
STATUTORY INSTRUMENTS

1994 No. 2507

The Insolvency Regulations 1994

PAYMENTS INTO AND OUT OF THE INSOLVENCY SERVICES ACCOUNT

Local bank account and handling of funds not forming part of the bankrupt's estate

21.—(1) Where the trustee intends to exercise his power to carry on the business of the bankrupt, he may apply to the Secretary of State for authorisation to open a local bank account, and the Secretary of State may authorise him to make his payments into and out of a specified bank, subject to a limit, instead of into and out of the Insolvency Services Account if satisfied that an administrative advantage will be derived from having such an account.

(2) Money received by the trustee relating to the purpose for which the account was opened may be paid into the local bank account to the credit of the bankrupt to whom the account relates.

(3) Where the trustee opens a local bank account pursuant to an authorisation granted under paragraph (1) above he shall open and maintain the account in the name of the bankrupt.

(4) Where money which does not form part of the bankrupt's estate is provided to the trustee for a specific purpose it shall be clearly identifiable in a separate account.

(5) The trustee shall keep proper records, including documentary evidence of all money paid into and out of every local bank account opened and maintained under this regulation.

(6) The trustee shall pay without deduction any surplus over any limit imposed by an authorisation granted under paragraph (1) above into the Insolvency Services Account in accordance with regulation 20(1) above.

(7) As soon as the trustee ceases to carry on the business of the bankrupt or vacates office or an authorisation given in pursuance of an application under paragraph (1) above is withdrawn, he shall close the account and pay any balance into the Insolvency Services Account in accordance with regulation 20(1) above.