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STATUTORY INSTRUMENTS

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**2016 No. 1024**

**The Insolvency (England and Wales) Rules 2016**

**PART 7**

**WINDING UP BY THE COURT**

**CHAPTER 5**

**Provisional liquidator**

**Security**

**7.37.**—(1) This rule applies where an insolvency practitioner is appointed as provisional liquidator.

(2) The cost of providing the security required under the Act must be paid in the first instance by the provisional liquidator, however—

- (a) if a winding-up order is not made, the person appointed is entitled to be reimbursed out of the property of the company, and the court may make an order on the company accordingly; and
- (b) if a winding-up order is made, the person appointed is entitled to be reimbursed as an expense of the winding up in the prescribed order of priority.

(3) If the provisional liquidator fails to give or keep up the required security, the court may remove the provisional liquidator, and make such order as it thinks just as to costs.

(4) If an order is made under this rule removing the provisional liquidator, or discharging the order appointing the provisional liquidator, the court must give directions as to whether any, and if so what, steps should be taken for the appointment of another person in the place of the removed or discharged provisional liquidator.