

SCHEDULES

SCHEDULE 2

INSOLVENT PARTNERSHIPS, ENGLAND AND WALES

- 7.—(1) Schedule 7 is amended as follows.
- (2) In paragraph 1(2)(1) omit “272”.
- (3) In paragraph 15(2), for the substitute version of section 298 of the Insolvency Act 1986, substitute—

“**298.**—(1) Subject as follows, the trustee of the estates of the members and of the partnership may be removed from office only by an order of the court or by a decision of the creditors of the members and the partnership made by a creditors’ decision procedure instigated specially for that purpose in accordance with the rules.

(1A) Where the official receiver is trustee or a trustee is appointed by the Secretary of State or by the court, a creditors’ decision procedure may be instigated for the purpose of removing the trustee only if—

- (a) the trustee thinks fit;
- (b) the court so directs; or
- (c) one of the creditors of the members or the partnership so requests, with the concurrence of not less than one-quarter, in value, of the creditors (including the creditor making the request).

(1B) Where the creditors of the members and the partnership decide to remove a trustee, they may in accordance with the rules appoint another person as trustee in his place.

(1C) Where the decision to remove a trustee is made under subsection (1A), the decision does not take effect until the creditors of the members and the partnership appoint another person as trustee in his place.

(2) If the trustee was appointed by the Secretary of State, he may be removed by a direction of the Secretary of State.

(3) The trustee (not being the official receiver) shall vacate office if he ceases to be a person who is for the time being qualified to act as an insolvency practitioner in relation to any member or to the partnership.

(4) The trustee may, with the leave of the court (or, if appointed by the Secretary of State, with the leave of the court or the Secretary of State), resign his office by giving notice of his resignation to the court.

(5) Subject to subsection (7), any removal from or vacation of office under this section relates to all offices held in the proceedings by virtue of article 11 of the Insolvent Partnerships Order 1994.

(1) As amended by article 10(2) of [S.I. 2005/1516](#).

(2) As amended by paragraph 9(9) of Schedule 2 to [S.I. 2017/540](#).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(6) A trustee who has produced an account of the winding up or administration under section 331 vacates office immediately upon complying with the requirements of section 331(3).

(7) The trustee must vacate office as trustee of a member if the order made by virtue of article 11 of the Insolvent Partnerships Order 1994 in relation to that member is annulled.”

(4) In paragraph 21, in the substitute version of section 328C(8) of the Insolvency Act 1986, for “Insolvency Rules 1986” substitute “Insolvency (England and Wales) Rules 2016”.