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STATUTORY INSTRUMENTS

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**1994 No. 2507**

**The Insolvency Regulations 1994**

**PAYMENTS INTO AND OUT OF THE INSOLVENCY SERVICES ACCOUNT**

**Payments into the Insolvency Services Account**

**20.**—(1) Subject to regulation 21 below, the trustee shall pay all money received by him in the course of carrying out his functions as such without any deduction into the Insolvency Services Account kept by the Secretary of State with the Bank of England to the credit of the bankrupt once every 14 days or forthwith if £5,000 or more has been received.

(2) Every payment of money into the Insolvency Services Account under this regulation shall be—

- (a) made through the Bank Giro system; or
- (b) sent direct to the Bank of England, PO Box 3, Birmingham B2 5EY by cheque drawn in favour of the “Insolvency Services Account” and crossed “A/c payee only” “Bank of England”,

and the trustee shall on request be given by the Department a receipt for the money so paid.

(3) Every payment of money under paragraph (1) above shall be accompanied by a form obtainable from the Department for that purpose or by a form that is substantially similar.

**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.

**Payment of disbursements etc. out of the Insolvency Services Account**

22.—(1) On application to the Department, the trustee shall be repaid all necessary disbursements made by him, and expenses properly incurred by him, in the course of his administration to the date of his vacation of office out of any money standing to the credit of the bankrupt in the Insolvency Services Account.

(2) The trustee shall on application to the Department obtain payment instruments to the order of the payee for sums which become payable on account of the bankrupt for delivery by the trustee to the persons to whom the payments are to be made.

(3) Any application under this regulation shall be made on a form obtainable from the Department or on one that is substantially similar.

(4) On the trustee vacating office, he shall be repaid by any succeeding trustee out of any funds available for the purpose any necessary disbursements made by him and any expenses properly incurred by him but not repaid before he vacates office.