
STATUTORY RULES OF NORTHERN IRELAND

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The Insolvency Rules (Northern Ireland) 1991

PARTS 5 AND 6 INSOLVENCY OF INDIVIDUALS; BANKRUPTCY

PART 6

BANKRUPTCY

CHAPTER 12

SPECIAL MANAGER

Appointment and remuneration

6.164.—(1) An application made by the official receiver or trustee under Article 341 for the appointment of a person to be special manager shall be supported by a report setting out the reasons for the application.

(2) The report under paragraph (1) shall include the applicant's estimate of the value of the estate, property or business in respect of which the special manager is to be appointed.

(3) The court's order appointing the special manager shall specify the duration of his appointment, which may be for a period of time, or until the occurrence of a specified event. Alternatively, the order may specify that the duration of the appointment is to be subject to a further order of the court.

(4) The appointment of a special manager may be renewed by order of the court.

(5) The special manager's remuneration shall be fixed from time to time by the court.

[E.R.6.167]

Security

6.165.—(1) The appointment of the special manager does not take effect until the person appointed has given (or, being allowed by the court to do so, undertaken to give) security to the person who applies for him to be appointed.

(2) It is not necessary that security shall be given for each separate bankruptcy; but it may be given either specially for a particular bankruptcy, or generally for any bankruptcy in relation to which the special manager may be employed as such.

(3) The amount of the security shall be not less than the value of the estate, property or business in respect of which he is appointed, as estimated under Rule 6.164(2) by the applicant in his report under paragraph (1) of that Rule.

(4) When the special manager has given security to the person applying for his appointment, that person's certificate as to the adequacy of the security shall be filed in court.

(5) The cost of providing the security shall be paid in the first instance by the special manager; but—

- (a) where a bankruptcy order is not made, he is entitled to be reimbursed out of the property of the debtor, and the court may make an order on the debtor accordingly, and
- (b) where a bankruptcy order is made, he is entitled to be reimbursed out of the estate in the prescribed order of priority.

[E.R.6.168]

Failure to give or keep up security

6.166.—(1) If the special manager fails to give the required security within the time stated for that purpose by the order appointing him, or any extension of that time that may be allowed, the official receiver or trustee (as the case may be) shall report the failure to the court, which may thereupon discharge the order appointing the special manager.

(2) If the special manager fails to keep up his security, the official receiver or trustee shall report his failure to the court, which may thereupon remove the special manager, and make such order as it thinks fit as to costs.

(3) If an order is made under this Rule removing the special manager, or discharging the order appointing him, the court shall give directions as to whether any, and if so what, steps should be taken for the appointment of another special manager in his place.

[E.R.6.169]

Accounting

6.167.—(1) The special manager shall produce accounts, containing details of his receipts and payments, for the approval of the trustee.

(2) The accounts shall be in respect of 3-month periods for the duration of the special manager's appointment (or for a lesser period, if his appointment terminates less than 3 months from its date, or from the date to which the last accounts were made up).

(3) When the accounts have been approved, the special manager's receipts and payments shall be added to those of the trustee.

[E.R.6.170]

Termination of appointment

6.168.—(1) The special manager's appointment terminates if the bankruptcy petition is dismissed or if, an interim receiver having been appointed, the latter is discharged without a bankruptcy order having been made.

(2) If the official receiver or the trustee is of opinion that the employment of the special manager is no longer necessary or profitable for the estate, he shall apply to the court for directions, and the court may order the special manager's appointment to be terminated.

(3) The official receiver or the trustee shall make the same application if a resolution of the creditors is passed, requesting that the appointment be terminated.

[E.R.6.171]