted in it the name or description of any person.

(2) No form of proxy shall be used at any meeting except that which is sent out with the notice summoning the meeting, or a substantially similar form.

(3) A form of proxy shall be signed by the principal, or by some person authorised by him (either generally or with reference to a particular meeting). If the form is signed by a person other than the principal, the nature of the person's authority shall be stated.

Use of proxies at meetings

8.3.—(1) A proxy given for a particular meeting may be used at any adjournment of that meeting.

(2) Where the official receiver holds proxies for use at any meeting, his deputy, or any other official receiver, may act as proxy-holder in his place.

Alternatively, the official receiver may in writing authorise another officer of the Department to act for him at the meeting and use the proxies as if that other officer were himself proxy-holder.

(3) Where the responsible insolvency practitioner holds proxies to be used by him as chairman of a meeting, and some other person acts as chairman, the other person may use the insolvency practitioner's proxies as if he were himself proxy-holder.

Retention of proxies

8.4.—(1) Subject as follows, proxies used for voting at any meeting shall be retained by the chairman of the meeting.

(2) The chairman shall deliver the proxies, forthwith after the meeting, to the responsible insolvency practitioner (where that is someone other than himself).

Right of inspection

8.5.—(1) The responsible insolvency practitioner shall, so long as proxies lodged with him are in his hands, allow them to be inspected, at all reasonable times on any business day, by—

- (a) the creditors, in the case of proxies used at a meeting of creditors, and
- (b) a company's members or contributories, in the case of proxies used at a meeting of the company or of its contributories.

(2) The reference in paragraph (1) to creditors is—

- (a) in the case of a company in liquidation or of an individual's bankruptcy, those creditors who have proved their debts, and
- (b) in any other case, persons who have submitted in writing a claim to be creditors of the company or individual concerned;

but in neither case does it include a person whose proof or claim has been wholly rejected for purposes of voting, dividend or otherwise.

(3) The right of inspection given by this Rule is also exercisable—

- (a) in the case of an insolvent company, by its directors, and
- (b) in the case of an insolvent individual, by him.

(4) Any person attending a meeting in insolvency proceedings is entitled, immediately before or in the course of the meeting, to inspect proxies and associated documents to be used in connection with that meeting.

Proxy-holder with financial interest

8.6.—(1) A proxy-holder shall not vote in favour of any resolution which would directly or indirectly place him, or any associate of his, in a position to receive any remuneration out of the insolvent estate, unless the proxy specifically directs him to vote in that way.

(2) This Rule applies also to any person acting as chairman of a meeting and using proxies in that capacity; and in its application to him, the proxy-holder is deemed an associate of his.

Company representation

8.7.—(1) Where a person is authorised under section 375 of the Companies Act to represent a corporation at a meeting of creditors or of the company or its contributories, he shall produce to the chairman of the meeting a copy of the resolution from which he derives his authority.

(2) The copy resolution must be under the seal of the corporation, or certified by the secretary or a director of the corporation to be a true copy.