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INSOLVENCY, SCOTLAND

COMPANIES, SCOTLAND

The Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018

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SCHEDULE 4 — INFORMATION TO BE INCLUDED IN THE SEDERUNT BOOK

The Secretary of State makes the following Rules in exercise of the power conferred by section 411(1)(b), (2) and (2A) of the Insolvency Act 1986(**a**).

The Scottish Ministers have consented to these Rules in accordance with Article 5(2) of the Scotland Act 1998 (Insolvency Functions) Order 2018(**b**).

INTRODUCTORY RULES

Citation and Commencement

1. These Rules may be cited as the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 and come into force on 6th April 2019.

Revocations

2. The enactments listed in the first column of the table in Schedule 1 are revoked to the extent specified in the third column of that table.

Extent and application

3.—(1) These Rules extend to Scotland only.

(2) These Rules, as they relate to company voluntary arrangements under Part 1 of the Act and administration under Part 2 of the Act, apply in relation to companies which the courts in Scotland have jurisdiction to wind up.

Transitional and savings provisions

4. The transitional and savings provisions set out in Schedule 2 have effect.

Punishment of offences

5. Schedule 3 sets out the maximum penalties for offences under these Rules.

Review

6.—(1) The Secretary of State must from time to time—

(a) carry out a review of the regulatory provision contained in these Rules; and

(b) publish a report setting out the conclusions of the review.

(2) The first report must be published before the end of the period of five years beginning with the day on which these Rules come into force.

(3) Subsequent reports must be published at intervals not exceeding five years.

(4) Section 30(4) of the Small Business, Enterprise and Employment Act 2015(**c**) requires that a report published under this rule must, in particular—

(a) set out the objectives intended to be achieved by the regulatory provision referred to in paragraph (1)(a);

(a) 1986 c.45. Section 411 was amended by S.I. 2007/2194, the Banking Act 2009 (c.1), sections 125 and 160 and S.I. 2009/1941. Other amendments have been made to section 411 but these are not relevant to this instrument.

(b) S.I. 2018/174. Rules 1.33, 1.34 and 7.2 make provision which relates to winding up and which therefore requires the consent of the Scottish Ministers in accordance with Article 5(2) of S.I. 2018/174.

(**c**) 2015 c.26 ("the 2015 Act").

(b) assess the extent to which those objectives are achieved;

(c) assess whether those objectives remain appropriate; and

(d) if those objectives remain appropriate, assess the extent to which they could be achieved in another way which involves less onerous regulatory provision.

(5) In this rule, "regulatory provision" has the same meaning as in sections 28 to 32 of the Small Business, Enterprise and Employment Act 2015 (see section 32 of that Act).

PART 1

SCOPE, INTERPRETATION, TIME AND RULES ABOUT DOCUMENTS

CHAPTER 1

Scope of these Rules

Scope

1.1.—(1) These Rules are made to give effect, in Scotland, in relation to company voluntary arrangements and administration, to—

(a) Parts 1 and 2 of the Insolvency Act 1986; and

(b) the EU Regulation.

(2) Consequently, references to insolvency proceedings and requirements relating to such proceedings are, unless the context requires otherwise, limited to insolvency proceedings in respect of Parts 1 and 2 of the Act and the EU Regulation (whether or not court proceedings).

CHAPTER 2

Interpretation

[Note: the terms which are defined in rule 1.2 include some terms defined in the Act for limited purposes which are applied generally by these Rules. Such terms have the meaning given by the Act for those limited purposes.]

Defined terms

1.2.—(1) In these Rules, unless the context otherwise requires—

"the Act" means the Insolvency Act 1986, and—

(a) a reference to a numbered section without mention of another Act is to that section of the Act; and

(b) a reference to Schedule A1(**a**) or B1(**b**) is to that Schedule to the Act;

"the Companies Act" means the Companies Act 2006(**c**);

"appointed person" means a person who meets the requirements in paragraph (2) and who is appointed by an office-holder;

"Article 1.2 undertaking" means one of the following within the meaning of Article 1.2 of the EU Regulation—

(a) an insurance undertaking;

(b) a credit institution;

(a) Schedule A1 was inserted by paragraph 4 of Schedule 1 to the Insolvency Act 2000 (c.39).
(b) Schedule B1 was inserted by paragraph 1 of Schedule 16 to the Enterprise Act 2002 (c.40).
(**c**) 2006 c.46.

(c) an investment undertaking which provides services involving the holding of funds or securities for third parties;

(d) a collective investment undertaking;

[Note: "associate" is defined in section 435];

"attendance" and "attend"—

a person attends a meeting by being present, by attending remotely in accordance with section 246A(**a**) or rule 5.6, or by participating in a virtual meeting; and a person may attend a meeting in person, by proxy or by corporate representative (in accordance with section 434B(**b**) of the Act or section 323 of the Companies Act, as applicable);

"authenticate" means to authenticate in accordance with rule 1.6;

"blank proxy" is to be interpreted in accordance with rule 6.3

[Note: "business day" is defined in section 251]

"centre of main interests" has the same meaning as in the EU Regulation;

[Note: "connected" used of a person in relation to a company is defined in section 249 of the Act];

"consumer" means an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession;

"convener" means an office-holder or other person who seeks a decision in accordance with Part 5 of these Rules;

[Note: "the court" is defined in section 251];

"CVA" means a voluntary arrangement in relation to a company made under Part 1 of the Act;

"debt" as it relates to administration, means any of the following—

(a) any debt or liability to which the company is subject at the relevant date;

(b) any debt or liability to which the company may become subject after the relevant date by reason of any obligation incurred before that date;

(c) any interest provable as mentioned in rule 3.111;

and for the purposes of the definition of debt, "relevant date" means—

(a) in the case of an administration which was not immediately preceded by a winding up, the date on which the company entered administration; and

(b) in the case of an administration which was immediately preceded by a winding up, the date on which the company went into liquidation.

"decision date" and "decision procedure" are to be interpreted in accordance with rule 5.2;

[Note: "deemed consent procedure" is defined in section 246ZF(**c**)];

"deliver" and "delivery" are to be interpreted in accordance with Chapter 9 of Part 1 of these Rules;

"deliver to the creditors" and similar expressions in these Rules and the Act are to be interpreted in accordance with rule 1.33;

"document" includes a written notice or statement or anything else in writing capable of being delivered to a recipient;

(a) Section 246A was added by S.I. 2010/18 and amended by paragraph 54 of Schedule 9 to the 2015 Act and article 5 of the Public Services Reform (Corporate Insolvency and Bankruptcy) (Scotland) Order 2017 (S.S.I. 2017/209).
(b) Section 434B was inserted by S.I. 2008/948 and amended by paragraph 57 of Schedule 9 to the 2015 Act.
(c) Section 246ZF is inserted by section 122 of the 2015 Act.

[Note: "the EU Regulation" is defined in section 436(**a**) as "Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings(**b**)"];

[Note: "the Gazette" has the meaning given in section 251];

"Gazette notice" means a notice which is, has been, or is to be gazetted;

"to gazette" means to advertise in the Gazette, whether electronically or otherwise;

[Note: "hire-purchase agreement" is defined in section 436(1); and is supplemented by paragraph 1 of Schedule A1 (company voluntary arrangements) for the purposes of that Schedule and by paragraph 111(1) of Schedule B1 (administration) for the purposes of that Schedule];

"identification details" and similar references to information identifying persons, insolvency proceedings etc. are to be interpreted in accordance with rule 1.7;

"insolvent estate" means the company's assets;

"IP number" means the number assigned to an office-holder as an insolvency practitioner by the Secretary of State;

"local creditor" has the same meaning as in Article 2 of the EU Regulation;

"main proceedings" means proceedings opened in accordance with Article 3(1) of the EU Regulation and falling within the definition of insolvency proceedings in Article 2(4) of the EU Regulation and which—

(a) in relation to Scotland, are set out in Annex A to that Regulation under the heading "United Kingdom"; and

(b) in relation to another member State, are set out in Annex A under the heading relating to that member State;

"meeting" in relation to a company's creditors means either a "physical meeting" or a "virtual meeting";

"member State liquidator" means a person falling within the definition of "insolvency practitioner" in Article 2(5) of the EU Regulation appointed in proceedings to which the EU Regulation applies in a member State other than the United Kingdom;

[Note: "nominee" is defined in section 1(2) in relation to company voluntary arrangements];

"non-EU proceedings" means insolvency proceedings which are not main, secondary or territorial proceedings;

"office-holder" means a person who under the Act or these Rules holds an office in relation to insolvency proceedings and includes a nominee;

"official rate" is the rate of interest on a sheriff court decree or extract under section 9 of the Sheriff Courts (Scotland) Extracts Act 1892(**c**) (as it may be amended by section 4 of the Administration of Justice (Scotland) Act 1972)(**d**);

"physical meeting" has the meaning given by rule 5.2;

"prescribed part" has the same meaning as in section 176A(2)(a)(**e**) and the Insolvency Act 1986 (Prescribed Part) Order 2003(**f**);

"progress report" means a report which complies with rules 3.93 and 3.94;

[Note: "property" is defined in section 436(1)];

"proxy" and "proxy-holder" are to be interpreted in accordance with rule 6.2;

"qualified to act as an insolvency practitioner", in relation to a company, is to be interpreted in accordance with Part 13 of the Act;

(**a**) Section 436 was relevantly amended by S.I. 2017/702.
(**b**) OJ L 141, 5.6.2015 p.19.
(**c**) 1892 c.17. See S.I. 1993/769.
(**d**) 1972 c.59.
(e) Section 176A was inserted by section 252 of the Enterprise Act 2002 (c.40).
(**f**) S.I. 2003/2097.

[Note: "records" are defined in section 436(1)];

"secondary proceedings" means proceedings opened in accordance with Article 3(2) and (3) of the EU Regulation and falling within the definition of insolvency proceedings in Article 2(4) of the EU Regulation and which—

(a) in relation to Scotland, are set out in Annex A to that Regulation under the heading "United Kingdom"; and

(b) in relation to another member State are set out in Annex A under the heading relating to that member State;

"serve" and "service" are to be interpreted in respect of a particular document by reference to the Rules of Court;

"standard contents" means—

(a) for a Gazette notice, the standard contents set out in Chapter 5 of Part 1;

(b) for a notice to be advertised other than in the Gazette, the standard contents set out in Chapter 6 of Part 1;

(c) for a document to be delivered to the registrar of companies, the standard contents set out in Chapter 7 of Part 1; and

(d) for notices to be delivered to other persons, the standard contents set out in Chapter 8 of Part 1;

"standard fee for copies" means 15 pence per A4 or A5 page or 30 pence per A3 page;

"statement of claim" is to be interpreted in accordance with rule 3.105;

"statement of proposals" means a statement made by an administrator under paragraph 49 of Schedule B1(**a**) setting out proposals for achieving the purpose of an administration;

"territorial proceedings" means proceedings opened in accordance with Article 3(2) and (4) of the EU Regulation and falling within the definition of insolvency proceedings in Article 2(4) of that Regulation and which—

(a) in relation to Scotland, are set out in Annex A to the EU Regulation under the heading "United Kingdom"; and

(b) in relation to another member State, are set out in Annex A under the heading relating to that member State;

"venue" in relation to any proceedings, attendance before the court, decision procedure or meeting means the time, date and place or platform for the proceedings, attendance, decision procedure or meeting;

"virtual meeting" has the meaning given by rule 5.2;

[Note: "writing" is to be construed in accordance with section 436B(**b**)];

"written resolution" in respect of a private company means a written resolution passed in accordance with Chapter 2 of Part 13 of the Companies Act.

(2) An appointed person in relation to a company must be—

(a) qualified to act as an insolvency practitioner in relation to that company, or

(b) a person experienced in insolvency matters who is—

(i) a member or employee of the office-holder's firm, or

(ii) an employee of the office-holder.

(3) A fee or remuneration is chargeable when the work to which it relates is done.

(a) Paragraph 49 is amended by paragraph 10 of Schedule 9 to the 2015 Act.

(b) Section 436B(1) provides that a reference in the Act to a thing in writing includes that thing in electronic form; subsection (2) excludes certain sections of the Act from the application of subsection (1). Section 436B was inserted by S.I. 2010/18.

CHAPTER 3

Calculation of time periods

Periods of time expressed in days

1.3.—(1) This rule applies to the calculation of a period of time expressed in days.

(2) A period of time expressed as a number of days is to be computed as clear days.

(3) In this rule, "clear days" means that in computing the number of days—

(a) the day on which the period begins; and

(b) if the end of the period is defined by reference to an event, the day on which that event occurs,

are not included.

Periods of time expressed in months

1.4.—(1) This rule applies to the calculation of a period of time expressed in months.

(2) The beginning and the end of a period expressed in months are to be determined as follows—

(a) if the beginning of the period is specified—

(i) the month in which the period ends is the specified number of months after the month in which it begins; and

(ii) the date in the month on which the period ends is—

(aa) the day before the date corresponding to the date in the month on which it begins, or

(bb) if there is no such date in the month in which it ends, the last day of that month;

(b) if the end of the period is specified—

(i) the month in which the period begins is the specified number of months before the month in which it ends; and

(ii) the date in the month on which the period begins is—

(aa) the day after the date corresponding to the date in the month on which it ends, or

(bb) if there is no such date in the month in which it begins, the last day of that month.

CHAPTER 4

Form and content of documents

Requirement for writing and form of documents

1.5.—(1) A notice or statement must be in writing unless the Act or these Rules provide otherwise.

(2) A document in electronic form must be capable of being—

(a) read by the recipient in electronic form; and

(b) reproduced by the recipient in hard-copy form.

Authentication

1.6.—(1) A document in electronic form is authenticated—

(a) if the identity of the sender is confirmed in a manner specified by the recipient; or

(b) where the recipient has not so specified, if the communication contains or is accompanied by a statement of the identity of the sender and the recipient has no reason to doubt the truth of that statement.

(2) A document in hard copy form is authenticated if it is signed.

(3) If a document is authenticated by the signature of an individual on behalf of—

(a) a body of persons, the document must also state the position of that individual in relation to the body;

(b) a body corporate of which the individual is the sole member, the document must also state that fact.

Information required to identify persons and insolvency proceedings etc.

1.7.—(1) Where the Act or these Rules require a document to identify, or to contain identification details in respect of, a person or insolvency proceedings, or to provide contact details for an office-holder, the information set out in the table must be given.

(2) Where a requirement relates to a proposed office-holder, the information set out in the table in respect of an office-holder must be given with any necessary adaptations.

Company where it is the subject of the insolvency proceedings	In the case of a registered company— (a) the registered name; (b) for a company incorporated in Scotland under the Companies Act or a previous Companies Act, its registered number; (c) for a company incorporated outside the United Kingdom— (i) the country or territory in which it is incorporated, (ii) the number, if any, under which it is registered, and (iii) the number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act. In the case of an unregistered company— (d) its name; and (e) the postal address of any principal place of business.
Company other than one which is the subject of the insolvency proceedings	In the case of a registered company— (f) the registered name; (g) for a company incorporated in any part of the United Kingdom under the Companies Act or a previous Companies Act, its registered number; (h) for a company incorporated outside the United Kingdom— (i) the country or territory in which it is incorporated; (ii) the number, if any, under which it is registered; and (iii) the number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act;

	In the case of an unregistered company— (i) its name; and (j) the postal address of any principal place of business
Office-holder	(k) the name of the office-holder; and (l) the nature of the appointment held by the office-holder.
Contact details for an office-holder	(m) a postal address for the office-holder; and (n) either an email address, or a telephone number, through which the office-holder may be contacted.
Insolvency proceedings	(o) information identifying the company to which the insolvency proceedings relate; (p) if the insolvency proceedings are, or are to be, conducted in a court— (i) the full name of the court and, if applicable; (ii) any number assigned to those insolvency proceedings by the court.

Reasons for stating that insolvency proceedings are or will be main, secondary etc. under the EU Regulation

1.8. Where these Rules require reasons to be given for a statement that proceedings are or will be main, secondary, territorial or non-EU insolvency proceedings, the reasons must include—

(a) the company's centre of main interests,

(b) the place of the company's registered office within the meaning of Article 3(1) of the EU Regulation and where appropriate an explanation why this is not the same as the centre of main interests, or

(c) a statement that there is no registered office if that is the case in non-EU proceedings.

Prescribed format of documents

1.9.—(1) Where a rule sets out the required contents of a document any title required by the rule must appear at the beginning of the document.

(2) Any other contents required by the rule (or rules where more than one apply to a particular document) must be provided in the order listed in the rule (or rules) or in another order which the maker of the document considers would be more convenient for the intended recipient.

Variations from prescribed contents

1.10. Where a rule sets out the required contents of a document, the document may depart from the required contents if—

(a) the circumstances require such a departure (including where the requirement is not applicable in the particular case); or

(b) the departure (whether or not intentional) is immaterial.

CHAPTER 5

Standard contents of Gazette notices and the Gazette as evidence etc.

[Note: the requirements in Chapter 5 must be read with rule 1.7 which sets out the information required to identify an office-holder, a company etc.]

Contents of notices to be gazetted under the Act or Rules

1.11.—(1) Where, in accordance with the Act or these Rules, a notice is to be gazetted, the notice must contain the standard contents set out in this Chapter (in addition to any content specifically required by the Act or any other provision of these Rules).

(2) Information which this Chapter requires to be included in a Gazette notice may be omitted if it is not reasonably practicable to obtain it.

Standard contents of Gazette notices

1.12.—(1) A Gazette notice must identify the insolvency proceedings and, if it is relevant to the particular notice, identify the office-holder and state—

(a) the office-holder's contact details;

(b) the office-holder's IP number;

(c) the name of any person other than the office-holder who may be contacted about the insolvency proceedings; and

(d) the date of the office-holder's appointment.

(2) A Gazette notice relating to a registered company must also state—

(a) its registered office;

(b) any principal trading address if this is different from its registered office;

(c) any name under which it was registered in the period of 12 months before the date of the commencement of the insolvency proceedings which are the subject of the Gazette notice; and

(d) any other name or style (not being a registered name)—

(i) under which the company carried on business, and

(ii) in which any debt owed to a creditor was incurred.

(3) A Gazette notice relating to an unregistered company must also identify the company and specify any name or style—

(a) under which the company carried on business, and

(b) in which any debt owed to a creditor was incurred.

The Gazette: evidence, variations, errors and timing

1.13.—(1) Where a notice is gazetted under the Act or these Rules a copy of the Gazette containing the notice is evidence of any facts stated in the notice.

(2) Where the Act or these Rules require an order of the court to be gazetted, a copy of the Gazette containing the notice of the order may be produced in any proceedings as conclusive evidence that the order was made on the date specified in the Gazette notice.

(3) Where an order of the court which is gazetted has been varied, or any matter has been erroneously or inaccurately gazetted, the person whose responsibility it was to gazette the order or other matter must, as soon as reasonably practicable, cause the variation to be gazetted or a further entry to be made in the Gazette for the purpose of correcting the error or inaccuracy.

(4) A Gazette notice, variation or correction is taken to be gazetted or published on the date it first appears in either electronic or hard copy form.

CHAPTER 6

Standard contents of notices advertised otherwise than in the Gazette

[Note: the requirements in Chapter 6 must be read with rule 1.7 which sets out the information required to identify an office-holder, a company etc.]

Standard contents of notices advertised otherwise than in the Gazette

1.14.—(1) Where, in accordance with the Act or these Rules, a notice is to be advertised otherwise than in the Gazette, the notice must contain the standard contents set out in this rule (in addition to any content specifically required by the Act or any other provision of these Rules).

(2) A notice relating to a company must also identify the insolvency proceedings and state—

(a) the company's principal trading address;

(b) any name under which the company was registered in the 12 months before the date of the commencement of the insolvency proceedings which are the subject of the notice; and

(c) any name or style (not being a registered name)—

(i) under which the company carried on business, and

(ii) in which any debt owed to a creditor was incurred.

(3) A notice must, if it is relevant to the particular notice, identify the office-holder and specify the office-holder's contact details.

(4) Information which this rule requires to be included in a notice may be omitted if it is not reasonably practicable to obtain it.

Non-Gazette notices: clear and comprehensible

1.15. Information which this Chapter requires to be stated in a notice must be so stated in a way that is clear and comprehensible.

CHAPTER 7

Standard contents of documents to be delivered to the registrar of companies

[Note: the requirements in Chapter 7 must be read with rule 1.7 which sets out the information required to identify an office-holder, a company etc.]

Standard contents of documents delivered to the registrar of companies

1.16.—(1) Where the Act or these Rules require a document to be delivered to the registrar of companies the document must contain the standard contents set out in this Chapter (in addition to any content specifically required by the Act or any other provision of these Rules).

(2) A document of more than one type must satisfy the requirements which apply to each.

Registrar of companies: covering notices

1.17.—(1) This rule applies where the Act or these Rules require an office-holder to deliver any of the following documents to the registrar of companies—

(a) an account or a summary of receipts and payments;

(b) a court order;

(c) a statement of administrator's proposals or a statement of revised proposals;

(d) a statement of affairs;

(e) a statement of concurrence;

(f) a notice of an administrator's resignation under paragraph 87(2) of Schedule B1;

(g) any report including—

(i) a final report,

(ii) a progress report (including a final progress report),

(iii) a report of a creditors' decision under paragraph 53(2) or 54(6) of Schedule B1, and

(iv) a report of a decision approving a CVA under section 4(6) and 4(6A) or paragraph 30(3) and (4) of Schedule A1;

(h) a copy of the notice that a CVA has been fully implemented or terminated that the supervisor is required to deliver under rule 2.44(3);

(i) an undertaking given under Article 36 of the EU Regulation.

(2) The office-holder must deliver to the registrar of companies with a document mentioned in paragraph (1) a notice containing the standard contents required by this Part.

(3) Such a notice may relate to more than one document where those documents relate to the same insolvency proceedings and are delivered together to the registrar of companies.

Standard contents of all documents

1.18.—(1) A document to be delivered to the registrar of companies must—

(a) identify the company;

(b) state—

(i) the nature of the document,

(ii) the section (or paragraph) of the Act, or the rule under which the document is delivered,

(iii) the date of the document,

(iv) the name and address of the person delivering the document, and

(v) the capacity in which that person is acting in relation to the company; and

(c) be authenticated by the person delivering the document.

(2) Where the person delivering the document is the office-holder, the address may be omitted if it has previously been notified to the registrar of companies in the insolvency proceedings and is unchanged.

Standard contents of documents relating to the office of office-holders

1.19.—(1) A document relating to the office of the office-holder must also identify the office-holder and state—

(a) the date of the event of which notice is delivered or of the notice (as applicable);

(b) where the document relates to an appointment, the person, body or court making the appointment;

(c) where the document relates to the termination of an appointment, the reason for that termination; and

(d) the contact details for the office-holder.

(2) Where the person delivering the document is the office-holder, the address may be omitted if it has previously been notified to the registrar of companies in the insolvency proceedings and is unchanged.

Standard contents of documents relating to other documents

1.20. A document relating to another document must also state—

(a) the nature of the other document;

(b) the date of the other document; and

(c) where the other document relates to a period of time, the period of time to which it relates.

Standard contents of documents relating to court orders

1.21. A document relating to a court order must also specify—

(a) the nature of the order;

(b) the name of the court; and

(c) the date of the order.

Standard contents of returns or reports of decisions

1.22. A return or report of a decision procedure, deemed consent procedure or meeting must also state—

(a) the purpose of the procedure or meeting;

(b) a description of the procedure or meeting used;

(c) in the case of a decision procedure or meeting, the venue;

(d) in the case of a deemed consent procedure, the date the decision was deemed to have been made;

(e) whether, in the case of a meeting, the required quorum was in place; and

(f) the outcome (including any decisions made or resolutions passed).

Standard contents of returns or reports of matters considered by company members by written resolution

1.23. A return or report of a matter, consideration of which has been sought from the members of a company by written resolution, must also state—

(a) the purpose of the consideration; and

(b) the outcome of the consideration (including any resolutions passed).

Standard contents of documents relating to other events

1.24. A document relating to any other event must also state—

(a) the nature of the event, including the section (or paragraph) of the Act or the rule in relation to which it took place; and

(b) the date on which the event occurred.

CHAPTER 8

Standard contents of notices for delivery to other persons etc.

[Note: the requirements in Chapter 8 must be read with rule 1.7 which sets out the information required to identify an office-holder, a company etc.]

Standard contents of notices to be delivered to persons other than the registrar of companies

1.25.—(1) Where the Act or these Rules require a notice to be delivered to a person other than the registrar of companies in respect of insolvency proceedings under Parts 1 and 2 of the Act or the EU Regulation, the notice must contain the standard contents set out in this Chapter (in addition to any content specifically required by the Act or another provision of these Rules).

(2) A notice of more than one type must satisfy the requirements which apply to each.

(3) The requirements in respect of a document which is to be delivered to another person at the same time as the registrar of companies may be satisfied by delivering to that other person a copy of the document delivered to the registrar.

Standard contents of all notices

1.26. A notice must—

(a) state the nature of the notice;

(b) identify the insolvency proceedings;

(c) state the section (or paragraph) of the Act or the rule under which the notice is given; and

(d) in the case of a notice delivered by the office-holder, state the contact details for the office-holder.

Standard contents of notices relating to the office of office-holders

1.27. A notice relating to the office of the office-holder must also identify the office-holder and state—

(a) the date of the event of which notice is delivered;

(b) where the notice relates to an appointment, the person, body or court making the appointment; and

(c) where the notice relates to the termination of an appointment, the reason for that termination.

Standard contents of notices relating to documents

1.28. A notice relating to a document must also state—

(a) the nature of the document;

(b) the date of the document; and

(c) where the document relates to a period of time the period of time to which the document relates.

Standard contents of notices relating to court proceedings or orders

1.29. A notice relating to court proceedings must also identify those proceedings and if the notice relates to a court order state—

(a) the nature of the order; and

(b) the date of the order.

Standard contents of notices of the results of decisions

1.30. A notice of the result of a decision procedure, deemed consent procedure or meeting must also state—

(a) the purpose of the procedure or meeting;

(b) a description of the procedure or meeting used;

(c) in the case of a decision procedure or meeting, the venue;

(d) in the case of a deemed consent procedure, the date the decision was deemed to have been made;

(e) whether, in the case of a meeting, the required quorum was in place; and

(f) the outcome (including any decisions made or resolutions passed).

Standard contents of returns or reports of matters considered by company members by written resolution

1.31. A return or report of a matter, consideration of which has been sought from the members of a company by written resolution, must also specify—

(a) the purpose of the consideration; and

(b) the outcome of the consideration (including any resolutions passed).

CHAPTER 9

Delivery of documents and opting out (sections 246C and 248A(**a**))

Application of Chapter

[Note: the registrar's rules include provision for the electronic delivery of documents.]

1.32.—(1) Subject to paragraph (2) this Chapter applies where a document is required under the Act or these Rules to be delivered, lodged, forwarded, furnished, given, sent, or submitted in respect of insolvency proceedings under Parts 1 and 2 of the Act or the EU Regulation unless the Act, a rule or an order of the court makes different provision.

(2) Rules 1.41 and 1.43 to 1.46 do not apply to—

(a) the lodging of any petition or application or other document with the court;

(b) the service of any application or other document lodged with the court;

(c) the service of any order of the court; or

(d) the delivery of a document to the registrar of companies, except in accordance with paragraph 3.

(3) In respect of delivery of a document to the registrar of companies—

(a) subject to sub-paragraph (b) only the following rules in this Chapter apply: rules 1.38 (postal delivery of documents), 1.39 (delivery by document exchange), 1.40 (personal delivery) and 1.47 (proof of delivery of documents);

(b) requirements imposed under section 1068 and rules made under section 1117 of the Companies Act apply to determine the date when any document is received by the registrar of companies.

(4) Where a document is required or permitted to be served at a company's registered office service may be effected at a previous registered office in accordance with section 87(2) of the Companies Act.

(5) In the case of an overseas company service may be effected in any manner provided for by section 1139(2) of the Companies Act.

Delivery to the creditors and opting out

1.33.—(1) Where the Act or a rule requires an office-holder to deliver a document to the creditors, or the creditors in a class, the requirement is satisfied by the delivery of the document to all such creditors of whose address the office-holder is aware other than opted-out creditors unless the opt out does not apply.

(2) Where a creditor has opted out from receiving documents, the opt out does not apply to—

(a) a notice which the Act requires to be delivered to all creditors without expressly excluding opted-out creditors;

(a) Section 246C was inserted by section 124(3) of the 2015 Act and section 248A was inserted by section 124(4) of the 2015 Act.

(b) a notice of a change in the office-holder or the contact details for the office-holder;

(c) a notice as provided for by section 246C(2) (notices of distributions, intended distributions and notices required to be given by court order); or

(d) a document which these Rules require to accompany a notice within sub-paragraphs (a) to (c).

(3) The office-holder must begin to treat a creditor as an opted-out creditor as soon as reasonably practicable after delivery of the creditor's election to opt out.

(4) An office-holder in any consecutive insolvency proceedings of a different kind under Parts 1, 2, 4 or 5 of the Act in respect of the same company who is aware that a creditor was an opted-out creditor in the earlier insolvency proceedings must treat the creditor as an opted-out creditor in the consecutive insolvency proceedings.

Creditor's election to opt out

1.34.—(1) A creditor may at any time elect to be an opted-out creditor.

(2) The creditor's election to opt out must be by a notice in writing authenticated and dated by the creditor.

(3) The creditor must deliver the notice to the office-holder.

(4) A creditor becomes an opted-out creditor when the notice is delivered to the office-holder.

(5) An opted-out creditor—

(a) will remain an opted-out creditor for the duration of the insolvency proceedings unless the opt out is revoked; and

(b) is deemed to be an opted-out creditor in respect of any consecutive insolvency proceedings under Parts 1, 2, 4 or 5 of the Act of a different kind relating to the same company.

(6) The creditor may at any time revoke the election to opt out by a further notice in writing, authenticated and dated by the creditor and delivered to the office-holder.

(7) The creditor ceases to be an opted-out creditor from the date the notice is delivered to the office-holder.

Office-holder to provide information to creditors on opting out

1.35.—(1) The office-holder must, in the first communication with a creditor, inform the creditor in writing that the creditor may elect to opt out of receiving further documents relating to the insolvency proceedings.

(2) The communication must contain—

(a) identification and contact details for the office-holder;

(b) a statement that the creditor has the right to elect to opt out of receiving further documents about the insolvency proceedings unless—

(i) the Act requires a document to be delivered to all creditors without expressly excluding opted-out creditors;

(ii) the document is a notice relating to a change in the office-holder or the office-holder's contact details;

(iii) the document is a notice of a dividend or proposed dividend; or

(iv) the document is a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs;

(c) a statement that opting out will not affect the creditor's entitlement to receive dividends should any be paid to creditors;

(d) a statement that unless these Rules provide to the contrary opting out will not affect any right the creditor may have to vote in a decision procedure or to participate in a deemed

consent procedure in the insolvency proceedings although the creditor will not receive notice of it;

(e) a statement that a creditor who opts out will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the same company; and

(f) information about how the creditor may elect to be or cease to be an opted-out creditor.

Delivery of documents to authorised recipients

1.36. Where under the Act or these Rules a document is to be delivered to a person (other than by being served on that person), it may be delivered instead to any other person authorised in writing to accept delivery on behalf of the first-mentioned person.

Delivery of documents to joint office-holders

1.37. Where there are joint office-holders in insolvency proceedings, delivery of a document to one of them is to be treated as delivery to all of them.

Postal delivery of documents

1.38.—(1) A document is delivered if it is sent by post in accordance with the provisions of this rule.

(2) A document delivered by post may be delivered to the last known address of a person.

(3) First class or second class post may be used to deliver a document.

(4) Unless the contrary is shown—

(a) a document sent by first class post is to be treated as delivered on the second business day after the day on which it is posted;

(b) a document sent by second class post is to be treated as delivered on the fourth business day after the day on which it is posted;

(c) where a post-mark appears on the envelope in which a document was posted, the date of that post-mark is to be treated as the date on which the document was posted.

(5) In this rule "post-mark" means a mark applied by a postal operator which records the date on which a letter entered the postal system of the postal operator.

Delivery by document exchange

1.39.—(1) A document is delivered to a member of a document exchange if it is delivered to that document exchange.

(2) Unless the contrary is shown, a document is to be treated as delivered—

(a) one business day after the day it is delivered to the document exchange where the sender and the intended recipient are members of the same document exchange; or

(b) two business days after the day it is delivered to the departure facility of the sender's document exchange where the sender and the intended recipient are members of different document exchanges.

Personal delivery of documents

1.40.—(1) A document is delivered if it is personally delivered in accordance with this rule.

(2) In the case of an individual, a document is personally delivered if it is left with that individual.

(3) In the case of a legal person, a document is personally delivered if it is left with an individual at the registered office, official address or place of business of that legal person.

Electronic delivery of documents

1.41.—(1) A document is delivered if it is sent by electronic means and the following conditions apply.

(2) The conditions are that the intended recipient of the document has—

(a) given actual or deemed consent for the electronic delivery of the document;

(b) not revoked that consent before the document is sent; and

(c) provided an electronic address for the delivery of the document.

(3) Consent may relate to a specific case or generally.

(4) For the purposes of paragraph (2)(a) an intended recipient is deemed to have consented to the electronic delivery of a document where the intended recipient and the company who is the subject of the insolvency proceedings had customarily communicated with each other by electronic means before the insolvency proceedings commenced.

(5) Unless the contrary is shown, a document is to be treated as delivered by electronic means to an electronic address where the sender can produce a copy of the electronic communication which—

(a) contains the document; and

(b) shows the time and date the communication was sent and the electronic address to which it was sent.

(6) Unless the contrary is shown, a document sent electronically is treated as delivered to the electronic address to which it is sent at 9.00 a.m. on the next business day after it was sent.

Electronic delivery of documents to the court

1.42.—(1) A document may not be delivered to a court by electronic means unless this is expressly permitted by Rules of Court.

(2) A document delivered by electronic means is to be treated as delivered to the court at the time it is recorded by the court as having been received or otherwise as the Rules of Court provide.

Electronic delivery by office-holders

1.43.—(1) Where an office-holder delivers a document by electronic means, the document must contain, or be accompanied by, a statement that the recipient may request a hard copy of the document and a telephone number, email address and postal address that may be used to make that request.

(2) An office-holder who receives such a request must deliver a hard copy of the document to the recipient free of charge within five business days of receipt of the request.

Use of website by office-holder to deliver a particular document (section 246B(a))

[Note: rule 3.54(3) allows notice of an extension to an administration to be given on a website and rule 2.25(6) does likewise in respect of notice of the result of the consideration of a proposal for a CVA]

1.44.—(1) This rule applies for the purposes of section 246B.

(2) An office-holder who proposes to satisfy the requirement to deliver a document to any person by making it available on a website in accordance with section 246B(1) must deliver a notice to that person which contains—

(a) a statement that the document is available for viewing and downloading on a website;

(a) Section 246B was inserted by S.I. 2010/18.

(b) the website's address and any password necessary to view and download the document; and

(c) a statement that that person may request a hard copy of the document together with a telephone number, email address and postal address which may be used to make that request.

(3) An office-holder who receives such a request must deliver a hard copy of the document to the person who made the request free of charge within five business days of receipt of the request.

(4) A document to which a notice under paragraph (2) relates must—

(a) remain available on the website for the period required by rule 1.46; and

(b) be in a format that enables it to be downloaded within a reasonable time of an electronic request being made for it to be downloaded.

(5) A document which is delivered to a person by means of a website in accordance with this rule is deemed to have been delivered—

(a) when it is first made available on the website; or

(b) when the notice under paragraph (2) is delivered to that person, if that is later.

(6) Section 246B(1) does not apply to a notice delivered under paragraph (2).

(7) In this rule "document" includes any notice or information in any other form.

General use of website to deliver documents

1.45.—(1) The office-holder may deliver a notice to each person to whom a document will be required to be delivered in the insolvency proceedings which contains—

(a) a statement that future documents in the insolvency proceedings other than those mentioned in paragraph (2) will be made available for viewing and downloading on a website without notice to the recipient and that the office-holder will not be obliged to deliver any such documents to the recipient of the notice unless it is requested by that person;

(b) a telephone number, email address and postal address which may be used to make a request for a hard copy of a document;

(c) a statement that the recipient of the notice may at any time request a hard copy of—

(i) any document available for viewing on the website,

(ii) any document which may be made available there in the future; and

(d) the address of the website and any password required to view and download a relevant document from that site.

(2) A statement under paragraph (1)(a) does not apply to the following documents—

(a) a document for which personal delivery is required; and

(b) a document which is not delivered generally.

(3) A document is delivered generally if it is delivered to some or all of the following classes of persons—

(a) members,

(b) creditors,

(c) any class of members or creditors.

(4) An office-holder who has delivered a notice under paragraph (1) is under no obligation—

(a) to notify a person to whom the notice has been delivered when a document to which the notice applies has been made available on the website; or

(b) to deliver a hard copy of such a document unless a request for a hard copy is received under paragraph (1)(c).

(5) An office-holder who receives a request under paragraph (1)(c)—

(a) in respect of a document which is already available on the website must deliver a hard copy of the document to the recipient free of charge within five business days of receipt of the request; and

(b) in respect of all future documents must deliver each such document in accordance with the requirements for delivery of such a document in the Act and these Rules.

(6) A document to which a statement under paragraph (1)(a) applies must—

(a) remain available on the website for the period required by rule 1.46; and

(b) be in such a format as to enable it to be downloaded within a reasonable time of an electronic request being made for it to be downloaded.

(7) A document which is delivered to a person by means of a website in accordance with this rule, is deemed to have been delivered—

(a) when the relevant document was first made available on the website; or

(b) when the notice under paragraph (1) is delivered to that person, if that is later.

(8) Paragraph (7) does not apply in respect of a person who has made a request under paragraph (1)(c)(ii) for hard copies of all future documents.

Retention period for documents made available on websites

1.46.—(1) This rule applies to a document which is made available on a website under rules 1.44, 1.45, 2.24(7) and 3.54(3).

(2) Such a document must continue to be made available on the website until two months after the end of the particular insolvency proceedings or the release of the last person to hold office as the office-holder in those insolvency proceedings, whichever is later.

Proof of delivery of documents

1.47.—(1) A certificate complying with this rule is proof that a document has been duly delivered to the recipient in accordance with this Chapter unless the contrary is shown.

(2) A certificate must state the method of delivery and the date of the sending, posting or delivery (as the case may be).

(3) In the case of an office-holder the certificate must be given by—

(a) the office-holder;

(b) the office-holder's solicitor; or

(c) a partner or an employee of either of them.

(4) In the case of a person other than an office-holder the certificate must be given by that person and must state—

(a) that the document was delivered by that person; or—

(b) that another person (named in the certificate) was instructed to deliver it.

(5) A certificate under this rule may be endorsed on a copy of the document to which it relates.

Delivery of statements of claim and documentary evidence of debt

1.48.—(1) Once a statement of claim or documentary evidence of debt has been delivered to an office-holder in accordance with these Rules it need not be delivered again.

(2) Accordingly, where these Rules require such delivery by a certain time, that requirement is satisfied if that statement or evidence has already been delivered.

(3) This rule also applies where a creditor in an administration is deemed to have submitted a statement of claim and documentary evidence of a debt in winding up proceedings which immediately preceded the administration.

(4) In a CVA, where a creditor has given written notification of a debt in accordance with rule 5.9(1)(b)(i), it need not be given again.

CHAPTER 10

Inspection of documents, copies and provision of information

Right to copies of documents

1.49. Where the Act, in relation to proceedings under Parts 1 and 2, or these Rules, gives a person the right to inspect documents, that person has a right to be supplied on request with copies of those documents on payment of the standard fee for copies.

Charges for copies of documents provided by the office-holder

1.50. Except where prohibited by these Rules, an office-holder is entitled to require the payment of the standard fee for copies of documents requested by a creditor, member or member of a creditors' committee.

Offence in relation to inspection of documents

1.51.—(1) It is an offence for a person who does not have a right under these Rules to inspect a relevant document falsely to claim to be a creditor or a member of a company with the intention of gaining sight of the document.

(2) A relevant document is one which is on the court file or held by the office-holder or any other person and which a creditor or a member of a company has the right to inspect under these Rules.

Right to list of creditors

1.52.—(1) In an administration, a creditor has the right to require the administrator to provide a list of the names and addresses of the creditors and the amounts of their respective debts.

(2) The administrator, on being required to provide such a list—

(a) must deliver it to the person requiring the list as soon as reasonably practicable; and

(b) may charge the standard fee for copies for a hard copy.

(3) The administrator may omit the name and address of a creditor if the administrator thinks its disclosure would be prejudicial to the conduct of the insolvency proceedings or might reasonably be expected to lead to violence against any person.

(4) In such a case the list must include—

(a) the amount of that creditor's debt; and

(b) a statement that the name and address of the creditor has been omitted for that debt.

Confidentiality of documents: grounds for refusing inspection

1.53.—(1) Where an office-holder considers that a document forming part of the records of the insolvency proceedings—

(a) should be treated as confidential; or

(b) is of such a nature that its disclosure would be prejudicial to the conduct of the insolvency proceedings or might reasonably be expected to lead to violence against any person,

the office-holder may decline to allow it to be inspected by a person who would otherwise be entitled to inspect it.

(2) The persons to whom the office-holder may refuse inspection include members of a creditors' committee.

(3) Where the office-holder refuses inspection of a document, the person wishing to inspect it may apply to the court which may reconsider the office-holder's decision.

(4) The court's decision may be subject to such conditions (if any) as it thinks just.

Sederunt book

1.54.—(1) The office-holder must maintain a sederunt book during the office-holder's term of office for the purpose of providing an accurate record of the insolvency proceedings.

(2) The office-holder must include in the sederunt book—

(a) the information listed in Schedule 4; and

(b) a copy of anything else required to be recorded in it by any provision of the Act or these Rules.

(3) The office-holder must make the sederunt book available for inspection at all reasonable hours by any interested person.

(4) Any entry in the sederunt book is sufficient evidence of the facts stated in it, except where it is relied upon by the office-holder in the office-holder's own interest.

(5) The office-holder must retain, or make arrangements for the retention of, the sederunt book for the period specified in regulation 13(5) of the Insolvency Practitioners Regulations 2005(**a**).

(6) Where the sederunt book is maintained in electronic form, it must be capable of reproduction in hard copy form.

Transfer and disposal of company's books, papers and other records

1.55.—(1) Where an administration has terminated and other insolvency proceedings under Parts 2 to 5 of the Act have commenced in relation to the same company, the administrator must, before the expiry of the earlier of—

(a) the period of 30 days beginning with the date the office-holder in the subsequent insolvency proceedings makes a request to the administrator to do so; or

(b) the period of six months beginning with the date the administration ends,

deliver to the office-holder appointed in the subsequent proceedings the books, papers and other records of the company.

(2) Where an administration has terminated and no subsequent insolvency proceedings under Parts 2 to 5 of the Act have commenced in relation to the same company, the administrator must dispose of the books, papers and records of the company in accordance with the directions of—

(a) the creditors' committee (if there is one); or

(b) where there is no creditors' committee, the court.

(3) If no directions under paragraph (2) have been given by the expiry of the period of 12 months after the date of dissolution of the company, the administrator may dispose of the company's books, papers and records in such a way as the administrator considers appropriate.

(**a**) S.I. 2005/524.

CHAPTER 11

Formal defects

Power to cure defects in procedure

1.56.—(1) The court may, on the application of any person having an interest—

(a) if there has been a failure to comply with any requirement of the Act or the Rules, make an order waiving any such failure and, so far as practicable, restoring any person prejudiced by the failure to the position that person would have been in but for the failure;

(b) if for any reason anything required or authorised to be done in, or in connection with, the insolvency proceedings cannot be done, make such order as may be necessary to enable that thing to be done.

(2) The court, in an order under paragraph (1), may impose such conditions, including conditions as to expenses, as the court thinks fit and may in particular—

(a) authorise or dispense with the performance of any act in the insolvency proceedings;

(b) appoint as office-holder in the insolvency proceedings any person who would be eligible to act in that capacity, whether or not in place of an existing office-holder;

(c) extend or waive any time limit specified in or under the Act or the Rules.

(3) An application under paragraph (1) which is made to the sheriff—

(a) may at any time be remitted by the sheriff to the Court of Session;

(b) must be so remitted if the Court of Session so directs on an application by any person;

if the sheriff or the Court of Session, as the case may be, considers that the remit is desirable because of the importance or complexity of the matters raised by the application.

Formal defects

1.57. No insolvency proceedings are invalidated by any formal defect or irregularity unless the court before which objection is made considers that substantial injustice has been caused by the defect or irregularity and that the injustice cannot be remedied by any order of the court.

PART 2

COMPANY VOLUNTARY ARRANGEMENTS

CHAPTER 1

Preliminary

Interpretation

2.1. In this part—

"nominee" and "supervisor" include the proposed nominee or supervisor in relation to a proposal; and

"proposal" means a proposal for a CVA.

CHAPTER 2

The proposal for a CVA (section 1)

[Notes: — (1) Section 1 sets out who may propose a CVA.

(2) A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Proposal for a CVA: general principles and amendment 2.2.—

(1) A proposal must—

(a) contain identification details for the company;

(b) explain why the proposer thinks a CVA is desirable;

(c) explain why the creditors are expected to agree to a CVA; and

(d) be authenticated and dated by the proposer.

(2) The proposal may be amended with the nominee's agreement in writing in the following cases.

(3) The first case is where—

(a) no steps have been taken to obtain a moratorium;

(b) the nominee is not the liquidator or administrator of the company; and

(c) the nominee's report has not been lodged with the court under section 2(2).

(4) The second case is where—

(a) the proposal is made with a view to obtaining a moratorium; and

(b) the nominee's statement under paragraph 6(2) of Schedule A1(**a**) (nominee's opinion on prospects of CVA being approved etc.) has not yet been submitted to the directors.

Proposal: contents

2.3.—(1) The proposal must set out the following so far as known to the proposer—

Assets	(a) the company's assets, with an estimate of their respective values; (b) which assets are subject to any security in favour of creditors and the extent of any such security; (c) which assets are to be excluded from the CVA; (d) particulars of any property to be included in the CVA which is not owned by the company, including details of who owns such property, and the terms on which it will be available for inclusion;
Liabilities	(a) the nature and amount of the company's liabilities; (b) how the company's liabilities will be met, modified, postponed or otherwise dealt with by means of the CVA and, in particular- (i) how preferential creditors and creditors who are, or claim to be, secured will be dealt with, (ii) how creditors who are connected with the company(**b**) will be dealt with, (iii) if the company is not in administration or liquidation whether, if the company did go into administration or liquidation, there are circumstances which might give rise to claims under section 242 (gratuitous alienations) section 243 (unfair preferences), section 244 (extortionate credit transactions) or section 245(**c**) (floating charges invalid) and (iv) where there are circumstances that might give rise to such claims, whether, and if so what, provision will be made to indemnify the company in respect of them;

(a) Paragraph 6(2) was added by the Insolvency Act 2000 (c.39) and is amended by paragraph 9(2) of Schedule 9 to the 2015 Act.
(b) "Connected with a company" is defined in section 249.
(c) There are amendments to sections 242, 244 and 245 but they are not relevant for the purposes of this rule.

Nominee's fees and expenses	the amount proposed to be paid to the nominee by way of fees and expenses;
Supervisor	(a) identification and contact details for the supervisor; (b) confirmation that the supervisor is qualified to act as an insolvency practitioner in relation to the company and the name of the relevant recognised professional body which is the source of the supervisor's authorisation; (c) how the fees and expenses of the supervisor will be determined and paid; (d) the functions to be performed by the supervisor; (e) where it is proposed that two or more supervisors be appointed a statement whether acts done in connection with the CVA may be done by any one or more of them or must be done by all of them;
Cautionary obligations and proposed cautionary obligations	(a) whether any, and if so what, cautionary obligations (including guarantees) have been given in respect of the company's debts, specifying which of the guarantors are persons connected with the company; (b) whether any, and if so what, cautionary obligations (including guarantees) are proposed to be offered for the purposes of the CVA and, if so, by whom and whether security is to be given or sought;
Timing	(a) the proposed duration of the CVA; (b) the proposed dates of distributions to creditors, with estimates of their amounts;
Type of insolvency proceedings	whether the insolvency proceedings will be main, secondary, territorial or non-EU insolvency proceedings with reasons;
Conduct of the business	how the business of the company will be conducted during the CVA;
Further credit facilities	details of any further proposed credit facilities for the company, and how the debts so arising are to be paid;
Handling of funds arising	(a) the manner in which funds held for the purposes of the CVA are to be banked, invested or otherwise dealt with pending distribution to creditors; (b) how funds held for the purpose of payment to creditors, and not so paid on the termination of the CVA, will be dealt with; (c) how the claim of any person bound by the CVA by virtue of section 5(2)(b)(ii)(**a**) or paragraph 37(2)(b)(ii) of Schedule A1 will be dealt with;
Address (where moratorium proposed)	where the proposal is made in relation to a company that is eligible for a moratorium (in accordance with paragraphs 2 and 3 of Schedule A1) with a view to obtaining a moratorium under Schedule A1, the address to which the documents referred to in paragraph 6(1) of that Schedule must be delivered; and
Other matters	any other matters which the proposer considers appropriate to enable members and creditors to reach an informed decision on the proposal.

(**a**) Section 5(2) was amended by paragraph 6 of Schedule 2 and paragraph 1 of Schedule 5 to the Insolvency Act 2000 (c.39) and by paragraph 6 of Schedule 9 to the 2015 Act.

(2) Where the proposal is made by the directors, it must contain an estimate so far as known to them of—

(a) the value of the prescribed part if the proposal for the CVA is not accepted and the company goes into liquidation (whether or not the liquidator might be required under section 176A to make the prescribed part available for the satisfaction of unsecured debts); and

(b) the value of the company's net property (as defined in section 176A(6)) on the date that the estimate is made.

(3) Where the proposal is made by the administrator or liquidator, it must contain the following so far as known to the office-holder—

(a) an estimate of—

(i) the value of the prescribed part (whether or not the administrator or liquidator might be required under section 176A to make the prescribed part available for the satisfaction of unsecured debts) and

(ii) the value of the company's net property (as defined in section 176A(6));

(b) a statement as to whether the administrator or liquidator proposes to make an application to the court under section 176A(5) and if so the reasons for the application; and

(c) details of the nature and amount of the company's preferential creditors.

(4) Information may be excluded from an estimate under paragraph (2) or (3)(a) if the inclusion of the information could seriously prejudice the commercial interests of the company.

(5) If the exclusion of such information affects the calculation of the estimate, the proposal must include a statement to that effect.

CHAPTER 3

Procedure for a CVA without a moratorium

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Procedure for proposal where the nominee is not the liquidator or the administrator (section 2)

2.4.—(1) This rule applies where the nominee is not the same person as the liquidator or the administrator.

(2) A nominee who consents to act must deliver a notice of that consent to the proposer as soon as reasonably practicable after the proposal has been submitted to the nominee under section 2(3).

(3) The notice must state the date the nominee received the proposal.

(4) The period of 28 days in which the nominee must submit a report to the court under section 2(2)(**a**) begins on the date the nominee received the proposal as stated in the notice.

Statement of affairs (section 2(3))

2.5.—(1) The statement of the company's affairs required by section 2(3) must contain the following information—

(a) a list of the company's assets, divided into such categories as are appropriate for easy identification, and with each category given an estimated value;

(b) in the case of any property on which a claim against the company is wholly or partly secured, particulars of the claim, and of how and when the security was created;

(a) Section 2(2) was amended by paragraph 3 of Schedule 2 to the Insolvency Act 2000 (c.39) and by paragraph 2 of Schedule 9 to the 2015 Act.

(c) the names and addresses of the preferential creditors, with the amounts of their respective claims;

(d) the names and addresses of the unsecured creditors with the amounts of their respective claims;

(e) particulars of any debts owed by the company to persons connected with it;

(f) particulars of any debts owed to the company by persons connected with it;

(g) the names and addresses of the company's members, with details of their respective shareholdings; and

(h) any other particulars that the nominee in writing requires to be provided for the purposes of making the nominee's report on the proposal to the court.

(2) The statement must be made up to a date not earlier than two weeks before the date of the proposal.

(3) However the nominee may allow the statement to be made up to an earlier date (but not more than two months before the proposal) where that is more practicable.

(4) Where the statement is made up to an earlier date, the nominee's report to the court on the proposal must explain why.

(5) The statement of affairs must include a declaration that the information provided in it is, to the best of the proposer's knowledge and belief, accurate and complete.

(6) Where the proposal is made by the directors, only one director need make a declaration in accordance with paragraph (5).

Application to omit information from statement of affairs delivered to creditors

2.6. The nominee, the directors or any person appearing to the court to have an interest, may apply to the court for a direction that specified information be omitted from the statement of affairs, as delivered to the creditors, where disclosure of that information would be likely to prejudice the conduct of the CVA, or might reasonably be expected to lead to violence against any person.

Additional disclosure for assistance of nominee where nominee is not the liquidator or administrator

2.7.—(1) This rule applies where the nominee is not the administrator or the liquidator of the company.

(2) If it appears to the nominee that the nominee's report to the court cannot properly be prepared on the basis of information in the proposal and statement of affairs, the nominee may require the proposer to provide—

(a) more information about the circumstances in which, and the reasons why, a CVA is being proposed;

(b) particulars of any previous proposals which have been made in relation to the company under Part 1 of the Act; and

(c) any further information relating to the company's affairs which the nominee thinks necessary for the purposes of the report.

(3) The nominee may require the proposer to inform the nominee whether, and if so in what circumstances, any person referred to in paragraph (4) has—

(a) been concerned in the affairs of any other company (whether or not incorporated in Scotland) or limited liability partnership which has been the subject of insolvency proceedings;

(b) been made bankrupt or had his or her estate sequestrated;

(c) been the subject of a debt relief order;

(d) granted a trust deed; or

(e) entered into an arrangement with creditors.

(4) The persons referred to for the purposes of paragraph (3) are—

(a) a director or officer of the company; and

(b) a person who has been a director or officer of the company at any time in the period of two years ending with the date the nominee received the proposal.

(5) The proposer must give the nominee such access to the company's accounts and records as the nominee may require to enable the nominee to consider the proposal and prepare the nominee's report.

Nominee's report on proposal where the nominee is not the liquidator or administrator (section 2(2))

2.8.—(1) The nominee's report must be lodged with the court under section 2(2) accompanied by—

(a) a copy of the report;

(b) a copy of the proposal (as amended under rule 2.2(2) if that is the case); and

(c) a copy of the statement of the company's affairs or a summary of it.

(2) The report must state—

(a) why the nominee considers the proposal does or does not have a reasonable prospect of being implemented; and

(b) why the members and the creditors should or should not be invited to consider the proposal.

(3) The court must endorse the nominee's report and the copy of it with the date of lodging and deliver the copy to the nominee.

(4) The nominee must deliver a copy of the report to the company.

Replacement of nominee (section 2(4))

2.9.—(1) A person (other than the nominee) who intends to apply to the court under section 2(4)(**a**) for the nominee to be replaced must deliver a notice that such an application is intended to be made to the nominee at least five business days before lodging the application with the court.

(2) A nominee who intends to apply under that section to be replaced must deliver a notice that such an application is intended to be made to the person intending to make the proposal at least five business days before lodging the application with the court.

(3) The court must not appoint a replacement nominee unless a statement by the replacement nominee has been lodged with the court confirming that person—

(a) consents to act; and

(b) is qualified to act as an insolvency practitioner in relation to the company.

CHAPTER 4

Procedure for a CVA with a Moratorium

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

(**a**) Section 2(4) was amended by paragraph 20 of Schedule 6 to the Deregulation Act 2015 (c.20).

Statement of affairs (paragraph 6(1)(b) of Schedule A1)

2.10.—(1) The statement of affairs required by paragraph 6(1)(b) of Schedule A1 must contain the same information as is required by rule 2.5.

(2) The statement must be made up to a date not earlier than two weeks before the date of the proposal.

(3) However the nominee may allow the statement to be made up to an earlier date (but no more than two months before the date of the proposal) where that is more practicable.

(4) Where the statement is made up to an earlier date, the nominee's statement to the directors on the proposal must explain why.

(5) The statement of affairs must include a declaration that the information provided in it is, to the best of the knowledge and belief of at least one of the directors, accurate and complete.

Application to omit information from a statement of affairs

2.11. The nominee, the directors or any person appearing to the court to have an interest, may apply to the court for a direction that specified information be omitted from the statement of affairs, as delivered to the creditors, where disclosure of that information would be likely to prejudice the conduct of the CVA, or might reasonably be expected to lead to violence against any person.

The nominee's statement (paragraph 6(2) of Schedule A1)

2.12.—(1) The nominee must submit to the directors the statement required by paragraph 6(2)(**a**) of Schedule A1 within 28 days of the submission to the nominee of the proposal.

(2) The statement must—

(a) include the name and address of the nominee; and

(b) be authenticated and dated by the nominee.

(3) A statement which contains an opinion on all the matters referred to in paragraph 6(2) must—

(a) explain why the nominee has formed that opinion; and

(b) if the nominee is willing to act, be accompanied by a statement of the nominee's consent to act in relation to the proposed CVA.

(4) The statement of the nominee's consent must—

(a) include the name and address of the nominee;

(b) state that the nominee is qualified to act as an insolvency practitioner in relation to the company; and

(c) be authenticated and dated by the nominee.

Documents lodged with court to obtain moratorium (paragraph 7(1) of Schedule A1) 2.13.—

(1) The statement of the company's affairs which the directors lodge with the court under paragraph 7(1)(b) of Schedule A1 must be the same as the statement they submit to the nominee under paragraph 6(1)(b) of that Schedule.

(2) The statement required by paragraph 7(1)(c) of that Schedule that the company is eligible for a moratorium must—

(a) be made by the directors;

(b) state that the company meets the requirements of paragraph 3 of Schedule A1 and is not a company which falls within paragraph 2(2) of that Schedule; and

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(**a**) Paragraph 6(2) is amended by paragraph 9(2) of Schedule 9 to the 2015 Act.

(c) be authenticated and dated by the directors.

(3) The statement required by paragraph 7(1)(d) of Schedule A1 that the nominee has consented to act must be in the same terms as the statement referred to in rule 2.12(3)(b).

(4) The statement of the nominee's opinion required by paragraph 7(1)(e)(**a**) of that Schedule—

(a) must be the same as the statement of opinion required by paragraph 6(2) of that Schedule; and

(b) must be lodged with the court not later than ten business days after it was submitted to the directors.

(5) A statement from the nominee whether the proceedings will be main, secondary, territorial or non-EU proceedings with reasons for so stating must also be lodged with the court.

(6) The documents lodged with the court under paragraph 7(1) of Schedule A1, together with the statement required by paragraph (5) of this rule, must be accompanied by four copies of a schedule, authenticated and dated by the directors, identifying the company and listing all the documents lodged.

(7) The court must endorse the copies of the schedule with the date on which the documents were lodged and deliver three copies of the endorsed schedule to the directors.

Notice and advertisement of beginning of moratorium

2.14.—(1) The directors must, as soon as reasonably practicable, after delivery to them of the endorsed copies of the schedule deliver two copies of the schedule referred to in rule 2.13(6) to the nominee and one to the company.

(2) After delivery of the copies of the schedule, the nominee—

(a) must, as soon as reasonably practicable, gazette a notice of the coming into force of the moratorium; and

(b) may advertise the notice in such other manner as the nominee thinks fit.

(3) The notice must specify—

(a) the nature of the business of the company;

(b) that a moratorium under section 1A has come into force; and

(c) the date on which it came into force.

(4) The nominee must, as soon as reasonably practicable, deliver a notice of the coming into force of the moratorium to—

(a) the registrar of companies;

(b) the company; and

(c) any petitioning creditor of whose address the nominee is aware.

(5) The notice must specify—

(a) the date on which the moratorium came into force; and

(b) the court with which the documents to obtain the moratorium were lodged.

(6) The nominee must deliver a notice of the coming into force of the moratorium and the date on which it came into force to—

(a) any messenger-at-arms or sheriff officer who to the knowledge of the nominee is charged with executing diligence against the company or its property; and

(b) the Keeper of the Register of Inhibitions and Adjudications.

(**a**) Paragraph 7(1)(e) is amended by paragraph 9(3) of Schedule 9 to the 2015 Act.

Notice of continuation of moratorium where physical meeting of creditors is summoned (paragraph 8(3B) of Schedule A1)

2.15.—(1) This rule applies where under paragraph 8(3B)(b) and (3C) of Schedule A1(**a**) the moratorium continues after the initial period of 28 days referred to in paragraph 8(3) of that Schedule because a physical meeting of the company's creditors is first summoned to take place after the end of that period.

(2) The nominee must lodge with the court and deliver to the registrar of companies a notice of the continuation as soon as reasonably practicable after summoning such a meeting of the company's creditors.

(3) The notice must—

(a) identify the company;

(b) give the name and address of the nominee;

(c) state the date on which the notice of the meeting was sent to the creditors under rule 5.6;

(d) state the date for which the meeting is summoned;

(e) state that under paragraph 8(3B)(b) and (3C) of Schedule A1 the moratorium will be continued to that date; and

(f) be authenticated and dated by the nominee.

Notice of decision extending or further extending a moratorium (paragraph 36 of Schedule A1)

2.16.—(1) This rule applies where the moratorium is extended, or further extended, by a decision which takes effect under paragraph 36(**b**) of Schedule A1.

(2) The nominee must, as soon as reasonably practicable, lodge with the court and deliver to the registrar of companies a notice of the decision.

(3) The notice must—

(a) identify the company;

(b) give the name and address of the nominee;

(c) state the date on which the moratorium was extended or further extended;

(d) state the new expiry date of the moratorium; and

(e) be authenticated and dated by the nominee.

Notice of court order extending, further extending, renewing or continuing a moratorium (paragraph 34(2) of Schedule A1)

2.17. Where the court makes an order extending, further extending, renewing or continuing a moratorium, the nominee must, as soon as reasonably practicable, deliver to the registrar of companies a notice stating the new expiry date of the moratorium.

Advertisement of end of a moratorium (paragraph 11(1) of Schedule A1) 2.18.—

(1) After the moratorium ends, the nominee—

(a) must, as soon as reasonably practicable, gazette a notice of its coming to an end; and

(b) may advertise the notice in such other manner as the nominee thinks fit.

(2) The notice must specify—

(a) the nature of the company's business;

(a) Paragraph 8 is amended by paragraph 9(4) and (5) of Schedule 9 to the 2015 Act.

(b) Sub-paragraphs (2), (3), (4)(a) and (5)(a) of paragraph 36 are amended by paragraph 9(28) and (29) of Schedule 9 to the 2015 Act.

(b) that a moratorium under section 1A has ended; and

(c) the date on which it came to an end.

(3) The nominee must, as soon as reasonably practicable,—

(a) lodge with the court a notice specifying the date on which the moratorium ended; and

(b) deliver such a notice to—

(i) the registrar of companies,

(ii) the company,

(iii) all the creditors, and

(iv) the Keeper of the Register of Inhibitions and Adjudications.

Disposal of secured property etc. during a moratorium

2.19.—(1) This rule applies where the company applies to the court under paragraph 20 of Schedule A1 for permission to dispose of—

(a) property subject to a security, or

(b) goods under a hire-purchase agreement.

(2) The court must fix a venue for hearing the application.

(3) The company must, as soon as reasonably practicable, deliver a notice of the venue to the holder of the security or the owner of the goods under the agreement.

(4) If an order is made, the court must deliver two copies of the order certified by the court to the company and the company must, as soon as reasonably practicable, deliver one of them to the holder or owner.

Withdrawal of nominee's consent to act (paragraph 25(5) of Schedule A1)

2.20.—(1) A nominee who withdraws consent to act must lodge with the court and deliver a notice under paragraph 25(5) of Schedule A1 as soon as reasonably practicable.

(2) The notice must—

(a) identify the company;

(b) give the name and address of the nominee;

(c) specify the date on which the nominee withdrew consent;

(d) state, with reference to the circumstances mentioned in paragraph 25(2) of that Schedule, why the nominee withdrew consent; and

(e) be authenticated and dated by the nominee.

Application to the court to replace the nominee (paragraph 28 of Schedule A1)

2.21.—(1) Directors who intend to make an application under paragraph 28(**a**) of Schedule A1 for the nominee to be replaced must deliver a notice of the intention to make the application to the nominee at least five business days before lodging the application with the court.

(2) A nominee who intends to make an application under that paragraph to be replaced must deliver notice of the intention to make the application to the directors at least five business days before lodging the application with the court.

(3) The court must not appoint a replacement nominee unless a statement by the replacement nominee has been lodged with the court confirming that that person—

(a) consents to act, and

(b) is qualified to act as an insolvency practitioner in relation to the company.

(**a**) Paragraph 28(1) is amended by paragraph 20(2)(e)(i) of Schedule 6 to the Deregulation Act 2015 (c.20).

Notice of appointment of replacement nominee

2.22.—(1) A person appointed as a replacement nominee must as soon as reasonably practicable—

(a) deliver a notice of the appointment to the registrar of companies and the former nominee; and

(b) where the appointment is not by the court, lodge a notice of the appointment with the court.

(2) The notice of the appointment must—

(a) identify the company;

(b) give the name and address of the replacement nominee;

(c) specify the date on which the replacement nominee was appointed to act; and

(d) be authenticated and dated by the replacement nominee.

Applications to court to challenge nominee's actions etc. (paragraphs 26 and 27 of Schedule A1)

2.23. A person intending to make an application to the court under paragraph 26 or 27 of Schedule A1 must deliver a notice of the intention to make the application to the nominee at least five business days before lodging the application with the court.

CHAPTER 5

Consideration of the proposal by the company members and creditors

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Consideration of proposal: common requirements (section 3)

2.24.—(1) The nominee must invite the members of the company to consider a proposal by summoning a meeting of the company as required by section 3.

(2) The nominee must invite the creditors to consider the proposal by way of a decision procedure.

(3) The nominee must examine whether there is jurisdiction to open the proceedings and must specify in the nominee's comments on the proposal required by paragraphs (4)(d)(iii) and (6)(a)(iii) whether the proceedings will be main, secondary, territorial or non-EU proceedings with the reasons for so stating.

(4) In the case of the members, the nominee must deliver to every person whom the nominee believes to be a member a notice which must—

(a) identify the insolvency proceedings;

(b) state the purpose of, and venue for, the meeting;

(c) state the effect of the following—

(i) rule 2.34 about members' voting rights,

(ii) rule 2.35 about the requisite majority of members for passing resolutions, and

(iii) rule 5.32 about rights of appeal; and

(d) be accompanied by—

(i) a copy of the proposal,

(ii) a copy of the statement of affairs, or if the nominee thinks fit, a summary including a list of creditors with the amounts of their debts,

(iii) the nominee's comments on the proposal, unless the nominee is the administrator or liquidator,

(iv) details of each resolution to be voted on and

(v) a blank proxy.

(5) In the case of the creditors, the nominee must deliver to each creditor a notice which complies with rule 5.8 so far as is relevant.

(6) The notice delivered under paragraph (5) must also—

(a) be accompanied by—

(i) a copy of the proposal,

(ii) a copy of the statement of affairs or, if the nominee thinks fit, a summary including a list of creditors with the amounts of their debts, and

(iii) the nominee's comments on the proposal, unless the nominee is the administrator or liquidator; and

(b) state how a creditor may propose a modification to the proposal, and how the nominee will deal with such a proposal for a modification.

(7) A notice delivered under paragraph (4) or (5) may also state that the results of the consideration of the proposal will be made available for viewing and downloading on a website and that no other notice will be delivered to the creditors or members (as the case may be).

(8) Where the results of the consideration of the proposal are to be made available for viewing and downloading on a website the nominee must comply with the requirements for use of a website to deliver a document set out in rule 1.44(2)(a) to (c), (3) and (4) with any necessary adaptations and rule 1.44(5)(a) applies to determine the time of delivery of the results of the consideration of the proposal.

Members' consideration at a meeting

2.25.—(1) The nominee must have regard to the convenience of those invited to attend when fixing the venue for a meeting (including the resumption of an adjourned meeting).

(2) The date of the meeting (except where the nominee is the administrator or liquidator of the company) must not be more than 28 days from the date on which—

(a) the nominee's report was lodged with the court under rule 2.8; or

(b) the moratorium came into force.

Creditors' consideration by a decision procedure

2.26. Where the nominee is inviting the creditors to consider the proposal by a decision procedure, the decision date must be not less than 14 days from the date of delivery of the notice and not more than 28 days from the date on which—

(a) the nominee's report is lodged with the court under rule 2.8; or

(b) the moratorium came into force.

Timing of decisions on proposal

2.27.—(1) The decision date for the creditors' decision procedure may be on the same day as, or on a different day to, the meeting of the company.

(2) The creditors' decision on the proposal must be made before the members' decision.

(3) The members' decision must be made not later than five business days after the creditors' decision.

(4) For the purpose of this rule, the timing of the members' decision is either the date and time of the meeting of the company or, where the members are using the written resolution procedure, the deadline for receipt of members' votes.

Creditors' approval of modified proposal

2.28.—(1) This rule applies where a decision is sought from the creditors following notice to the nominee of proposed modifications to the proposal from the company's directors under paragraph 31(7)(**a**) of Schedule A1.

(2) The decision must be sought by a decision procedure with a decision date within 14 days of the date on which the directors gave notice to the nominee of the modifications.

(3) The creditors must be given at least seven days' notice of the decision date.

Notice of members' meeting and attendance of officers

2.29.—(1) A notice under rule 2.24(4) summoning a meeting of the company must be delivered at least 14 days before the day fixed for the meeting to all the members and to—

(a) every officer or former officer of the company whose presence the nominee thinks is required; and

(b) all other directors of the company.

(2) Every officer or former officer who receives such a notice stating that the nominee thinks that person's attendance is required, is required to attend the meeting.

Requisition of physical meeting by creditors

2.30.—(1) This rule applies where the creditors requisition a physical meeting to consider a proposal (with or without modifications) in accordance with section 246ZE(**b**) and rule 5.6.

(2) The meeting must take place within 14 days of the date on which one of the thresholds under section 246ZE(7) has been met or surpassed.

(3) A notice summoning a meeting of the creditors must be delivered to the creditors at least seven days before the day fixed for the meeting.

Non-receipt of notice by members

2.31. Where in accordance with the Act or these Rules the members are invited to consider a proposal, the consideration is presumed to have taken place even if not everyone to whom the notice is to be delivered receives it.

Proposal for alternative supervisor

2.32.—(1) If, in response to a notice inviting the creditors to consider the proposal other than at a meeting, a creditor proposes that a person other than the nominee be appointed as supervisor, that person's consent to act and confirmation that that person is qualified to act as an insolvency practitioner in relation to the company must be delivered to the nominee by the decision date.

(2) Where the members of the company are using the written resolution procedure and a member proposes that a person other than the nominee be appointed as supervisor, that person's consent to act and confirmation that that person is qualified to act as an insolvency practitioner in relation to the company must be delivered to the nominee by the deadline for receipt of members' votes.

(3) If, at either a meeting of the company or the creditors to consider the proposal, a resolution is moved for the appointment of a person other than the nominee to be supervisor, the person moving the resolution must produce to the chair at or before the meeting—

(a) confirmation that the person proposed as supervisor is qualified to act as an insolvency practitioner in relation to the company; and

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(a) Paragraph 31(7) is amended by paragraph 9(18) and (19) of Schedule 9 to the 2015 Act.
(b) Section 246ZE is inserted by section 122 of the 2015 Act.

(b) that person's written consent to act (unless that person is present at the meeting and there signifies consent to act).

Chair at meetings

2.33. The chair of a meeting under this Part must be the nominee or an appointed person.

Members' voting rights

2.34.—(1) A member is entitled to vote according to the rights attaching to the member's shares in accordance with the articles of the company.

(2) A member's shares include any other interest that person may have as a member of the company.

(3) The value of a member for the purposes of voting is determined by reference to the number of votes conferred on that member by the company's articles.

Requisite majorities of members

2.35.—(1) A resolution is passed by members by the written resolution procedure or at a meeting of the company when a majority (in value) of those voting have voted in favour of it.

(2) This is subject to any express provision to the contrary in the company's articles.

(3) A resolution is not passed by written resolution unless at least one member has voted in favour of it.

Notice of order made under section 4A(6) or paragraph 36(5) of Schedule A1

2.36.—(1) This rule applies where the court makes an order under section 4A(6)(**a**) or paragraph 36(5)(**b**) of Schedule A1.

(2) The member who applied for the order must deliver a copy of it certified by the court to—

(a) the proposer; and

(b) the supervisor (if different).

(3) If the directors are the proposer a single certified copy may be delivered to the company at its registered office.

(4) The supervisor, or the proposer where there is no supervisor, must as soon as reasonably practicable deliver a notice that the order has been made to every person who had received a notice to vote on the matter or who is affected by the order.

(5) The member who applied for the order must, within five business days of the date the order is made, deliver a copy of the certified copy to the registrar of companies.

Report of consideration of proposal under section 4(6) and (6A) or paragraph 30(3) and (4) of Schedule A1

2.37.—(1) A report, or reports as the case may be, must be prepared of the consideration of a proposal under section 4(6) and (6A)(**c**) or paragraph 30(3)(**d**) and (4) of Schedule A1 by the convener or, in the case of a meeting, the chair.

(2) The report must—

(a) Section 4A was added by the Insolvency Act 2000 (c.45), Schedule 2, paragraph 5. Subsections (2), (3), (4)(a) and (6)(a) are relevantly amended by paragraph 5 of Schedule 9 to the 2015 Act.
(b) Paragraph 36 is amended by paragraph 9(28) and (29) of Schedule 9 to the 2015 Act.
(c) Section 4(6) is amended by paragraph 4(4) of Schedule 9 to the 2015 Act and section 6A is inserted by paragraph 4(7) of that Schedule.
(d) Paragraph 30(3) is amended by paragraph 9(12) of Schedule 9 to the 2015 Act and paragraph 30(4) is inserted by paragraph 9(13) of that Schedule.

(a) state whether the proposal was approved or rejected and whether by the creditors alone or by both the creditors and members and, in either case, whether any approval was met with any modifications;

(b) list the creditors and members who voted or attended or who were represented at a meeting or decision procedure (as applicable) used to consider the proposal, setting out (with their respective values) how they voted on each resolution or whether they abstained;

(c) identify which of those creditors were considered to be connected with the company;

(d) if the proposal was approved, state with reasons whether the proceedings are main, secondary, territorial or non-EU proceedings; and

(e) include such further information as the nominee or the chair thinks it appropriate to make known to the court.

(3) A copy of the report must be lodged with the court within four business days of the date of the company meeting.

(4) The court must endorse the copy of the report with the date of lodging.

(5) The chair (in the case of a company meeting) or otherwise the convener must give notice of the result of the consideration of the proposal to everyone who was invited to consider the proposal or to whom notice of a decision procedure or meeting was delivered as soon as reasonably practicable after a copy of the report is lodged with the court.

(6) Where the decision approving the CVA has effect under section 4A or paragraph 36 of Schedule A1 with or without modifications, the supervisor must as soon as reasonably practicable deliver a copy of the convener's report or, in the case of a meeting, the chair's report, to the registrar of companies.

CHAPTER 6

Additional matters concerning and following approval of CVA

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Handover of property etc. to supervisor

2.38.—(1) Where the decision approving a CVA has effect under section 4A or paragraph 36 of Schedule A1, and the supervisor is not the same person as the proposer, the proposer must, as soon as reasonably practicable, do all that is required to put the supervisor in possession of the assets included in the CVA.

(2) Where the company is in administration or liquidation and the supervisor is not the same person as the administrator or liquidator, the supervisor must—

(a) before taking possession of the assets included in the CVA, deliver to the administrator or liquidator an undertaking to discharge the balance referred to in paragraph (3) out of the first realisation of assets; or

(b) upon taking possession of the assets included in the CVA, discharge such balance.

(3) The balance is any balance due to the administrator or liquidator—

(a) by way of fees or expenses properly incurred and payable under the Act or any rules made under section 411 which apply to Scotland; and

(b) on account of any advances made in respect of the company together with interest on such advances at the official rate at the date on which the company entered administration or went into liquidation.

(4) The administrator or liquidator has a security over the assets included in the CVA in respect of any sums comprising the balance referred to in paragraph (3), subject to deduction from any realisations by the supervisor of the proper costs and expenses of such realisations.

(5) The supervisor must from time to time out of the realisation of assets—

(a) discharge all cautionary obligations (including guarantees) properly given by the administrator or liquidator for the benefit of the company; and

(b) pay all the expenses of the administrator or liquidator.

Revocation or suspension of CVA

2.39.—(1) This rule applies where the court makes an order of revocation or suspension under section 6 or paragraph 38 of Schedule A1(**a**).

(2) The applicant for the order must deliver a copy of it certified by the court to—

(a) the proposer; and

(b) the supervisor (if different).

(3) If the directors are the proposer, a single certified copy of the order may be delivered to the company at its registered office.

(4) If the order includes a direction by the court under section 6(4)(b) or (c) or under paragraph 38(4)(b) or (c) of Schedule A1 for action to be taken, the applicant for the order must deliver a notice that the order has been made to the person who is directed to take such action.

(5) The proposer must—

(a) as soon as reasonably practicable deliver a notice that the order has been made to all of those persons to whom a notice to consider the matter was delivered or who appear to be affected by the order;

(b) within five business days of delivery of a copy of the order (or within such longer period as the court may allow), deliver (if applicable) a notice to the court advising that it is intended to make a revised proposal to the company and its creditors, or to invite re-consideration of the original proposal.

(6) The applicant for the order must deliver a copy of the certified copy to the registrar of companies within five business days of the making of the order with a notice which must contain the date on which the CVA took effect.

Supervisor's accounts and reports

2.40.—(1) The supervisor must keep accounts and records where the CVA authorises or requires the supervisor—

(a) to carry on the business of the company;

(b) to realise assets of the company; or

(c) otherwise to administer or dispose of any of its funds.

(2) The accounts and records which must be kept are of the supervisor's acts and dealings in, and in connection with, the CVA, including in particular records of all receipts and payments of money.

(3) The supervisor must preserve any such accounts and records which were kept by any other person who has acted as supervisor of the CVA and are in the supervisor's possession.

(4) The supervisor must deliver reports on the progress and prospects for the full implementation of the CVA to—

(a) the registrar of companies;

(b) the company;

(c) the creditors bound by the CVA;

(d) subject to paragraph (10) below, the members; and

(**a**) Section 6 is amended by paragraph 7 of Schedule 9 to the 2015 Act and paragraph 38(1) to (7) and (9) are amended and (1A) and (4)(c) are inserted by paragraph 9(32) to (42) of that Schedule.

(e) if the company is not in liquidation, the company's auditors (if any) for the time being.

(5) The report delivered to the registrar of companies must be accompanied by a notice which must contain the date on which the CVA took effect.

(6) The first report must cover the period of 12 months commencing on the date on which the CVA was approved and a further report must be made for each subsequent period of 12 months.

(7) Each report must be delivered within the period of two months after the end of the 12 month period.

(8) Such a report is not required if the obligation to deliver a final report under rule 2.43 arises in the two month period.

(9) Where the supervisor is authorised or required to do any of the things mentioned in paragraph (1), the report must—

(a) include or be accompanied by a summary of receipts and payments required to be recorded by virtue of paragraph (2); or

(b) state that there have been no such receipts and payments.

(10) The court may, on application by the supervisor, dispense with the delivery of such reports or summaries to members, either altogether or on the basis that the availability of the report to members is to be advertised by the supervisor in a specified manner.

Production of accounts and records to Secretary of State

2.41.—(1) The Secretary of State may, during the CVA, or after its full implementation or termination, require the supervisor to produce for inspection (either at the premises of the supervisor or elsewhere)—

(a) the supervisor's accounts and records in relation to the CVA; and

(b) copies of reports and summaries prepared in compliance with rule 2.40.

(2) The Secretary of State may require the supervisor's accounts and records to be audited and, if so, the supervisor must provide such further information and assistance as the Secretary of State requires for the purposes of audit.

Fees and expenses

2.42. The fees and expenses that may be incurred for the purposes of the CVA are—

(a) fees for the nominee's services agreed with the company (or, as the case may be, the administrator or liquidator) and disbursements made by the nominee before the decision approving the CVA takes effect under section 4A or paragraph 36 of Schedule A1;

(b) fees or expenses which—

(i) are sanctioned by the terms of the CVA, or

(ii) where they are not sanctioned by the terms of the CVA would be payable, or correspond to those which would be payable, in an administration or winding up.

Termination or full implementation of CVA

2.43.—(1) Not more than 28 days after the termination or full implementation of the CVA the supervisor must deliver a notice that the CVA has been terminated or fully implemented to all the members and those creditors who are bound by the arrangement.

(2) The notice must state the date the CVA took effect, and must be accompanied by a copy of a report by the supervisor which—

(a) summarises all receipts and payments in relation to the CVA;

(b) explains any departure from the terms of the CVA as it originally had effect;

(c) if the CVA has terminated, sets out the reasons why; and

(d) states (if applicable) the amount paid to any unsecured creditors by virtue of section 176A.

(3) The supervisor must, within the period of 28 days mentioned in paragraph (1) send to the registrar of companies and lodge with the court a copy of the notice to creditors and of the supervisor's report.

(4) The supervisor must not vacate office until after the copies of the notice and report have been delivered to the registrar of companies and lodged with the court.

CHAPTER 7

Time recording information

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Provision of information

2.44.—(1) This rule applies where the remuneration of the nominee or the supervisor has been fixed on the basis of the time spent.

(2) A person who is acting, or has acted within the previous two years, as—

(a) the nominee in relation to a proposal; or

(b) the supervisor in relation to a CVA,

must, within 28 days of receipt of a request from a person mentioned in paragraph (3), deliver free of charge to that person a statement complying with paragraphs (4) and (5).

(3) The persons are—

(a) any director of the company; and

(b) where the proposal has been approved, any creditor or member.

(4) The statement must cover the period which—

(a) in the case of a person who has ceased to act as nominee or supervisor in relation to a company, begins with the date of appointment as nominee or supervisor and ends with the date of ceasing to act; and

(b) in any other case, consists of one or more complete periods of six months beginning with the date of appointment and ending most nearly before the date of receiving the request.

(5) The statement must set out—

(a) the total number of hours spent on the matter during that period by the nominee or supervisor, and any staff;

(b) for each grade of staff engaged on the matter, the average hourly rate at which work carried out by staff in that grade is charged; and

(c) the number of hours spent on the matter by each grade of staff during that period.

PART 3

ADMINISTRATION

CHAPTER 1

Interpretation for this Part

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Interpretation for Part 3

3.1.— In this Part—

"pre-administration costs" means fees charged, and expenses incurred, by the administrator or another person qualified to act as an insolvency practitioner in relation to the company, before the company entered administration but with a view to it doing so; and

"unpaid pre-administration costs" means pre-administration costs which had not been paid when the company entered administration.

Proposed administrator's statement and consent to act

3.2.—(1) References in this Part to a consent to act are to a statement by a proposed administrator headed "Proposed administrator's statement and consent to act" which contains the following—

(a) identification details for the company immediately below the heading;

(b) a certificate that the proposed administrator is qualified to act as an insolvency practitioner in relation to the company;

(c) the proposed administrator's IP number;

(d) the name of the relevant recognised professional body which is the source of the proposed administrator's authorisation to act;

(e) a statement that the proposed administrator consents to act as administrator of the company;

(f) a statement whether or not the proposed administrator has had any prior professional relationship with the company and, if so, a short summary of the relationship;

(g) the name of the person by whom the appointment is to be made or the applicant in the case of an application to the court for an appointment; and

(h) a statement that the proposed administrator is of the opinion that the purpose of the administration is reasonably likely to be achieved in the particular case.

(2) The consent to act must be authenticated and dated by the proposed administrator.

(3) Where a number of persons are proposed to be appointed to act jointly or concurrently as the administrator of a company, each must make a separate consent to act.

CHAPTER 2

Appointment of administrator by Court

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Administration application (paragraph 12 of Schedule B1)

3.3. An application made by way of petition for an administration order ("administration application") must be lodged with the court together with a proposed administrator's consent to act.

Administration application made by the directors

3.4. Where an administration application is made by the directors, it is to be treated as if it were an application by the company.

Administration application by the supervisor of a CVA

3.5. Where notice of an administration application by the supervisor of a CVA in respect of the company has been given to the company in accordance with rule 3.6(e) it is to be treated as if it were an application by the company.

Application

3.6. The applicant must give notice of the administration application to the following (in addition to notifying the persons referred to in paragraph 12(2)(a) to (c) of Schedule B1)—

(a) any administrative receiver;

(b) if there is a petition pending for the winding up of the company—

(i) the petitioner, and

(ii) any provisional liquidator;

(c) any member State liquidator appointed in main proceedings in relation to the company;

(d) the Keeper of the Register of Inhibitions and Adjudications;

(e) the company, if the application is made by anyone other than the company or its directors;

(f) any supervisor of a CVA in relation to the company;

(g) the proposed administrator; and

(h) any other person on whom the court orders that the application be served.

Notice to messengers-at-arms or sheriff officers

3.7. The applicant must as soon as reasonably practicable after lodging the administration application deliver a notice of its being made to—

(a) any messenger-at-arms or sheriff officer who to the knowledge of the applicant is charged with executing diligence or other legal process against the company or its property; and

(b) any person who to the knowledge of the applicant has executed diligence against the company or its property.

Notice of other insolvency proceedings

3.8. After the administration application has been lodged and until an order is made, it is the duty of the applicant to lodge with the court notice of the existence of any insolvency proceedings in relation to the company, as soon as the applicant becomes aware of them—

(a) anywhere in the world, in the case of a company registered under the Companies Acts in Scotland;

(b) in any EEA State (including the United Kingdom), in the case of a company incorporated in an EEA State other than the United Kingdom; or

(c) in any member State other than Denmark, in the case of a company not incorporated in an EEA State.

Intervention by holder of a qualifying floating charge (paragraph 36(1)(b) of Schedule B1)

3.9.—(1) Where the holder of a qualifying floating charge applies to the court under paragraph 36(1)(b) of Schedule B1 to have a specified person appointed as administrator, the holder must produce to the court—

(a) the written consent of the holder of any prior qualifying floating charge;

(b) the proposed administrator's consent to act; and

(c) sufficient evidence to satisfy the court that the holder is entitled to appoint an administrator under paragraph 14 of Schedule B1.

(2) If an administration order is made appointing the specified person, the expenses of the person who made the administration application and of the applicant under paragraph 36(1)(b) of Schedule B1 are, unless the court orders otherwise, to be paid as an expense of the administration.

The hearing

3.10.— At the hearing of the administration application, any of the following may appear or be represented—

(a) the applicant;

(b) the company;

(c) one or more of the directors;

(d) any administrative receiver;

(e) any person who has presented a petition for the winding up of the company;

(f) the proposed administrator;

(g) any member State liquidator appointed in main proceedings in relation to the company;

(h) the holder of any qualifying floating charge;

(i) any supervisor of a CVA;

(j) with the permission of the court, any other person who appears to have an interest which justifies appearance.

The order

3.11.—(1) Where the court makes an administration order the court's order must be headed "Administration order" and must contain the following—

(a) identification details for the insolvency proceedings;

(b) the address for service of the applicant;

(c) details of any other parties (including the company) appearing and by whom represented;

(d) an order that during the period the administration order is in force the affairs, business and property of the company are to be managed by the administrator;

(e) the name of the person appointed as administrator;

(f) an order that that person is appointed as administrator of the company;

(g) a statement that the court is satisfied either that the EU Regulation does not apply or that it does;

(h) where the EU Regulation does apply, a statement whether the proceedings are main, secondary, or territorial proceedings;

(i) the date of the order (and, if the court so orders, the time); and

(j) such other provisions, if any, as the court thinks just.

(2) Where two or more administrators are appointed, the order must also specify, in terms of paragraph 100(2) of Schedule B1—

(a) which functions, if any, are to be exercised by those persons appointed acting jointly; and

(b) which functions, if any, are to be exercised by any or all of the persons appointed.

Order on an application under paragraph 37 or 38 of Schedule B1

3.12. Where the court makes an administration order in relation to a company on an application under paragraph 37 or 38 of Schedule B1, the court must also include in the order—

(a) in the case of a liquidator appointed in a voluntary winding up, the removal of that liquidator from office;

(b) provision for payment of the expenses of the winding up;

(c) such provision as the court thinks just relating to—

(i) any indemnity given to the liquidator,

(ii) the release of the liquidator,

(iii) the handling or realisation of any of the company's assets in the hands of, or under the control of the liquidator, and

(iv) other matters arising in connection with the winding up; and

(d) such other provisions, if any, as the court thinks just.

Notice of administration order

3.13.—(1) If the court makes an administration order, it must as soon as reasonably practicable deliver two copies of the order certified by the court to the applicant.

(2) The applicant must, as soon as reasonably practicable, deliver a certified copy of the order to the person appointed as administrator.

(3) If the court makes an order under sub-paragraph (d) or (f) of paragraph 13(1) of Schedule B1, it must give directions as to the persons to whom, and how, notice of that order is to be delivered.

Notice of dismissal of application for an administration order

3.14. If the court dismisses the administration application under paragraph 13(1)(b) of Schedule B1, the applicant must as soon as reasonably practicable send notice of the court's order dismissing the application to all those to whom the application was notified under rule 3.6.

Expenses allowed by the court

3.15. If the court makes an administration order, the expenses of the applicant, and of any other party whose expenses are allowed by the court, are to be regarded as expenses of the administration.

CHAPTER 3

Appointment of administrator by holder of floating charge

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Notice of intention to appoint

3.16.—(1) This rule applies where the holder of a qualifying floating charge ("the appointer") gives notice under paragraph 15(1)(a) of Schedule B1 of intention to appoint an administrator under paragraph 14 of that Schedule and lodges a copy of the notice with the court under paragraph 44(2) of that Schedule.

(2) The notice lodged with the court must be headed "Notice of intention to appoint an administrator by holder of qualifying floating charge" and must contain the following—

(a) identification details for the insolvency proceedings;

(b) the name and address of the appointer;

(c) a statement that the appointer intends to appoint an administrator of the company;

(d) the name and address of the proposed administrator;

(e) a statement that the appointer is the holder of the qualifying floating charge in question and that it is now enforceable;

(f) details of the charge including the date the charge was created, the date the charge was registered and the maximum amount, if any, secured by the charge;

(g) a statement that the notice is being given in accordance with paragraph 15(1)(a) of Schedule B1 to the holder of every prior floating charge which satisfies paragraph 14(2) of that Schedule;

(h) the names and addresses of the holders of such prior floating charges and details of the charges;

(i) a statement whether the company is or is not subject to insolvency proceedings at the date of the notice, and details of the proceedings if it is;

(j) a statement whether the company is an Article 1.2 undertaking; and

(k) a statement whether the proceedings flowing from the appointment will be main, secondary, territorial or non-EU proceedings with reasons for the statement.

(3) The notice must be authenticated by the appointer or the appointer's solicitor and dated.

(4) The lodging of the copy with the court under paragraph 44(2) of Schedule B1 must be done at the same time as notice is given in accordance with paragraph 15(1)(a).

Notice of appointment

3.17.—(1) Notice of an appointment under paragraph 14 of Schedule B1 must be headed "Notice of appointment of an administrator by holder of a qualifying floating charge" and must contain—

(a) identification details for the insolvency proceedings;

(b) the name and address of the appointer;

(c) a statement that the appointer has appointed the person named as administrator of the company;

(d) the name and address of the person appointed as administrator;

(e) a statement that a copy of the administrator's consent to act accompanies the notice;

(f) a statement that the appointer is the holder of the qualifying floating charge in question and that it is now enforceable;

(g) details of the charge including the date of the charge, the date on which it was registered and the maximum amount if any secured by the charge;

(h) one of the following statements—

(i) that notice has been given in accordance with paragraph 15(1)(a) of Schedule B1 to the holder of every prior floating charge which qualifies as such in terms of paragraph 14(2) of that Schedule, that two business days have elapsed from the date the last such notice was given (if more than one), and—

(aa) that a copy of every such notice was lodged with the court under paragraph 44(2) of Schedule B1, and the date of that lodging (or the latest date of lodging if more than one), or

(bb) that a copy of every such notice accompanies the notice of appointment but was not lodged with the court under paragraph 44(2) of Schedule B1,

(ii) that the holder of every such floating charge to whom notice was given has consented in writing to the making of the appointment and that a copy of every consent accompanies the notice of appointment,

(iii) that the holder of every such floating charge has consented in writing to the making of the appointment without notice having been given to all and that a copy of every consent accompanies the notice of appointment, or

(iv) that there is no such floating charge;

(i) a statement whether the company is or is not subject to insolvency proceedings at the date of the notice, and details of the insolvency proceedings if it is;

(j) a statement whether the company is an Article 1.2 undertaking;

(k) a statement whether the insolvency proceedings flowing from the appointment will be main, secondary, territorial or non-EU proceedings and the reasons for so stating; and

(l) a statement that the appointment is in accordance with Schedule B1.

(2) Where two or more administrators are appointed the notice must also specify, in terms of paragraph 100(2) of Schedule B1—

(a) which functions, if any, are to be exercised by those persons acting jointly; and

(b) which functions, if any, are to be exercised by any or all of those persons.

(3) The statutory declaration included in the notice in accordance with paragraph 18(2) of Schedule B1 must be made not more than five business days before the notice is lodged with the court.

Lodging of notice with the court

3.18.—(1) Three copies of the notice of appointment must be lodged with the court, accompanied by—

(a) the administrator's consent to act; and

(b) either—

(i) evidence that the appointer has given notice as required by paragraph 15(1)(a) of Schedule B1, or

(ii) copies of the written consent of all those required to give consent in accordance with paragraph 15(1)(b) of Schedule B1.

(2) The court must certify the copies of the notice, endorse them with the date and time of lodging and deliver two of the certified copies to the appointer.

(3) The appointer must as soon as reasonably practicable deliver one of the certified copies to the administrator.

(4) This rule is subject to rules 3.20 and 3.21.

Appointment by floating charge holder after administration application made

3.19.—(1) This rule applies where the holder of a qualifying floating charge, after receiving notice that an administration application has been made, appoints an administrator under paragraph 14 of Schedule B1.

(2) The holder must as soon as reasonably practicable deliver a copy of the notice of appointment to—

(a) the person making the administration application; and

(b) the court in which the application has been made.

Appointment taking place out of court business hours: procedure

3.20.—(1) When (but only when) the court is not open for public business, the holder of a qualifying floating charge may lodge a notice of appointment in court in accordance with this rule.

(2) The person making the appointment must lodge the notice with the court by—

(a) faxing it to the court; or

(b) where rule 1.42 applies, by electronic means.

(3) Where the notice under paragraph (2) is faxed to the court the person making the appointment must—

(a) ensure that a fax transmission report is produced by the sending machine which records the date and time of sending; and

(b) send to the administrator, as soon as reasonably practicable, a copy of the notice of appointment and, where paragraph (2)(a) applies, a copy of the fax transmission report.

(4) The person making the appointment must lodge in court, on the next occasion that the court is open for public business, the original notice of appointment together with the documents required by rule 3.21 and—

(a) the fax transmission report showing the date and time when the notice was sent; and

(b) a statement of the full reasons for the out of hours lodging of the notice of appointment, including why it would have been damaging to the company or its creditors not to have so acted.

Appointment taking place out of court business hours: content of notice

3.21.—(1) A notice of appointment lodged in accordance with rule 3.20 must be headed "Notice of appointment of an administrator by holder of qualifying floating charge pursuant to paragraphs 14 and 18 of Schedule B1 to the Insolvency Act 1986 and Rule 3.20 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018" and must contain—

(a) identification details for the insolvency proceedings;

(b) the name and address of the appointer;

(c) a statement that the appointer has appointed the person named as administrator of the company;

(d) the name and address of the person appointed as administrator;

(e) a statement that a copy of the administrator's consent to act accompanies the notice;

(f) a statement that the appointer is the holder of the qualifying floating charge in question and that it is now enforceable;

(g) details of the charge including the date of the charge, the date on which it was registered and the maximum amount, if any, secured by the charge;

(h) one of the following statements—

(i) that notice has been given in accordance with paragraph 15(1)(a) of Schedule B1 to the holder of every prior floating charge which satisfied paragraph 14(2) of that Schedule, that two business days have elapsed from the date the last such notice was given (if more than one) and—

(aa) that a copy of every such notice was lodged with the court under paragraph 44(2) of Schedule B1, and the date of that lodging (or the latest date of lodging if more than one), or

(bb) that a copy of every such notice accompanies the notice of appointment but was not lodged with the court under paragraph 44(2) of Schedule B1,

(ii) that the holder of every such floating charge to whom notice was given has consented in writing to the making of the appointment and that a copy of every consent accompanies the notice of appointment,

(iii) that the holder of every such floating charge has consented in writing to the making of the appointment without notice having been given to all and that a copy of every consent accompanies the notice of appointment, or

(iv) that there is no such floating charge;

(i) a statement whether the company is or is not subject to insolvency proceedings at the date of the notice, and details of the proceedings if it is;

(j) a statement whether the company is an Article 1.2 undertaking;

(k) a statement whether the proceedings flowing from the appointment will be main, secondary, territorial or non-EU proceedings and the reasons for so stating and that a copy of the statement accompanies the notice of appointment;

(l) a statement that the appointment is in accordance with Schedule B1; and

(m) an undertaking that the following will be delivered to the court on the next occasion on which the court is open for public business—

(i) any document referred to in the notice in accordance with rule 3.20 as accompanying the notice,

(ii) the fax transmission report, and

(iii) a statement of reasons for the lodging of the notice out of court business hours.

(2) Where two or more administrators are appointed the notice must also specify, in terms of paragraph 100(2) of Schedule B1—

(a) which functions, if any, are to be exercised by those persons acting jointly; and

(b) which functions, if any, are to be exercised by any or all of those persons.

(3) The statutory declaration included in the notice in accordance with paragraph 18(2) of Schedule B1 must be made not more than five business days before notice is lodged with the court.

Appointment taking place out of court business hours: legal effect

3.22.—(1) The lodging of a notice in accordance with rule 3.20 has the same effect for all purposes as the lodging of a notice of appointment in accordance with rule 3.18.

(2) The appointment—

(a) takes effect either –

(i) from the date and time of the fax transmission, or

(ii) in accordance with rule 1.42(2)

but ceases to have effect if the requirements of rule 3.20(4) are not completed on the next occasion the court is open for public business.

(3) Where any question arises in relation to the date and time that the appointment was lodged with the court, it is a presumption capable of rebuttal that the date and time shown on the appointer's fax transmission report is the date and time at which the notice was lodged.

CHAPTER 4

Appointment of administrator by company or directors

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Notice of intention to appoint

3.23.—(1) A notice required by paragraph 26(1) of Schedule B1 must be headed "Notice of intention to appoint an administrator by company or directors" and must contain the following—

(a) identification details for the insolvency proceedings;

(b) a statement that the company or the directors, as the case may be, intend to appoint an administrator of the company;

(c) the name and address of the proposed administrator;

(d) the names and addresses of the persons to whom notice is being given in accordance with paragraph 26(1) of Schedule B1;

(e) a statement that each of those persons is or may be entitled to appoint—

(i) an administrative receiver of the company, or

(ii) an administrator of the company under paragraph 14 of Schedule B1;

(f) a statement that the company has not within the preceding 12 months been—

(i) in administration,

(ii) the subject of a moratorium under Schedule A1(**a**) which ended on a date when no CVA was in force, or

(iii) the subject of a CVA which was made during a moratorium under Schedule A1 and which ended prematurely within the meaning of section 7B;

(g) a statement that in relation to the company there is no—

(i) petition for winding up which has been presented but not yet disposed of,

(ii) administration application which has not yet been disposed of, or

(iii) administrative receiver in office;

(h) a statement whether the company is an Article 1.2 undertaking;

(i) a statement whether the proceedings flowing from the appointment will be main, secondary, territorial or non-EU proceedings and the reasons for so stating;

(j) a statement that the notice is accompanied (as appropriate) by either—

(i) a copy of the resolution of the company to appoint an administrator, or

(ii) a record of the decision of the directors to appoint an administrator; and

(k) a statement that if a recipient of the notice who is named in terms of paragraph (e) wishes to consent in writing to the appointment that person may do so but that after five business days have expired from delivery of the notice the appointer may make the appointment although such a recipient has not replied.

(2) The notice must be accompanied by—

(a) a copy of the resolution of the company to appoint an administrator, where the company intends to make the appointment; or

(b) a record of the decision of the directors, where the directors intend to make the appointment.

(3) If notice of intention to appoint is given under paragraph 26(1) of Schedule B1, a copy of that notice must be sent at the same time to—

(a) any messenger-at-arms or sheriff officer who, to the knowledge of the person giving the notice, is instructed to execute diligence or other legal process against the company;

(b) any person who, to the knowledge of the person giving the notice, has executed diligence against the company or its property;

(c) any supervisor of a CVA; and

(d) the company, if the company is not intending to make the appointment.

(4) The statutory declaration accompanying the notice in accordance with paragraph 27(2) of Schedule B1 must—

(a) if it is not made by the person making the appointment, indicate the capacity in which the person making the declaration does so; and

(b) be made not more than five business days before the notice is lodged with the court.

Notice of appointment after notice of intention to appoint

3.24.—(1) Notice of an appointment under paragraph 22 of Schedule B1 (when notice of intention to appoint has been given under paragraph 26) must be headed "Notice of appointment of an administrator by a company (where a notice of intention to appoint has been given)" or "Notice of appointment of an administrator by the directors of a company (where a notice of intention to appoint has been given)" and must contain—

(a) identification details for the company immediately below the heading;

(a) Relevant amending Acts are paragraph 9 of Schedule 9 to the 2015 Act and paragraph 20 of Schedule 6 to the Deregulation Act 2015 (c.20).

(b) a statement that the company has, or the directors have, as the case may be, appointed the person named as administrator of the company;

(c) the name and address of the person appointed as administrator;

(d) a statement that a copy of the administrator's consent to act accompanies the notice;

(e) a statement that the company is, or the directors are, as the case may be, entitled to make an appointment under paragraph 22 of Schedule B1;

(f) a statement that the appointment is in accordance with Schedule B1;

(g) a statement whether the company is an Article 1.2 undertaking;

(h) a statement whether the proceedings flowing from the appointment will be main, secondary, territorial, or non-EU proceedings and the reasons for so stating;

(i) a statement that the company has, or the directors have, as the case may be, given notice of their intention to appoint in accordance with paragraph 26(1) of Schedule B1, that a copy of the notice was lodged with the court, the date of that lodging and either—

(i) that five business days have elapsed since notice was given under paragraph 26(1) of Schedule B1, or

(ii) that each person to whom the notice was given has consented to the appointment; and

(j) the date and time of the appointment by the company or its directors.

(2) Where two or more administrators are appointed, the notice must also specify in terms of paragraph 100(2) of Schedule B1—

(a) which functions, if any, are to be exercised by those persons acting jointly; and

(b) which functions, if any, are to be exercised by any or all of those persons.

(3) The statutory declaration included in the notice in accordance with paragraph 29(2) of Schedule B1 must be made not more than five business days before the notice is lodged with the court.

(4) If the statutory declaration is not made by the person making the appointment it must indicate the capacity in which the person making the declaration does so.

Notice of appointment without prior notice of intention to appoint

3.25.—(1) Notice of an appointment under paragraph 22 of Schedule B1 (when notice of intention to appoint has not been given under paragraph 26) must be headed "Notice of appointment of an administrator by a company (where a notice of intention to appoint has not been given)" or "Notice of appointment of an administrator by the directors of a company (where a notice of intention to appoint has not been given)" and must identify the company immediately below the heading.

(2) The notice must state the following—

(a) that the company has, or the directors have, as the case may be, appointed the person specified under sub-paragraph (b) as administrator of the company;

(b) the name and address of the person appointed as administrator;

(c) that a copy of the administrator's consent to act accompanies the notice;

(d) that the company is or the directors are, as the case may be, entitled to make an appointment under paragraph 22 of Schedule B1;

(e) that the appointment is in accordance with Schedule B1;

(f) that the company has not within the preceding 12 months been—

(i) in administration,

(ii) the subject of a moratorium under Schedule A1 which ended on a date when no CVA was in force, or

(iii) the subject of a CVA which was made during a moratorium under Schedule A1 and which ended prematurely within the meaning of section 7B;

(g) that in relation to the company there is no—

(i) petition for winding up which has been presented but not yet disposed of,

(ii) administration application which has not yet been disposed of, or

(iii) administrative receiver in office;

(h) whether the company is an Article 1.2 undertaking;

(i) whether the proceedings flowing from the appointment will be main, secondary, territorial or non-EU proceedings and the reasons for so stating;

(j) that the notice is accompanied by—

(i) a copy of the resolution of the company to appoint an administrator, or

(ii) a record of the decision of the directors to appoint an administrator; and

(k) the date and time of the appointment.

(3) Where two or more administrators are appointed the notice must also specify in terms of paragraph 100(2) of Schedule B1—

(a) which functions (if any) are to be exercised by those persons acting jointly; and

(b) which functions (if any) are to be exercised by any or all of those persons.

(4) The statutory declaration included in the notice in accordance with paragraph 29(2) and 30 of Schedule B1 must—

(a) if the declaration is made on behalf of the person making the appointment, indicate the capacity in which the person making the declaration does so; and

(b) be made not more than five business days before the notice is lodged with the court.

Notice of appointment: lodging with the court

3.26.—(1) Three copies of the notice of appointment in accordance with rule 3.24 or 3.25 must be lodged with the court, accompanied by—

(a) the administrator's consent to act; and

(b) the written consent of all those persons to whom notice was given in accordance with paragraph 26(1) of Schedule B1 unless the period of notice set out in paragraph 26(1) has expired.

(2) Where a notice of intention to appoint an administrator has not been given, the copies of the notice of appointment must also be accompanied by—

(a) a copy of the resolution of the company to appoint an administrator, where the company is making the appointment; or

(b) a record of the decision of the directors, where the directors are making the appointment.

(3) The court must certify the copies, endorse them with the date and time of lodging and deliver two of the certified copies to the appointer.

(4) The appointer must as soon as reasonably practicable deliver one of the certified copies to the administrator.

CHAPTER 5

Notice of administrator's appointment

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Publication of administrator's appointment

3.27.—(1) The notice of appointment, to be published by the administrator as soon as reasonably practicable after appointment under paragraph 46(2)(b) of Schedule B1, must be gazetted and may be advertised in such other manner as the administrator thinks fit.

(2) The notice of appointment must state the following—

(a) that an administrator has been appointed;

(b) the date of the appointment; and

(c) the nature of the business of the company.

(3) The administrator must, as soon as reasonably practicable after the date specified in paragraph 46(6) of Schedule B1, deliver a notice of the appointment—

(a) if a receiver has been appointed, to that receiver;

(b) if there is pending a petition for the winding up of the company, to the petitioner (and also to the provisional liquidator, if any);

(c) to any messenger-at-arms or sheriff officer who, to the administrator's knowledge, is instructed to execute diligence or other legal process against the company or its property;

(d) to any person who, to the administrator's knowledge, has executed diligence against the company or its property;

(e) to the Keeper of the Register of Inhibitions and Adjudications; and

(f) to any supervisor of a CVA.

(4) Where, under Schedule B1 or these Rules, the administrator is required to deliver a notice of the appointment to the registrar of companies or any other person, it must be headed "Notice of administrator's appointment" and must contain—

(a) the administrator's name and address and IP number;

(b) identification details for the insolvency proceedings; and

(c) a statement that the administrator has been appointed as administrator of the company.

(5) The notice under paragraph (4) must be authenticated and dated by the administrator.

CHAPTER 6

Statement of affairs

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Interpretation

3.28. In this Chapter—

"nominated person" means a relevant person who has been required by the administrator to make out and deliver to the administrator a statement of affairs;

"relevant person" means a person mentioned in paragraph 47(3) of Schedule B1; and

"fixed security", in relation to any property of a company, means any security, other than a floating charge or a charge having the nature of a floating charge, which on the winding up of the company in Scotland would be treated as an effective security over that property, and (without prejudice to that generality) includes a security over that property, being a heritable security within the meaning of section 9(8) of the Conveyancing and Feudal Reform (Scotland) Act 1970(**a**).

(**a**) 1970 c.35 is amended by Schedule 12 and 13 of the Abolition of Feudal Tenure etc. (Scotland) Act 2000, asp 5, Schedule 14 of the Title Conditions (Scotland) Act 2003 asp 9 and Schedule 5 to the Land Registration etc. (Scotland) Act 2012 asp 5.

Statement of affairs: notice requiring and delivery to the administrator (paragraph 47(1) of Schedule B1)

[Note: see section 234(1) and 235(1) for the application of section 235 to administrators.]

3.29.—(1) A notice under paragraph 47(1) of Schedule B1 must be delivered to each person required to provide a statement of affairs of the company ("statement of affairs").

(2) The notice must be headed "Notice requiring statement of affairs" and must—

(a) require each nominated person to whom the notice is delivered to prepare and submit to the administrator a statement of affairs of the company;

(b) inform each nominated person of—

(i) the names and addresses of all others (if any) to whom the same notice has been delivered,

(ii) the requirement to deliver the statement of affairs to the administrator not later than 11 days after receipt of the notice requiring the statement of affairs, and

(iii) the effect of paragraph 48(4) of Schedule B1 (penalty for non-compliance) and section 235 (duty to co-operate with the office-holder).

(3) The administrator must inform each nominated person to whom notice is delivered that a document for the preparation of the statement of affairs capable of completion in compliance with rule 3.30 will be supplied if requested.

(4) The nominated person (or one of them, if more than one) must deliver the statement of affairs to the administrator together with a copy of the statement.

Statement of affairs: content (paragraph 47 of Schedule B1)

3.30.—(1) The statement of affairs must be headed "Statement of affairs" and must—

(a) identify the company immediately below the heading; and

(b) state that it is a statement of the affairs of the company on a specified date, being the date on which it entered administration.

(2) The statement of affairs must contain (in addition to the matters required by paragraph 47(2) of Schedule B1)—

(a) a summary of the assets of the company, setting out the book value and the estimated realisable value of—

(i) any assets subject to a fixed security,

(ii) any assets subject to a floating charge,

(iii) any uncharged assets, and

(iv) the total assets available for preferential creditors;

(b) a summary of the liabilities of the company, setting out—

(i) the amount of preferential debts,

(ii) an estimate of the deficiency with respect to preferential debts or the surplus available after paying the preferential debts,

(iii) an estimate of the prescribed part, if applicable,

(iv) an estimate of the total assets available to pay debts secured by floating charges,

(v) the amount of debts secured by floating charges,

(vi) an estimate of the deficiency with respect to debts secured by floating charges or the surplus available after paying the debts secured by fixed security or floating charges,

(vii) the amount of unsecured debts (excluding preferential debts),

(viii) an estimate of the deficiency with respect to unsecured debts or the surplus available after paying unsecured debts,

(ix) any issued and called-up capital, and

(x) an estimate of the deficiency with respect to, or surplus available to, members of the company;

(c) a list of the company's creditors with the further particulars required by paragraph (3) indicating—

(i) any creditors under hire-purchase, conditional sale and hiring agreements,

(ii) any creditors claiming retention of title over property in the company's possession; and

(d) the name and address of each member of the company and the number, nominal value and other details of the shares held by each member.

(3) The list of creditors required by paragraph 47(2) of Schedule B1 and paragraph (2)(c) of this rule must contain the particulars mentioned in paragraph (4) except where paragraphs (5) and (6) apply.

(4) The particulars required by paragraph (3) are as follows—

(a) the name and postal address of the creditor;

(b) the amount of the debt owed to the creditor;

(c) details of any security held by the creditor;

(d) the date on which the security was given; and

(e) the value of any such security.

(5) Paragraph (6) applies where the particulars mentioned in paragraph (4) relate to creditors who are either—

(a) employees or former employees of the company; or

(b) consumers claiming amounts paid in advance for the supply of goods or services.

(6) Where this paragraph applies—

(a) the statement of affairs itself must state separately for each of paragraph (5)(a) and (b) the number of such creditors and the total of the debts owed to them; and

(b) the particulars required by paragraph (4) must be set out in separate schedules to the statement of affairs for each of paragraphs (5)(a) and (b).

Statement of affairs: statement of concurrence

3.31.—(1) The administrator may require a relevant person to deliver to the administrator a statement of concurrence.

(2) A statement of concurrence is a statement that that person concurs in the statement of affairs submitted by a nominated person.

(3) The administrator must inform the nominated person who has been required to submit a statement of affairs that the relevant person has been required to deliver a statement of concurrence.

(4) The nominated person must deliver a copy of the statement of affairs to every relevant person who has been required to deliver a statement of concurrence.

(5) A statement of concurrence—

(a) must identify the company; and

(b) may be qualified in relation to matters dealt with in the statement of affairs where the relevant person—

(i) is not in agreement with the statement of affairs,

(ii) considers the statement of affairs to be erroneous or misleading, or

(iii) is without the direct knowledge necessary for concurring with it.

(6) A statement of concurrence must be a statutory declaration made in accordance with the Statutory Declarations Act 1835(**a**).

(7) The relevant person must deliver the required statement of concurrence together with a copy to the administrator before the end of the period of five business days (or such other period as the administrator may agree) beginning with the day on which the relevant person receives the statement of affairs.

Statement of affairs: registrar of companies

3.32.—(1) The administrator must as soon as reasonably practicable deliver to the registrar of companies a copy of—

(a) the statement of affairs; and

(b) any statement of concurrence.

(2) The administrator must not deliver to the registrar of companies with the statement of affairs any schedule required by rule 3.30(6)(b).

(3) The requirement to deliver the statement of affairs is subject to any order of the court made under rule 3.45 that the statement of affairs or a specified part must not be delivered to the registrar of companies.

Statement of affairs: release from requirement and extension of time

3.33.—(1) The power of the administrator under paragraph 48(2) of Schedule B1 to revoke a requirement to provide a statement of affairs or to extend the period within which it must be submitted may be exercised upon the administrator's own initiative or at the request of a nominated person who has been required to provide it.

(2) The nominated person may apply to the court if the administrator refuses that person's request for a revocation or extension.

(3) On receipt of an application, the court may, if it is satisfied that no sufficient cause is shown for it, dismiss it without giving notice to any party other than the applicant.

(4) The applicant must, at least 14 days before any hearing, deliver to the administrator a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.

(5) The administrator may do either or both of the following—

(a) lodge a report of any matters which the administrator thinks ought to be drawn to the court's attention; or

(b) appear and be heard on the application.

(6) If a report is lodged, the administrator must deliver a copy of it to the applicant not later than five business days before the hearing.

(7) Copies of any order made on the application must be certified by the court and delivered by the court to the applicant and the administrator.

(8) The expenses of an application under this rule must be paid by the applicant in any event, but the court may order that an allowance of all or part of them be payable as an expense of the administration.

Statement of affairs: expenses

3.34.—(1) The administrator must pay as an expense of the administration any expenses which the administrator considers to have been reasonably incurred by —

(a) a nominated person in making a statement of affairs and a statutory declaration; or

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(a) 1835 c.62. There are amendments to this Act which are not relevant to this instrument.

(b) a relevant person in making a statement of concurrence.

(2) Any decision by the administrator under this rule is subject to appeal to the court.

CHAPTER 7

Administrator's proposals

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Administrator's proposals: additional content

3.35.—(1) The administrator's statement of proposals (which is required by paragraph 49(4) to be sent to the registrar of companies, creditors and members) must identify the insolvency proceedings and, in addition to the matters set out in paragraph 49, contain—

(a) any other trading names of the company;

(b) details of the administrator's appointment, including—

(i) the date of the appointment,

(ii) the person making the application or appointment, and

(iii) where a number of persons have been appointed as administrators, details of the matters set out in paragraph 100(2) of Schedule B1 relating to the exercise of their functions;

(c) the names of the directors and secretary of the company and details of any shareholdings in the company which they may have;

(d) an account of the circumstances giving rise to the appointment of the administrator;

(e) the date the proposals were sent to the creditors;

(f) if a statement of the company's affairs has been submitted—

(i) a copy or summary of it, except so far as an order under rule 3.44 or 3.45 limits disclosure of it, and excluding any schedule referred to in rule 3.30(6)(b), or the particulars relating to individual creditors contained in any such schedule,

(ii) details of who provided the statement of affairs, and

(iii) any comments which the administrator may have upon the statement of affairs;

(g) if an order under rule 3.45 or 3.46 has been made—

(i) a statement of that fact, and

(ii) the date of the order;

(h) if no statement of affairs has been submitted—

(i) the details of the financial position of the company at the latest practicable date (which must, unless the court orders otherwise, be a date not earlier than that on which the company entered administration), and

(ii) an explanation as to why there is no statement of affairs;

(i) a full list of the company's creditors in accordance with paragraph (2) if either—

(i) no statement of affairs has been submitted, or

(ii) a statement of affairs has been submitted but it does not include such a list, or the administrator believes the list included is less than full;

(j) a statement of—

(i) how it is envisaged the purpose of the administration will be achieved, and

(ii) how it is proposed that the administration will end, including, where it is proposed that the administration will end by the company moving to a creditors' voluntary winding up—

(aa) details of the proposed liquidator,

(bb) where applicable, the declaration required by section 231, and

(cc) a statement that the creditors may, before the proposals are approved, nominate a different person as liquidator in accordance with paragraph 83(7)(a) of Schedule B1 and rule 3.60(6)(b);

(k) a statement of either—

(i) the method by which the administrator has decided to seek a decision by creditors as to whether they approve the proposals, or

(ii) the administrator's reasons for not seeking a decision by creditors;

(l) the manner in which the affairs and business of the company—

(i) have, since the date of the administrator's appointment, been managed and financed, including, where any assets have been disposed of, the reasons for the disposals and the terms upon which the disposals were made, and

(ii) will, if the administrator's proposals are approved, continue to be managed and financed;

(m) a statement whether the proceedings are main, secondary, territorial or non-EU proceedings; and

(n) any other information that the administrator thinks necessary to enable creditors to decide whether or not to approve the proposals.

(2) The list of creditors required by paragraph (1)(i) must contain the details required by paragraph (3) except where paragraphs (4) and (5) apply.

(3) The particulars required by paragraph (2) are as follows and must be given in this order—

(a) the name and postal address of the creditor;

(b) the amount of the debt owed to the creditor;

(c) details of any security held by the creditor;

(d) the date on which any such security was given; and

(e) the value of any such security;

(4) This paragraph applies where the particulars required by paragraph (3) relate to creditors who are either—

(a) employees or former employees of the company; or

(b) consumers claiming amounts paid in advance for the supply of goods and services.

(5) Where paragraph (4) applies—

(a) the list of creditors required by paragraph (1)(i) must state separately for each of paragraphs (4)(a) and (b) the number of the creditors and the total debts owed to them;

(b) the particulars required by paragraph (3) in respect of such creditors must be set out in separate schedules to the list of creditors for each of paragraphs (4)(a) and (b); and

(c) the administrator must not deliver any such schedule to the registrar of companies with the statement of proposals.

(6) Except where the administrator proposes a CVA in relation to the company, the statement made by the administrator under paragraph 49 of Schedule B1 must also include—

(a) to the best of the administrator's knowledge and belief, an estimate of the value of—

(i) the prescribed part (whether or not the administrator might be required under section 176A to make the prescribed part available for the satisfaction of unsecured debts), and

(ii) the company's net property (as defined in section 176A(6)); and

(b) a statement whether the administrator proposes to make an application to the court under section 176A(5) and if so the reason for the application.

(7) The administrator may exclude from an estimate under paragraph (6)(a) information the disclosure of which could seriously prejudice the commercial interests of the company.

(8) If the exclusion of such information affects the calculation of an estimate, the report must say so.

(9) The document containing the statement of proposals must include a statement of the basis on which it is proposed that the administrator's remuneration should be fixed by a decision in accordance with Chapter 14 of Part 3 of these Rules.

(10) Where applicable, the document containing the statement of proposals must include—

(a) a statement of any pre-administration costs charged or incurred by the administrator or, to the administrator's knowledge, by any other person qualified to act as an insolvency practitioner in relation to the company;

(b) a statement that the payment of any unpaid pre-administration costs as an expense of the administration is—

(i) subject to approval under rule 3.52, and

(ii) not part of the proposals subject to approval under paragraph 53(**a**) of Schedule B1.

Administrator's proposals: statement of pre-administration costs

3.36. A statement of pre-administration costs under rule 3.35(10)(a) must include—

(a) details of any agreement under which the fees were charged and expenses incurred, including the parties to the agreement and the date on which the agreement was made;

(b) details of the work done for which the fees were charged and expenses incurred;

(c) an explanation of why the work was done before the company entered administration and how it had been intended to further the achievement of an objective in paragraph 3(1) of Schedule B1 in accordance with sub-paragraphs (2) to (4) of that paragraph;

(d) a statement of the amount of the pre-administration costs, setting out separately—

(i) the fees charged by the administrator,

(ii) the expenses incurred by the administrator,

(iii) the fees charged (to the administrator's knowledge) by any other person qualified to act as an insolvency practitioner in relation to the company (and, if more than one, by each separately), and

(iv) the expenses incurred (to the administrator's knowledge) by any other person qualified to act as an insolvency practitioner in relation to the company (and, if more than one, by each separately);

(e) a statement of the amounts of pre-administration costs which have already been paid (set out separately as under sub-paragraph (d));

(f) the identity of the person who made the payment or, if more than one person made the payment, the identity of each such person and of the amounts paid by each such person set out separately as under sub-paragraph (d);

(g) a statement of the amounts of unpaid pre-administrations costs (set out separately as under sub-paragraph (d)); and

(h) a statement that the payment of unpaid pre-administration costs as an expense of the administration is—

(i) subject to approval under rule 3.52, and

(ii) not part of the proposals subject to approval under paragraph 53 of Schedule B1.

(**a**) Paragraph 53 and the preceding heading are amended by paragraph 10(8) to (10) of Schedule 9 to the 2015 Act.

Advertising administrator's proposals and notices of extension of time for delivery of proposals (paragraph 49 of Schedule B1)

3.37.—(1) A notice published by the administrator under paragraph 49(6) of Schedule B1 must—

(a) identify the insolvency proceedings and contain the registered office of the company;

(b) be advertised in such manner as the administrator thinks fit; and

(c) be published as soon as reasonably practicable after the administrator has delivered the statement of proposals to the company's creditors but not later than eight weeks (or such other period as may be agreed by the creditors or as the court may order) from the date on which the company entered administration.

(2) Where the court orders, on an application by the administrator under paragraph 107 of Schedule B1, an extension of the period in paragraph 49(5) of Schedule B1 for delivering copies of the statement of proposals, the administrator must as soon as reasonably practicable after the making of the order deliver a notice of the extension to—

(a) the creditors of the company;

(b) the members of the company of whose address the administrator is aware; and

(c) the registrar of companies.

(3) The notice must—

(a) identify the insolvency proceedings;

(b) state the date to which the court has ordered an extension; and

(c) contain the registered office of the company.

(4) The administrator is taken to comply with paragraph (2)(b) if the administrator publishes a notice complying with paragraph (5).

(5) The notice must—

(a) contain the information required by paragraph (3);

(b) be advertised in such manner as the administrator thinks fit;

(c) state that members may request in writing a notice of the extension, and state the address to which to write; and

(d) be published as soon as reasonably practicable after the administrator has delivered the notice of the extension to the company's creditors.

Seeking approval of the administrator's proposals

3.38.—(1) This rule applies where the administrator is required by paragraph 51 of Schedule B1(**a**) to seek approval from the company's creditors of the statement of proposals.

(2) The statement of proposals delivered under paragraph 49(4) of Schedule B1(**b**) must be accompanied by a notice to the creditors of the decision procedure in accordance with rule 5.8.

(3) The administrator may seek approval from the creditors using the deemed consent procedure in which case the statement of proposals delivered under paragraph 49(4) must be accompanied by a notice complying with the requirements of rule 5.7.

(4) Where the administrator has made a statement under paragraph 52(1) and has not sought a decision on approval from creditors, the proposal will be deemed to have been approved unless a decision has been requested under paragraph 52(2)(**c**).

(a) Paragraph 51 and the preceding heading are inserted for Scotland by paragraph 1 of Schedule 16 to the Enterprise Act 2002 (c.40).
(b) Paragraph 49 is amended by paragraph 10(2) of Schedule 9 to the 2015 Act.
(c) Paragraph 52(2) is amended by paragraph 10(6) of Schedule 9 to the 2015 Act.

(5) Where under paragraph (4) the proposal is deemed to have been approved the administrator must, as soon as reasonably practicable after the expiry of the period for requisitioning a decision set out in rule 5.17(2), deliver a notice of the date of deemed approval to the registrar of companies, the court and any creditor to whom the administrator has not previously delivered the proposal.

(6) The notice must contain—

(a) identification details for the insolvency proceedings;

(b) the name of the administrator;

(c) the date the administrator was appointed; and

(d) the date on which the statement of proposals was delivered to the creditors.

(7) A copy of the statement of proposals, with the statements required by rule 3.35(5) must accompany the notice given to the court and to any creditors to whom a copy of the statement of proposals has not previously been delivered.

Invitation to creditors to form a creditors' committee

3.39.—(1) Where the administrator is required to seek a decision from the company's creditors under paragraph 51 of Schedule B1, the administrator must at the same time deliver to the creditors a notice inviting them to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of the committee.

(2) The notice must also invite nominations for members of the committee, such nominations to be received by the administrator by a date to be specified in the notice.

(3) The notice must state that any nominations—

(a) must be delivered to the administrator by the specified date; and

(b) can only be accepted if the administrator is satisfied as to the creditor's eligibility under rule 3.74.

(4) A notice under this rule must also be delivered to the creditors at any other time when the administrator seeks a decision by creditors and a creditors' committee has not already been established at that time.

Notice of extension of time to seek approval

3.40.—(1) Where the court orders an extension to the period set out in paragraph 51(2) of Schedule B1, the administrator must deliver a notice of the extension as soon as reasonably practicable to each person mentioned in paragraph 49(4) of Schedule B1.

(2) The notice must contain identification details for the insolvency proceedings and the date to which the court has ordered an extension.

(3) The administrator is taken to have complied with paragraph (1) as regards members of the company if the administrator publishes a notice complying with paragraph (4).

(4) The notice must—

(a) be advertised in such a manner as the administrator thinks fit;

(b) state that members may request in writing a copy of the notice of the extension, and state the address to which to write; and

(c) be published as soon as reasonably practicable after the administrator has delivered the notice of the extension to the company's creditors.

Notice of the creditors' decision on the administrator's proposals (paragraph 53(2)) 3.41.—

(1) In addition to delivering a report to the court and the registrar of companies (in accordance with paragraph 53(2) of Schedule B1) the administrator must deliver a report to—

(a) the company's creditors (accompanied by a copy of the statement of proposals, with the statement required by rule 3.35(10)(a), if it has not previously been delivered to the creditor); and

(b) every other person to whom a copy of the statement of proposals was delivered.

(2) A report mentioned in paragraph (1) must contain—

(a) identification details for the insolvency proceedings;

(b) details of decisions taken by the creditors including details of any modifications to the proposals which were approved by the creditors; and

(c) the date such decisions were made.

(3) A copy of the statement of proposals, with any statements required by rule 3.35(9) and (10), must accompany the report to the court.

Administrator's proposals: revision

3.42.—(1) Where paragraph 54(1) of Schedule B1(**a**) applies, the statement of the proposed revision which is required to be delivered to the creditors must be delivered together with a notice of the decision procedure in accordance with rule 5.8.

(2) The statement must identify the insolvency proceedings and include—

(a) any other trading names of the company;

(b) details of the administrator's appointment, including—

(i) the date of appointment, and

(ii) the person making the application or appointment;

(c) the names of the directors and secretary of the company and details of any shareholdings in the company which they may have;

(d) a summary of the original proposals and the reason or reasons for proposing a revision;

(e) details of the proposed revision, including details of the administrator's assessment of the likely impact of the proposed revision upon creditors generally or upon each class of creditors;

(f) where the proposed revision relates to the ending of the administration by a creditors' voluntary winding up and the nomination of a person to be the proposed liquidator of the company—

(i) details of the proposed liquidator,

(ii) where applicable, the declaration required by section 231, and

(iii) a statement that the creditors may, before the proposals are approved, nominate a different person as liquidator in accordance with paragraph 83(7)(a) of Schedule B1 and rule 3.60(6)(b); and

(g) any other information that the administrator thinks necessary to enable creditors to decide whether or not to vote for the proposed revisions.

(3) The administrator may seek a decision using the deemed consent procedure in which case the statement of the proposed revision must be accompanied by a notice which complies with rule 5.7.

(**a**) Paragraph 54 is amended by paragraph 10(11) to (16) of Schedule 9 to the 2015 Act.

(4) The period within which, subject to paragraph 54(3) of Schedule B1, the administrator must send a copy of the statement to every member of the company of whose address the administrator is aware is five business days after sending the statement of the proposed revision to the creditors.

(5) Notice under paragraph 54(3) and (4) of Schedule B1 must—

(a) be advertised in such manner as the administrator thinks fit as soon as reasonably practicable after the administrator has sent the statement to the creditors; and

(b) state that members may request in writing a copy of the proposed revision, and state the address to which to write.

(6) A copy of the statement of revised proposals under rule 3.43(3) must be delivered to the registrar of companies not later than five days after the report under rule 3.43(1) is delivered.

Notice of result of creditors' decision on revised proposals (paragraph 54(6))

3.43.—(1) In addition to delivering a report to the court and the registrar of companies (in accordance with paragraph 54(6) of Schedule B1) the administrator must deliver a report to—

(a) the company's creditors (accompanied by a copy of the original statement of proposals and the revised statement of proposals if the administrator had not delivered notice of the decision procedure or deemed consent procedure to the creditor); and

(b) every other person to whom a copy of the original statement of proposals was delivered.

(2) A report mentioned in paragraph (1) must contain—

(a) identification details for the insolvency proceedings;

(b) the date of the revised proposals;

(c) details of decisions taken by the creditors including details of any modifications to the revised proposals which were approved by the creditors; and

(d) the date such decisions were made.

(3) A copy of the statement of revised proposals must accompany the notice to the court.

CHAPTER 8

Limited disclosure of statements of affairs and proposals

[Note: A document requirement by the Act or these Rules must also contain the standard contents set out in Part 1.]

Application of Chapter

3.44. This Chapter applies to the disclosure of information which would be likely to prejudice the conduct of the administration or might reasonably be expected to lead to violence against any person.

Orders limiting disclosure of statement of affairs etc.

3.45.—(1) If the administrator thinks that the circumstances in rule 3.44 apply in relation to the disclosure of—

(a) the whole or part of the statement of affairs;

(b) any of the matters specified in rule 3.35(1)(h) and (i); or

(c) a statement of concurrence,

the administrator may apply to the court for an order in relation to the particular document or a specified part of it.

(2) The court may order that the whole of or a specified part of a document referred to in paragraph (1)(a) to (c) must not be delivered to the registrar of companies or, in the case of the statement of proposals, to creditors or members of the company.

(3) The administrator must as soon as reasonably practicable deliver to the registrar of companies—

(a) a copy of the order;

(b) the statement of affairs, the statement of proposals and any statement of concurrence to the extent provided by the order; and

(c) if the order relates to the statement of proposals, an indication of the nature of the matter in relation to which the order was made.

(4) If the order relates to the statement of proposals, the administrator must as soon as reasonably practicable also deliver to the creditors and members of the company—

(a) the statement of proposals to the extent provided by the order; and

(b) an indication of the nature of the matter in relation to which the order was made.

Order for disclosure by administrator

3.46.—(1) A creditor may apply to the court for an order that the administrator disclose any of the following in relation to which an order has been made under rule 3.45(2)—

(a) a statement of affairs;

(b) a specified part of it;

(c) a part of a statement of proposals; or

(d) a statement of concurrence.

(2) The application must be supported by written evidence in the form of an affidavit.

(3) The applicant must deliver to the administrator notice of the application at least three business days before the hearing.

(4) In an order for disclosure, the court may include conditions as to confidentiality, duration, the scope of the order in the event of any change of circumstances or such other matters as it thinks just.

Discharge or variation of order for limited disclosure

3.47.—(1) If there is a material change in circumstances rendering an order for limited disclosure under rule 3.45(2) wholly or partially unnecessary, the administrator must, as soon as reasonably practicable after the change, apply to the court for the order to be discharged or varied.

(2) If the court makes such an order, the administrator must as soon as reasonably practicable deliver to the registrar of companies—

(a) a copy of the order; and

(b) the statement of affairs, the statement of proposals and any statement of concurrence to the extent provided by the order.

(3) If the order relates to the statement of proposals, the administrator must as soon as reasonably practicable also deliver to the creditors and members the statement of proposals to the extent allowed by the order.

Publication etc. of statement of affairs or statements of proposals

3.48.—(1) If, after the administrator has sent a statement of proposals under paragraph 49(4) of Schedule B1, a statement of affairs is delivered to the registrar of companies in accordance with rule 3.47(2) as the result of the discharge or variation of an order, the administrator must deliver to the creditors a copy or summary of the statement of affairs as delivered to the registrar of companies.

(2) The administrator is taken to comply with the requirements for delivery to members of the company in rule 3.45(4) or 3.47(3) if the administrator publishes the required notice.

(3) The required notice must—

(a) be advertised in such manner as the administrator thinks fit;

(b) state that members can request in writing—

(i) a copy of the statement of proposals to the extent provided by the order, and

(ii) an indication of the nature of the matter in relation to which the order was made;

(c) state the address to which such a written request is to be made; and

(d) be published as soon as reasonably practicable after the administrator has delivered the statement of proposals to the extent provided by the order to the company's creditors.

CHAPTER 9

Disposal of secured property

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Disposal of secured property

3.49.—(1) This rule applies where the administrator applies to the court under paragraph 71 or 72 of Schedule B1 for authority to dispose of—

(a) property which is subject to a security other than a floating charge; or

(b) goods in the possession of the company under a hire-purchase agreement.

(2) The court must fix a venue for the hearing of the application.

(3) As soon as reasonably practicable after the court has done so, the administrator must deliver notice of the venue to the holder of the security or the owner of the goods.

(4) If an order is made under paragraph 71 or 72 of Schedule B1, the court must deliver two copies of the order certified by the court to the administrator.

(5) The administrator must deliver—

(a) one of the certified copies to the holder of the security or the owner of the goods; and

(b) a copy of the certified order to the registrar of companies.

CHAPTER 10

Expenses of the Administration

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Expenses

3.50.—(1) All fees, costs, charges and other expenses incurred in the course of the administration are to be treated as expenses of the administration.

(2) The expenses associated with the prescribed part must be paid out of the prescribed part.

(3) The cost of the caution required by section 390(3) for the proper performance of the administrator's functions is an expense of the administration.

Order of priority

3.51.—(1) Where there is a former administrator, the former administrator's remuneration and expenses as determined in accordance with rule 3.98 are payable in priority to the expenses in this rule.

(2) Subject to paragraph (1) and to any court order under paragraph (3) the expenses of the administration are payable in the following order of priority—

(a) expenses properly incurred by the administrator in performing the administrator's functions;

(b) the cost of any caution provided by the administrator in accordance with the Act or these Rules;

(c) where an administration order was made, the expenses of the applicant and any person appearing on the hearing of the application whose expenses were allowed by the court;

(d) where the administrator was appointed otherwise than by order of the court—

(i) the costs and expenses of the appointer in connection with the making of the appointment, and

(ii) the costs and expenses incurred by any other person in giving notice of intention to appoint an administrator;

(e) any amount payable to a person in respect of assistance in the preparation of a statement of affairs or statement of concurrence;

(f) any allowance made by order of the court in respect of the costs on an application for release from the obligation to submit a statement of affairs or deliver a statement of concurrence;

(g) any necessary disbursements by the administrator in the course of the administration (including any costs referred to in Articles 30 or 59 of the EU Regulation and expenses incurred by members of the creditors' committee or their representatives and allowed for by the administrator under rule 3.90 but not including any payment of corporation tax in circumstances referred to in sub-paragraph (j) below);

(h) the remuneration or emoluments of any person who has been employed by the administrator to perform any services for the company, as required or authorised under the Act or these Rules;

(i) the administrator's remuneration the basis of which has been fixed under Chapter 14 of this Part of these Rules and unpaid pre-administration costs approved under rule 3.52; and

(j) the amount of any corporation tax on chargeable gains accruing on the realisation of any asset of the company (irrespective of the person by whom the realisation is effected).

(3) If the assets are insufficient to satisfy the liabilities, the court may make an order as to the payment out of the assets of the expenses incurred in the administration in such order of priority as the court thinks just.

Pre-administration costs

3.52.—(1) Where the administrator has made a statement of pre-administration costs under rule 3.35(10)(a), the creditors' committee may determine whether and to what extent the unpaid pre-administration costs set out in the statement are approved for payment.

(2) Paragraph (3) applies where—

(a) there is no creditors' committee;

(b) there is a creditors' committee but it does not make the necessary determination; or

(c) the creditors' committee does make the necessary determination but the administrator or other insolvency practitioner who has charged fees or incurred expenses as pre-administration costs considers the amount determined to be insufficient.

(3) When this paragraph applies, determination of whether and to what extent the unpaid pre-administration costs are approved for payment must be—

(a) by a decision of the creditors through a decision procedure other than in a case falling in sub-paragraph (b); or

(b) in a case where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1, by-

(i) the consent of each of the secured creditors, or

(ii) if the administrator has made, or intends to make, a distribution to preferential creditors, by

(aa) the consent of each of the secured creditors, and

(bb) a decision of the preferential creditors in a decision procedure.

(4) The administrator must call a meeting of the creditors' committee or seek a decision of creditors by a decision procedure if so requested for the purposes of paragraphs (1) to (3) by another insolvency practitioner who has charged fees or incurred expenses as pre-administration costs; and the administrator must deliver notice of the meeting or decision procedure (to creditors or preferential creditors as the case may be) within 28 days of receipt of the request.

(5) The administrator (where the fees were charged or expenses incurred by the administrator) or other insolvency practitioner (where the fees were charged or expenses incurred by that practitioner) may apply to the court for a determination of whether and to what extent the unpaid pre-administration costs are approved for payment if either—

(a) there is no determination under paragraph (1) or (3); or

(b) there is such a determination but the administrator or other insolvency practitioner who has charged fees or incurred expenses as pre-administration costs considers the amount determined to be insufficient.

(6) Where there is a creditors' committee the administrator or other insolvency practitioner must deliver at least 14 days' notice of the hearing to the members of the committee and the committee may nominate one or more of its members to appear, or be represented, and to be heard on the application.

(7) If there is no creditors' committee, notice of the application must be delivered to such one or more of the company's creditors as the court may direct, and those creditors may nominate one or more of their number to appear or be represented, and to be heard on the application.

(8) The court may, if it appears to be a proper case, order the expenses of the application, including the costs of any member of the creditors' committee appearing or being represented on it, or of any creditor so appearing or being represented, to be paid as an expense of the administration.

(9) Where the administrator fails to call a meeting of the creditors' committee or seek a decision of creditors in accordance with paragraph (4), the other insolvency practitioner may apply to the court for an order requiring the administrator to do so.

CHAPTER 11

Extension and ending of administration

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Interpretation

3.53. "Final progress report" means in this Chapter, and in Chapter 14, a progress report which includes a summary of—

(a) the administrator's proposals;

(b) any major amendments to, or deviations from, those proposals;

(c) the steps taken during the administration; and

(d) the outcome.

Application to extend an administration and extension by consent (paragraph 76(2) of Schedule B1)

3.54.—(1) This rule applies where an administrator makes an application to the court for an order, or delivers a notice to the creditors requesting their consent, to extend the administrator's term of office under paragraph 76(2) of Schedule B1.

(2) The application or the notice must state the reasons why the administrator is seeking an extension.

(3) A request to the creditors may contain or be accompanied by a notice that if the extension is granted a notice of the extension will be made available for viewing and downloading on a website and that no other notice will be delivered to the creditors.

(4) Where the result of a request to the creditors is to be made available for viewing and downloading on a website, the notice must comply with the requirements for use of a website to deliver documents set out in rule 1.44(2)(a) to (c), (3) and (4) with any necessary modifications and rule 1.44(5)(a) applies to determine the time of delivery of the document.

(5) Where the court makes an order extending the administrator's term of office, the administrator must as soon as reasonably practicable deliver to the creditors a notice of the order together with the reasons for seeking the extension given in the application to the court.

(6) Where the administrator's term of office has been extended with the consent of creditors, the administrator must as soon as reasonably practicable deliver a notice of the extension to the creditors except where paragraph (3) applies.

(7) The notice which paragraph 78(5)(b) of Schedule B1 requires to be delivered to the registrar of companies must also identify the insolvency proceedings.

Notice of automatic end of administration (paragraph 76 of Schedule B1) 3.55.—

(1) This rule applies where—

(a) the appointment of an administrator has ceased to have effect, and

(b) the administrator is not required by any other rule to give notice of that fact.

(2) The former administrator must, as soon as reasonably practicable, and in any event within five business days of the date on which the appointment has ceased, deliver to the registrar of companies and lodge with the court a notice accompanied by a final progress report.

(3) The notice must be headed "Notice of automatic end of administration" and identify the company immediately below the heading.

(4) The notice must contain—

(a) identification details for the insolvency proceedings;

(b) the former administrator's name and address;

(c) a statement that that person had been appointed administrator of the company;

(d) the date of the appointment;

(e) the name of the person who made the appointment or the administration application, as the case may be;

(f) the date on which the appointment ceased to have effect;

(g) a statement that the appointment has ceased to have effect; and

(h) a statement that a copy of the final progress report accompanies the notice.

(5) The notice must be authenticated by the administrator and dated.

(6) A copy of the notice and accompanying final progress report must be delivered as soon as reasonably practicable to—

(a) the directors of the company; and

(b) all other persons to whom notice of the administrator's appointment was delivered.

(7) A former administrator who defaults in complying with this rule is guilty of an offence.

Notice of end of administration when purposes achieved (paragraph 80(2) of Schedule B1)

3.56.—(1) Where an administrator who was appointed under paragraph 14 or 22 of Schedule B1 thinks that the purpose of administration has been sufficiently achieved, the notice ("notice of end of administration") which the administrator may lodge with the court and deliver to the registrar of companies under paragraph 80(2) of Schedule B1 must be headed "Notice of end of administration" and identify the company immediately below the heading.

(2) The notice must contain—

(a) identification details for the insolvency proceedings;

(b) the administrator's name and address;

(c) a statement that that person has been appointed administrator of the company;

(d) the date of the appointment;

(e) the name of the person who made the appointment or the administration application, as the case may be;

(f) a statement that the administrator thinks that the purpose of the administration has been sufficiently achieved;

(g) a statement that a copy of the final progress report accompanies the notice; and

(h) a statement that the administrator is lodging the notice with the court and delivering a copy to the registrar of companies.

(3) The notice must be authenticated by the administrator and dated.

(4) The notice must be accompanied by a final progress report.

(5) The notice lodged with the court must also be accompanied by a copy of the notice.

(6) The court must endorse the notice and the copy with the date and time of lodging, certify the copy and deliver it to the administrator.

(7) The prescribed period within which the administrator, under paragraph 80(4)(**a**) of Schedule B1, must send a copy of the notice to the creditors is five business days from the lodging of the notice.

(8) The copy of the notice sent to creditors must be accompanied by the final progress report.

(9) The administrator must within the same period deliver a copy of the notice and the final progress report to all other persons (other than the creditors and the registrar of companies) to whom notice of the administrator's appointment was delivered.

(10) The administrator is taken to have complied with the requirement in paragraph 80(4) of Schedule B1 to give notice to the creditors if, within five business days of lodging the notice with the court, the administrator gazettes a notice which—

(a) states that the administration has ended, and the date on which it ended;

(b) undertakes that the administrator will provide a copy of the notice of end of administration to any creditor of the company who applies in writing; and

(c) specifies the address to which to write.

(11) The Gazette notice may be advertised in such other manner as the administrator thinks fit.

(a) Paragraph 80(4) is amended by paragraph 10(3) of Schedule 9 to the 2015 Act.

Administrator's application for order ending administration (paragraph 79 of Schedule B1)

3.57.—(1) An application to court by the administrator under paragraph 79 of Schedule B1(**a**) for an order ending an administration must be accompanied by—

(a) a progress report for the period since—

(i) the last progress report (if any), or

(ii) if there has been no previous progress report, the date on which the company entered administration;

(b) a statement indicating what the administrator thinks should be the next steps for the company (if applicable); and

(c) where the administrator makes the application because of a requirement decided by the creditors, a statement indicating with reasons whether or not the administrator agrees with the requirement.

(2) Where the application is made other than because of a requirement by a decision of the creditors—

(a) the administrator must, at least five business days before the application is made, deliver notice of the administrator's intention to apply to court to—

(i) the person who made the administration application or appointment, and

(ii) the creditors; and

(b) the application must be accompanied by—

(i) a statement that notice has been delivered to the creditors, and

(ii) copies of any response from creditors to that notice.

(3) Where the application is in conjunction with a petition under section 124 for an order to wind up the company, the administrator must, at least five business days before the application is made, deliver notice to the creditors as to whether the administrator intends to seek appointment as liquidator.

Creditors' application for order ending administration (paragraph 81 of Schedule B1)

3.58.—(1) Where a creditor applies to the court under paragraph 81 of Schedule B1 for an order ending an administration, a copy of the application must be delivered, not less than five business days before the date fixed for the hearing, to—

(a) the administrator;

(b) the person who made the administration application or appointment; and

(c) where the appointment was made under paragraph 14 of Schedule B1, the holder of the floating charge by virtue of which the appointment was made (if different to (b)).

(2) Any of those persons may appear at the hearing of the application.

(3) Where the court makes an order under paragraph 81 of Schedule B1 ending the administration, the court must deliver a copy of the order to the administrator.

Notice by administrator of court order

3.59. Where the court makes an order ending the administration, the administrator must as soon as reasonably practicable deliver a copy of the order and of the final progress report to—

(a) the registrar of companies;

(b) the directors of the company; and

(**a**) Paragraph 79(2)(c) is amended by paragraph 10(29) of Schedule 9 to the 2015 Act.

(c) all other persons to whom notice of the administrator's appointment was delivered.

Moving from administration to creditors' voluntary winding up (paragraph 83 of Schedule B1)

3.60.—(1) This rule applies where the administrator delivers to the registrar of companies a notice under paragraph 83(3) of Schedule B1(**a**) of moving from administration to creditors' voluntary winding up.

(2) The notice must contain—

(a) identification details for the insolvency proceedings;

(b) the name of the person who made the appointment or the administration application, as the case may be; and

(c) the name and IP number of the proposed liquidator.

(3) The notice to the registrar of companies must be accompanied by a copy of the administrator's final progress report.

(4) A copy of the notice and the final progress report must be sent as soon as reasonably practicable after delivery of the notice to all those persons to whom notice of the administrator's appointment was delivered in addition to the creditors (as required by paragraph 83(5)(b)).

(5) The person who ceases to be administrator on the registration of the notice must inform the person who becomes liquidator of anything which happens after the date of the final progress report and before the registration of the notice which the administrator would have included in the final report had it happened before the date of the report.

(6) For the purposes of paragraph 83(7)(a) of Schedule B1, a person is nominated by the creditors as liquidator by—

(a) their approval of the statement of the proposed liquidator in the administrator's proposals or revised proposals; or

(b) their nomination of a different person, through a decision procedure, before their approval of the proposals or revised proposals.

(7) Where the creditors nominate a different person, the nomination must, where applicable, include the declaration required by section 231.

Moving from administration to dissolution (paragraph 84 of Schedule B1)

3.61.—(1) This rule applies where the administrator delivers to the registrar of companies a notice under paragraph 84(1) of Schedule B1 of moving from administration to dissolution.

(2) The notice must contain identification details for the insolvency proceedings.

(3) As soon as reasonably practicable after sending the notice, the administrator must deliver a copy of the notice to all persons to whom notice of the administrator's appointment was delivered (in addition to the creditors mentioned in paragraph 84(5)(b) of Schedule B1(**b**)).

(4) A final progress report must accompany the notice to the registrar of companies and every copy filed or otherwise delivered.

(5) Where a court makes an order under paragraph 84(7) of Schedule B1 it must, where the applicant is not the administrator, deliver a copy of the order to the administrator.

(6) The administrator must deliver a copy of the order to the registrar of companies with the notice required by paragraph 84(8) of Schedule B1.

(a) Sub-paragraphs (1)(b) and (2)(b) are amended by section 128(3) and sub-paragraphs (5)(b) and (8)(d) are amended by paragraphs 10(31) and (32) of Schedule 9 to the 2015 Act.

(b) Paragraph 84(5)(b) is amended by paragraph 10(33) of Schedule 9 to the 2015 Act.

CHAPTER 12

Replacing the administrator

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Grounds for resignation

3.62.—(1) The administrator may resign—

(a) on grounds of ill health;

(b) because of the intention to cease to practise as an insolvency practitioner; or

(c) because the further discharge of the duties of administrator is prevented or made impractical by—

(i) a conflict of interest, or

(ii) a change of personal circumstances.

(2) The administrator may, with the permission of the court, resign on other grounds.

Notice of intention to resign

3.63.—(1) The administrator must give at least five business days' notice of intention—

(a) to resign in a case falling within rule 3.62(1); or

(b) to apply for the court's permission to resign in a case falling within rule 3.62(2).

(2) The notice must contain—

(a) identification details for the insolvency proceedings;

(b) the date of the appointment of the administrator; and

(c) the name of the person who made the appointment or the administration application, as the case may be.

(3) The notice must also contain—

(a) the date with effect from which the administrator intends to resign; or

(b) where the administrator was appointed by an administration order, the date on which the administrator intends to lodge with the court an application for permission to resign.

(4) Notice must be delivered—

(a) to any continuing administrator of the company;

(b) to the creditors' committee (if any);

(c) if there is neither a continuing administrator nor a creditors' committee, to—

(i) the company, and

(ii) the company's creditors;

(d) to the member State liquidator appointed in relation to the company (if there is one);

(e) where the administrator was appointed by the holder of a qualifying floating charge under paragraph 14 of Schedule B1, to—

(i) the person who appointed the administrator, and

(ii) all holders of prior qualifying floating charges;

(f) where the administrator was appointed by the company or the directors of the company under paragraph 22 of Schedule B1, to—

(i) the appointer, and

(ii) all holders of qualifying floating charges.

(5) The notice must be accompanied by a summary of the administrator's receipts and payments.

Notice of resignation (paragraph 87 of Schedule B1)

3.64.—(1) A resigning administrator must, within five business days of delivering the notice under paragraph 87(2) of Schedule B1, deliver a copy of the notice to—

(a) the registrar of companies;

(b) all persons, other than the person who made the appointment, to whom notice of intention to resign was delivered under rule 3.63; and

(c) except where the appointment was by administration order, lodge a copy of the notice with the court.

(2) The notice must contain—

(a) identification details for the insolvency proceedings;

(b) the date of the appointment of the administrator; and

(c) the name of the person who made the appointment or the administration application, as the case may be.

(3) The notice must state—

(a) the date from which the resignation is to have effect; and

(b) where the resignation is with the permission of the court, the date on which permission was given.

(4) Where an administrator was appointed by an administration order, notice of resignation under paragraph 87(2)(a) of Schedule B1 must be given by lodging the notice with the court.

Application to court to remove administrator from office

3.65.—(1) An application for an order under paragraph 88 of Schedule B1 that the administrator be removed from office must state the grounds on which the order is requested.

(2) A copy of the application must be delivered, not less than five business days before the date fixed for the hearing—

(a) to the administrator;

(b) to the person who—

(i) made the application for the administration order, or

(ii) appointed the administrator;

(c) to the creditors' committee (if any);

(d) to any continuing administrator of the company; and

(e) where there is neither a creditors' committee nor a continuing administrator appointed, to the company and the creditors, including any floating charge holders.

(3) The court must deliver to the applicant a copy of any order removing the administrator.

(4) The applicant must deliver a copy of the order—

(a) as soon as reasonably practicable, and in any event within five business days of the copy order being delivered, to the administrator; and

(b) within five business days of the copy order being delivered, to—

(i) all other persons to whom notice of the application was delivered, and

(ii) the registrar of companies.

Notice of vacation of office when administrator ceases to be qualified to act

3.66. An administrator who has ceased to be qualified to act as an insolvency practitioner in relation to the company and gives notice in accordance with paragraph 89 of Schedule B1 must also deliver notice to the registrar of companies.

Deceased administrator

3.67.—(1) If the administrator dies a notice of the fact and date of death must be lodged with the court.

(2) The notice must be lodged as soon as reasonably practicable by one of the following—

(a) a surviving administrator;

(b) a member of the deceased administrator's firm (if the deceased was a member or employee of a firm);

(c) an officer of the deceased administrator's company (if the deceased was an officer or employee of a company); or

(d) the executor of the deceased administrator.

(3) If such a notice has not been lodged within the 21 days following the administrator's death, any other person may lodge the notice.

(4) The person who lodges the notice must also deliver a notice to the registrar of companies which contains—

(a) identification details for the insolvency proceedings;

(b) the name of the person who made the appointment or the administration application, as the case may be;

(c) the date of the appointment of the administrator; and

(d) the fact and date of death.

Application to replace

3.68.—(1) Where an application to court is made under paragraph 91(1) or 95 of Schedule B1 to appoint a replacement administrator, the application must be accompanied by the proposed replacement administrator's consent to act.

(2) Where the application is made under paragraph 91(1), a copy of the application must be delivered—

(a) to the person who made the application for the administration order;

(b) to any person who has appointed a receiver of the company;

(c) to any person who is or may be entitled to appoint a receiver of the company;

(d) to any person who is or may be entitled to appoint an administrator of the company under paragraph 14 of Schedule B1;

(e) to any receiver of the company;

(f) if there is pending a petition for the winding up of the company, to—

(i) the petitioner, and

(ii) any provisional liquidator;

(g) to any member State liquidator appointed in main proceedings in relation to the company;

(h) to the company, if the application is made by anyone other than the company;

(i) to any supervisor of any CVA in relation to the company; and

(j) to the proposed administrator.

(3) Rules 3.10, 3.11 and 3.13(1) and (2) apply to applications made under paragraph 91(1) and 95 of Schedule B1, with any necessary modifications.

Appointment of replacement or additional administrator

3.69. Where a replacement administrator is appointed or an additional administrator is appointed to act—

(a) the following apply—

(i) rule 3.17 the requirement as to the heading in paragraph (1) and paragraphs (1)(a) to (f), and (2),

(ii) rule 3.18 paragraphs (1)(a) and (b)(ii), (2) and (3),

(iii) rule 3.24 paragraphs (1)(a) to (d) and (2),

(iv) rule 3.25 paragraphs (1), (2)(a) to (c) and (3),

(v) rule 3.26 paragraphs (1)(a), (3) and (4), and

(vi) rule 3.27 paragraphs (1), (2)(a) and (b), (3) and (4).

(b) the replacement or additional administrator must deliver notice of the appointment to the registrar of companies; and

(c) all documents must clearly identify the appointment as of a replacement administrator or an additional administrator.

Administrator's duties on vacating office

3.70.—(1) An administrator who ceases to be in office as a result of removal, resignation or ceasing to be qualified to act as an insolvency practitioner in relation to the company must as soon as reasonably practicable deliver to the person succeeding as administrator—

(a) the assets (after deduction of any expenses properly incurred and distributions made by the departing administrator);

(b) the records of the administration, including correspondence, statements of claim and documentary evidence of debt and other documents relating to the administration while it was within the responsibility of the departing administrator; and

(c) the company's records.

(2) An administrator who makes default in complying with this rule is guilty of an offence.

CHAPTER 13

Creditors' Committees

[Notes: (1) a document required by the Act or these Rules must also contain the standard contents set out in Part 1;

(2) see sections 215 and 362 of the Financial Services and Markets Act 2000(**a**) for the rights of persons appointed by a scheme manager, the Financial Conduct Authority and the Prudential Regulation Authority to attend committees and make representations.]

Scope

3.71. This Chapter applies to the establishment and operation of a creditors' committee in an administration ("creditors' committee").

Functions of a creditors' committee

3.72. In addition to any functions conferred on a creditors' committee by any provision of the Act or any other provision of these Rules, the creditors' committee is to—

(**a**) 2000 c.8.

(a) assist the administrator in discharging the administrator's functions; and

(b) act in relation to the administrator in such manner as may from time to time be agreed.

Number of members of a creditors' committee

3.73. A creditor's committee must have at least three members but not more than five members.

Eligibility for membership of creditors' committee

3.74.—(1) A creditor is eligible to be a member of a creditors' committee if—

(a) the person has submitted a statement of claim and, where not dispensed with under rules 5.26(2) or 3.105(2), documentary evidence of debt;

(b) the debt is not fully secured; and

(c) neither of the following apply—

(i) the claim has been wholly rejected for voting purposes; or

(ii) the claim has been wholly rejected for the purpose of distribution or dividend.

(2) A body corporate or a partnership may be a member of a creditors' committee, but it cannot act otherwise than by a representative appointed under rule 3.84.

Establishment of creditors' committees

3.75.—(1) Where creditors decide that a creditors' committee should be established, the convener or chair of the decision procedure or the convenor of the deemed consent process, if not the administrator, must—

(a) as soon as reasonably practicable deliver a notice of the decision to the administrator; and

(b) where a decision has also been made as to membership of the creditors' committee, inform the administrator of the names and addresses of the persons elected to be members of the creditors' committee.

(2) Before a person may act as a member of the creditors' committee that person must agree to do so.

(3) A person's proxy-holder attending a meeting establishing the creditors' committee or, in the case of a corporation or partnership, its duly appointed representative, may give such agreement (unless the proxy or instrument conferring authority contains a statement to the contrary).

(4) Where a decision has been made to establish a creditors' committee but not as to its membership, the administrator must seek a decision from the creditors as to membership of the creditors' committee.

(5) The creditors' committee is not established (and accordingly cannot act) until the administrator has sent a notice of its membership in accordance with paragraph (9).

(6) The notice must contain the following—

(a) a statement that the creditors' committee has been duly constituted;

(b) identification details for any company that is a member of the creditors' committee;

(c) the full name and address of each member that is not a company.

(7) The notice must be authenticated and dated by the administrator.

(8) The administrator must, as soon as reasonably practicable, deliver the notice after the minimum number of persons required by rule 3.73 have agreed to act as members and been elected.

(9) The administrator must, as soon as reasonably practicable, deliver the notice to the registrar of companies.

Notice of change of membership of a committee

3.76.—(1) If there is a change in membership of the creditors' committee, the administrator must deliver a notice to the registrar of companies, as soon as reasonably practicable.

(2) The notice must contain—

(a) the date of the original notice in respect of the constitution of the committee and the date of the last notice of membership given under this rule (if any);

(b) a statement that this notice of membership replaces the previous notice;

(c) identification details for any company that is a member of the committee;

(d) the full name and address of any member that is not a company;

(e) a statement whether any member has become a member since the issue of the previous notice;

(f) the identification details for a company or otherwise the full name of any member named in the previous notice who is no longer a member and the date the membership ended.

(3) The notice must be authenticated and dated by the administrator.

Vacancies: members of creditors' committee

3.77.—(1) This rule applies if there is a vacancy among the members of a creditors' committee or where the number of members of the committee is fewer than the maximum allowed.

(2) A vacancy need not be filled if—

(a) the administrator and a majority of the remaining members agree; and

(b) the total number of members does not fall below three.

(3) The administrator may appoint a creditor, who is qualified under rule 3.74 to be a member of the committee, to fill a vacancy or as an additional member of the committee, if—

(a) the remaining members of the committee (provided that there are at least two) agree in accordance with paragraph (4) to the appointment; and

(b) the creditor agrees to act.

(4) Where there are only two remaining members of the committee, both must agree to the appointment, otherwise a majority must agree.

(5) Alternatively, the administrator may seek a decision by creditors to appoint a creditor (with that creditor's consent) to fill the vacancy.

(6) Where the vacancy is filled by an appointment made by a decision of creditors which is not chaired or convened by the administrator, the chair or convener must report the appointment to the administrator.

Resignation

3.78. A member of a creditors' committee may resign by informing the administrator in writing.

Termination of membership

3.79. A person's membership of a creditors' committee is automatically terminated if that person—

(a) becomes bankrupt or that person's estate is sequestrated, in which case the trustee in bankruptcy or the trustee in sequestration, as the case may be, replaces the person bankrupt or sequestrated as a member of the committee;

(b) grants a trust deed for the benefit of creditors;

(c) makes a composition with creditors;

(d) is a person to whom a moratorium under a debt relief order applies;

(e) neither attends nor is represented at three consecutive meetings (unless it is resolved at the third of those meetings that this rule is not to apply in that person's case);

(f) has ceased to satisfy the criteria set out in rule 3.74 for eligibility to be a member of the creditors' committee; or

(g) ceases to be a creditor or is found never to have been a creditor.

Removal

3.80. A member of a creditors' committee may be removed by a decision of the creditors through a decision procedure.

Meetings of creditors' committee

3.81.—(1) Meetings of the creditors' committee must be held when and where determined by the administrator.

(2) The administrator must call a first meeting of the creditors' committee to take place within six weeks of the creditors' committee's establishment.

(3) After the calling of the first meeting, the administrator must call a meeting—

(a) if so requested by a member of the creditors' committee or a member's representative (the meeting then to be held within 21 days of the request being received by the administrator); and

(b) for a specified date, if the creditors' committee has previously resolved that a meeting be held on that date.

(4) The administrator must give five business days' notice of the venue of a meeting to each member of the creditors' committee (or a member's representative, if designated for that purpose), except where the requirement for notice has been waived by or on behalf of a member.

(5) Waiver may be signified either at or before the meeting.

The chair at meetings

3.82. The chair at a meeting of a creditors' committee must be the administrator or an appointed person.

Quorum

3.83. A meeting of a creditors' committee is duly constituted if due notice of it has been delivered to all the members, and at least two of the members are in attendance or represented.

Committee members' representatives

3.84.—(1) A member of the creditors' committee may, in relation to the business of the creditors' committee, be represented by another person duly authorised by the member for that purpose.

(2) A person acting as a committee member's representative must hold a letter of authority entitling that person to act (either generally or specifically) and authenticated by or on behalf of the committee member.

(3) A proxy or an instrument conferring authority (in respect of a person authorised to represent a body corporate or a partnership) is to be treated as a letter of authority to act generally (unless the proxy or instrument conferring authority contains a statement to the contrary).

(4) The chair at a meeting of the committee may call on a person claiming to act as a committee member's representative to produce a letter of authority, and may exclude that person if no letter of authority is produced at or by the time of the meeting or it appears to the chair that the authority is deficient.

(5) A committee member may not be represented by—

(a) another member of the committee;

(b) a person who is at the same time representing another committee member;

(c) a body corporate;

(d) a partnership;

(e) an undischarged bankrupt;

(f) a person whose estate has been sequestrated and who has not been discharged;

(g) a person who has granted a trust deed for the benefit of creditors;

(h) a person who has made a composition with creditors;

(i) a person to whom a moratorium period under a debt relief order applies;

(j) a person who is subject to a company directors disqualification order or a company directors disqualification undertaking; or

(k) a person who is subject to a bankruptcy restrictions order (including an interim order), a bankruptcy restrictions undertaking, a debt relief restrictions order (including an interim order) or a debt relief restrictions undertaking.

(6) Where a representative authenticates any document on behalf of a committee member the fact that the representative authenticates as a representative must be stated below the authentication.

Voting rights and resolutions

3.85.—(1) At a meeting of the committee, each member (whether the member is in attendance or is represented by a representative) has one vote.

(2) A resolution is passed when a majority of the members attending or represented have voted in favour of it.

(3) Every resolution passed must be recorded in writing and authenticated by the chair, either separately or as part of the minutes of the meeting.

Resolutions by correspondence

3.86.—(1) The administrator may seek to obtain the agreement of the creditors' committee to a resolution by delivering to every member (or the member's representative designated for the purpose) details of the proposed resolution.

(2) The details must be set out in such a way that the recipient may indicate agreement or dissent and where there is more than one resolution may indicate agreement to or dissent from each one separately.

(3) A member of the creditors' committee may, within five business days from the delivery of details of the proposed resolution, require the administrator to summon a meeting of the creditors' committee to consider the matters raised by the proposed resolution.

(4) In the absence of such a request, the resolution is passed by the creditors' committee if a majority of the members (excluding a member or member's representative who is to participate directly or indirectly in a transaction) deliver notice to the administrator that they agree with the resolution.

Remote attendance at meetings of creditors' committee

3.87.—(1) Where the administrator considers it appropriate, a meeting of a creditors' committee may be conducted and held in such a way that persons who are not present together at the same place may attend it.

(2) A person attends such a meeting who is able to exercise that person's right to speak and vote at the meeting.

(3) A person is able to exercise the right to speak at a meeting when that person is in a position to communicate during the meeting to all those attending the meeting any information or opinions which that person has on the business of the meeting.

(4) A person is able to exercise the right to vote at a meeting when—

(a) that person is able to vote, during the meeting, on resolutions or determinations put to the vote at the meeting; and

(b) that person's vote can be taken into account in determining whether or not such resolutions or determinations are passed at the same time as the votes of all the other persons attending the meeting.

(5) Where such a meeting is to be held the administrator must make whatever arrangements the administrator considers appropriate to—

(a) enable those attending the meeting to exercise their rights to speak or vote; and

(b) verify the identity of those attending the meeting and to ensure the security of any electronic means used to enable attendance.

(6) A requirement in these Rules to specify a place for the meeting may be satisfied by specifying the arrangements the administrator proposes to enable persons to exercise their rights to speak or vote where in the reasonable opinion of the administrator—

(a) a meeting will be attended by persons who will not be present together at the same place; and

(b) it is unnecessary or inexpedient to specify a place for the meeting.

(7) In making the arrangements referred to in paragraph (6) and in forming the opinion referred to in paragraph (6)(b), the administrator must have regard to the legitimate interests of the creditors' committee members or their representatives attending the meeting in the efficient despatch of the business of the meeting.

(8) Where the notice of a meeting does not specify a place for the meeting the administrator must specify a place for the meeting if at least one member of the creditors' committee requests the administrator to do so in accordance with rule 3.88.

Procedure for requests that a place for a meeting should be specified

3.88.—(1) This rule applies to a request to the administrator under rule 3.87 to specify a place for the meeting.

(2) The request must be made within three business days of the date on which the administrator delivered the notice of the meeting in question.

(3) Where the administrator considers that the request has been properly made in accordance with this rule, the administrator must—

(a) deliver notice to all those previously given notice of the meeting—

(i) that it is to be held at a specified place, and

(ii) as to whether the date and time are to remain the same or not;

(b) fix a venue for the meeting, the date of which must be not later than seven business days after the original date for the meeting; and

(c) give three business days' notice of the venue to all those previously given notice of the meeting.

(4) The notices required by sub-paragraphs (a) and (c) may be delivered at the same or different times.

(5) Where the administrator has specified a place for the meeting in response to a request under rule 3.87(8), the chair of the meeting must attend the meeting by being present in person at that place.

Notice requiring administrator to attend the creditors' committee (paragraph 57(3)(a) of Schedule B1)

[Note: in an administration paragraph 57(3) of Schedule B1 enables the creditors' committee to require the administrator to provide the committee with information]

3.89.—(1) This rules applies where a creditors' committee in an administration resolves under paragraph 57(3)(a) of Schedule B1 to require the attendance of the administrator.

(2) The notice delivered to the administrator requiring the administrator's attendance must be—

(a) accompanied by a copy of the resolution; and

(b) authenticated by a member of the creditors' committee.

(3) A member's representative may authenticate the notice for the member.

(4) The meeting at which the administrator's attendance is required must be fixed by the committee for a business day, and must be held at such time and place as the administrator determines.

(5) Where the administrator so attends, the creditors' committee may elect one of their number to be chair of the meeting in place of the administrator or the appointed person.

Expenses of members etc.

3.90.—(1) The administrator must pay, as an expense of the administration, the reasonable travelling expenses directly incurred by members of the creditors' committee or their representatives in attending the creditors' committee's meetings or otherwise on the creditors' committee's business.

(2) The requirement for the administrator to pay the expenses does not apply to a meeting of the committee held within six weeks of a previous meeting, unless the meeting is summoned by the administrator.

Dealings by creditors' committee members and others

3.91.—(1) Membership of the creditors' committee does not prevent a person from dealing with the company provided that a transaction is in good faith and for value.

(2) The court may, on the application of an interested person—

(a) set aside a transaction which appears to it to be contrary to this rule; and

(b) make such other order about the transaction as it thinks just, including an order requiring a person to whom this rule applies to account for any profit obtained from the transaction and compensate the company for any resultant loss.

Formal defects

3.92. The acts of a creditors' committee are valid notwithstanding any defect in the appointment, election or qualifications of a member of the creditors' committee or a committee member's representative or in the formalities of its establishment.

CHAPTER 14

Reporting and Remuneration

Progress reports

3.93.—(1) The administrator must—

(a) within six weeks after the end of each accounting period; and

(b) within six weeks after the administrator ceases to act as administrator,

send to the court and to the registrar of companies, and to each creditor, a progress report.

(2) For the purposes of this Chapter, "accounting period" in relation to an administration is to be construed as follows:

(a) the first accounting period is the period of six months beginning with the date on which the company entered administration; and

(b) any subsequent accounting period is the period of six months beginning with the end of the last accounting period except that—

(i) where the administrator and the creditors' committee agree, or

(ii) where there is no creditors' committee, the court determines,

the accounting period is to be such other period beginning with the end of the last accounting period as may be agreed or, as the case may be determined, it is to be that other period.

(3) An administrator who fails to deliver a progress report within the time periods referred to in paragraph (1) is guilty of an offence.

(4) The court may, on the application of the administrator, extend either or both of the periods of six weeks referred to in paragraph (1) of this rule.

Progress reports: content

3.94.—(1) The administrator's progress report must include—

(a) identification details for the insolvency proceedings;

(b) identification and contact details for the administrator;

(c) the date of appointment of the administrator and any changes in the administrator in accordance with paragraphs (4) and (5);

(d) details of any extensions to the initial period of appointment;

(e) details of progress during the period of the report in accordance with paragraph (2):

(f) details of what assets remain to be realised;

(g) where a distribution is to be made in accordance with Chapter 15 in respect of an accounting period, the scheme of division; and

(h) any other relevant information for the creditors.

(2) The details of the progress during the period of the report must include—

(a) a receipts and payments account stating what assets of the company have been realised, for what value, and what payments have been made to creditors, in the form of a summary showing—

(i) receipts and payments during the relevant accounting period, or

(ii) where the administrator has ceased to act, receipts and payments during the period from the end of the last accounting period to the time when the administrator ceased to act (or, where the administrator has made no previous progress report, receipts and payments in the period since the administrator's appointment); or

(b) where—

(i) no claim for outlays and remuneration is submitted under rule 3.95, or

(ii) a claim for outlays and remuneration is submitted under rule 3.95 but no determination fixing the amount of outlays and remuneration in accordance with rule 3.96(1) has been made in respect of such a claim—

(aa) a receipts and payments account which meets the requirements of paragraph (2)(a),

(bb) an estimate of the remuneration due to the administrator during the accounting period together with the basis or bases set out in rule 3.97 on which the estimate is based,

(cc) where remuneration due is not yet determined from the immediately preceding accounting period, an estimate of the remuneration due during that period, and

(dd) any outlays incurred.

(3) The receipts and payments account in a final progress report must include a statement as to the amount paid to unsecured creditors by virtue of the application of section 176A.

(4) A change in the administrator is only required to be shown in the next report after the change.

(5) However if the current administrator is seeking the repayment of pre-administration expenses from a former administrator, the change in administrator must continue to be shown until the next report after the claim is settled.

(6) This rule is without prejudice to the requirements of Chapter 15.

Administrator's outlays and remuneration: claims

3.95.—(1) Where an administrator intends to submit a claim for the outlays reasonably incurred by the administrator and for remuneration within two weeks after the end of an accounting period, the administrator must submit to the creditors' committee or, if there is no creditors' committee, make available to creditors for the purposes of a decision procedure in respect of that period—

(a) the administrator's accounts of their intromissions with the company's assets;

(b) where funds are available after making allowance for contingencies, a scheme of division of the divisible funds; and

(c) a claim for—

(i) any outlays reasonably incurred by the administrator, and

(ii) the administrator's remuneration.

(2) The administrator may, at any time within two weeks after the end of an accounting period, in respect of the previous accounting period, submit to a creditors' committee, or if there is no creditors' committee, seek approval from creditors through a decision procedure for—

(a) the administrator's accounts of its intromissions with the company's assets for audit (such accounts of intromissions may include or consist of a progress report in terms of rules 3.93 and 3.94);

(b) the outlays reasonably incurred by the administrator; and

(c) the administrator's remuneration.

(3) The administrator may, at any time before the end of an accounting period submit to the creditors' committee or, if there is no creditors' committee, seek approval from creditors through a decision procedure for, an interim claim in respect of that period—

(a) for the outlays reasonably incurred by the administrator; and

(b) for the administrator's remuneration.

(4) If the administrator submits such an interim claim, the creditors' committee, or the creditors by decision procedure as the case may be may issue an interim determination in relation to the amount of the outlays and remuneration payable to the administrator, and where they do so, they must take into account that interim determination when issuing their determination under paragraph 3.96(1)(a)(ii).

Administrator's outlays and remuneration: determination 3.96.—

(1) Within six weeks after the end of an accounting period—

(a) the creditors' committee or, if there is no creditors' committee, the creditors through a decision procedure—

(i) may audit the accounts submitted or made available under rule 3.95(1)(a), and

(ii) must issue a determination fixing the amount of the outlays and remuneration payable to the administrator; and

(b) the administrator must make the accounts submitted for audit, scheme of division and determination of the amount fixed under paragraph (1)(a)(ii) available for the inspection by the members of the company and the creditors.

(2) If the administrator's remuneration and outlays have been fixed by determination of the creditors' committee in accordance with paragraph (1)(a)(ii) and the administrator considers the amount to be insufficient, the administrator may request that it be increased by decision of the creditors by decision procedure.

(3) If the creditors' committee fails to issue a determination in accordance with paragraph (1)(a)(ii), the administrator must seek a decision of the creditors through decision procedure (except in a case under paragraph (6)) and they must issue a determination in accordance with paragraph (1)(a)(ii).

(4) If the creditors fail to issue a determination by decision procedure in accordance with paragraph (3) then the administrator must submit the claim to the court and the court must issue a determination.

(5) In a case where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1, a decision under paragraph (2) or a decision under rule 3.101 is taken to be passed if (and only if) passed by the approval of—

(a) each secured creditor of the company; or

(b) if the administrator has made, or proposes to make, a distribution to preferential creditors—

(i) each secured creditor of the company, and

(ii) a decision of the preferential creditors in a decision procedure.

(6) In a case where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1, if there is no creditor's committee, or the committee does not make the requisite determination in accordance with rule 3.96(1)(a)(ii) or 3.96(3), the administrator's remuneration and outlays may be fixed (in accordance with this rule) by the approval of—

(a) each secured creditor of the company; or

(b) if the administrator has made, or proposes to make, a distribution to preferential creditors—

(i) each secured creditor of the company, and

(ii) a decision of the preferential creditors in a decision procedure.

(7) In fixing the amount of the administrator's remuneration and outlays in respect of any accounting period, the creditors' committee or, as the case may be, the creditors by decision procedure, may take into account any adjustment which the creditors' committee or the creditors may wish to make in the amount of the remuneration and outlays fixed in respect of any earlier accounting period.

Administrator's remuneration: basis of remuneration

3.97.—(1) The basis of the administrator's remuneration must be fixed—

(a) as a percentage of the value of the company's property with which the administrator has to deal;

(b) by reference to the work which was reasonably undertaken by the administrator and the administrator's staff in attending to matters arising in the administration; or

(c) as a set amount.

(2) The basis of remuneration may be one or a combination of the bases set out in paragraph (1) and different bases or percentages agreed may be fixed in respect of different things done by the administrator or administrator's staff.

Former administrator's outlays and remuneration

3.98. For the purposes of paragraph 99 of Schedule B1, the former administrator's outlays and remuneration comprise those items set out in rule 3.51.

Appeal against fixing of remuneration.

3.99.—(1) If the administrator considers that the remuneration or outlays fixed for the administrator by the creditors' committee, or by decision of the creditors (including remuneration or outlays fixed under rule 3.96(6)) is insufficient, the administrator may apply to the court for an order increasing their amount or rate.

(2) The administrator must give at least 14 days' notice of the administrator's application to the members of the creditors' committee, and the committee may nominate one or more members to appear or be represented, and to be heard, on the application.

(3) If there is no creditors' committee, the administrator's notice of the administrator's application must be sent to such one or more of the company's creditors as the court may direct, which creditors may nominate one or more of their number to appear or be represented and heard.

(4) The court may order the expenses of the administrator's application, including the expenses of any member of the creditors' committee appearing or being represented on it, or any creditor so appearing or being represented, to be paid as an expense of the administration.

Creditor's claim that remuneration is excessive

3.100.—(1) If the administrator's remuneration and outlays have been fixed by the creditors' committee or by the creditors, any creditor or creditors of the company representing in value at least 25 percent of the creditors may apply to the court not later than eight weeks after the end of an accounting period for an order that the administrator's remuneration or outlays be reduced on the grounds that they are, in all the circumstances, excessive.

(2) The court may make an order fixing the remuneration or outlays at a reduced amount or rate.

(3) The court may order the expenses of the creditor making the application to be paid as an expense of the administration.

Remuneration of joint administrators

3.101. Where there are joint administrators—

(a) it is for them to agree between themselves as to how the remuneration or outlays payable should be apportioned;

(b) if they cannot agree as to how the remuneration or outlays payable should be apportioned, any one of them may refer the issue for determination—

(i) by the court, or

(ii) by resolution of the creditors' committee or a meeting of creditors.

CHAPTER 15

Claims by and distributions to Creditors

Application and interpretation of Chapter

3.102.—(1) This Chapter applies in any case where the administrator proposes to make a distribution to creditors or any class of them.

(2) Where the distribution is to a particular class of creditors, references in this Chapter are to be treated as, so far as the context requires, references to that class of creditors only.

Payments of dividends

3.103.—(1) On the final determination of the remuneration under rules 3.95 to 3.100 the administrator must, subject to rule 3.117, pay to the creditors their dividends in accordance with the scheme of division.

(2) Any dividend—

(a) allocated to a creditor which is not cashed or uplifted; or

(b) dependent on a claim in respect of which an amount has been set aside under rule 3.117(7) or (8);

must be held by the administrator in an appropriate bank or institution in the name of the Accountant of Court and the deposit receipts transmitted to the Accountant of Court.

(3) If a creditor's claim is revalued, the administrator may—

(a) in paying any dividend to that creditor, make such adjustment to it as the administrator considers necessary to take account of that revaluation; or

(b) require the creditor to repay to the administrator the whole or part of a dividend already paid to the creditor.

New administrator appointed

3.104.—(1) If a new administrator is appointed in place of another, the former administrator must, as soon as reasonably practicable, transmit to the new administrator all the creditors' claims which the former administrator has received, together with an itemised list of them.

(2) The new administrator must authenticate the list by way of receipt for the creditors' claims and return it to the former administrator.

(3) From then on, all creditors' claims must be sent to and retained by the new administrator.

Submission of claims

3.105.—(1) A creditor, in order to obtain an adjudication as to the creditor's entitlement to a dividend (so far as funds are available) out of the assets of the company in respect of any accounting period, must submit the creditor's claim to the administrator not later than eight weeks before the end of the accounting period.

(2) A creditor must submit a claim by producing to the administrator—

(a) a statement of claim as described in paragraph (3); and

(b) documentary evidence of debt.

but the administrator may dispense with the requirement of sub-paragraph (b) in respect of any debt or any class of debt.

(3) The statement of claim must—

(a) be made out by, or under the direction of, the creditor and dated and authenticated by the creditor or a person authorised on the creditor's behalf;

(b) state the creditor's name and address;

(c) if the creditor is a company, identify the company;

(d) state the name and address of any person authorised to act on behalf of the creditor;

(e) state the total amount as at the date of the administration order claimed in respect of all debts;

(f) state whether or not the claim includes any outstanding uncapitalised interest;

(g) contain particulars of how and when the debt was incurred by the company;

(h) contain particulars of any security held, the date on which it was given and the value which the creditor puts on it;

(i) include details of any retention of title in relation to goods to which the debt relates;

(j) state the nature and amount of any preference under Schedule 6 to the Act(**a**) claimed in respect of the debt;

(k) in the case of a member State liquidator creditor, specify and give details of underlying claims in respect of which the creditor is claiming;

(l) include any details of any document by reference to which the debt can be substantiated; and

(m) state the name, postal address and authority of the person authenticating the statement of claim and documentary evidence of debt (if someone other than the creditor).

(4) A claim submitted by a creditor, which has been accepted in whole or in part by the administrator for the purpose of drawing a dividend in respect of any accounting period, is to be deemed to have been resubmitted for the purpose of obtaining an adjudication as to the creditor's entitlement to a dividend in respect of an accounting period or, as the case may be, any subsequent accounting period.

(5) A creditor who has submitted a claim may at any time submit a further claim specifying a different amount for the claim, provided that a secured creditor is not entitled to produce a further claim specifying a different value for the security at any time after the administrator has required the creditor to discharge, or convey or assign, the security under rule 3.113.

False claims or evidence

3.106.—(1) If a creditor produces under rule 3.105 a statement of claim or documentary evidence of debt or other evidence which is false—

(a) the creditor is guilty of an offence unless the creditor shows that the creditor neither knew nor had reason to believe that the statement of claim or documentary evidence of debt or other evidence was false;

(b) the company is guilty of an offence if the company—

(i) knew or became aware that the statement of claim or documentary evidence of debt or other evidence was false; and

(ii) failed as soon as practicable after acquiring such knowledge to report it to the administrator.

Evidence of claims

3.107.—(1) The administrator, for the purpose of being satisfied as to the validity or amount of a claim submitted by a creditor under rule 3.105, may require—

(a) the creditor to produce further evidence; or

(b) any other person who the administrator believes can produce relevant evidence, to produce such evidence.

(2) If the creditor or other person refuses or delays to produce such evidence as required under paragraph (1), the administrator may apply to the court for an order requiring the creditor or other person to attend for private examination before the court.

(3) On an application to it under paragraph (2) above the court may make an order requiring the creditor or other person to attend for private examination before it on a date (being not earlier than eight days nor later than 16 days after the date of the order) and at a time specified in the order.

(4) If a creditor or other person is for any good reason prevented from attending for examination, the court may grant a commission to take the examination (the commissioner being in this rule referred to as an "examining commissioner").

(a) Amendments have been made to Schedule 6 which are not relevant to this instrument.

(5) At any private examination under paragraph (2) or where the court grants a commission to take the examination under paragraph (4), a solicitor or counsel may act on behalf of the administrator, or the administrator may appear on the administrator's own behalf.

(6) The examination, whether before the court or an examining commissioner, must be taken on oath.

(7) A person who fails without reasonable excuse to comply with an order made under paragraph (2) is guilty of an offence.

(8) References in this rule to a creditor in a case where the creditor is one of the following entities—

(a) a trust;

(b) a partnership (including a dissolved partnership);

(c) a body corporate or an unincorporated body;

(d) a limited partnership (including a dissolved partnership) within the meaning of the Limited Partnerships Act 1907,

are to be construed, unless the context otherwise requires, as references to a person representing the entity.

Adjudication of claims

3.108.—(1) Where funds are available for payment of a dividend out of the company's assets in respect of an accounting period, the administrator for the purpose of determining who is entitled to such a dividend must—

(a) not later than four weeks before the end of the period, accept or reject every claim submitted or deemed to have been re-submitted under rule 3.105; and

(b) at the same time make a decision on any matter requiring to be specified under paragraph (4)(a) or (b).

(2) On accepting or rejecting, under paragraph (1) above, every claim submitted or deemed to have been re-submitted, the administrator must, as soon as is reasonably practicable, send a list of every claim so accepted or rejected (including the amount of each claim and whether it has been accepted or rejected) to every creditor known to the administrator.

(3) Where the administrator rejects a claim, the administrator must without delay notify the creditor giving reasons for the rejection.

(4) Where the administrator accepts or rejects a claim, the administrator must specify for that claim—

(a) the amount of the claim accepted;

(b) the category of debt, and the value of any security, as decided by the administrator; and

(c) if rejecting the claim, the reasons for doing so.

(5) Any member of the company or any creditor may, if dissatisfied with the acceptance or rejection of any claim (or, in relation to such acceptance or rejection with a decision in respect of any matter requiring to be specified under paragraph (4)(a) or (b)) appeal to the court not later than 14 days before the end of the accounting period.

(6) Any reference in this rule to the acceptance or rejection of a claim is to be construed as a reference to the acceptance or rejection of the claim in whole or in part.

Entitlement to draw a dividend

3.109.—(1) A creditor who has had that creditor's claim accepted in whole or in part by the administrator under rule 3.108(1) or on appeal under rule 3.108(5) is entitled to payment out of the company's assets of a dividend in respect of the accounting period for the purposes of which the claim is accepted.

(2) Such entitlement to payment arises only in so far as the company has funds available to make that payment, having regard to rule 3.115.

Liabilities and rights of obligants

3.110.—(1) Where a creditor has an obligant bound to the creditor along with the company for the whole or part of the debt, the obligant is not freed or discharged from liability for the debt by reason of the dissolution of the company or the creditor's voting or drawing a dividend or assenting to or not opposing—

(a) the dissolution of the company; or

(b) any composition with creditors.

(2) Paragraph (3) applies where—

(a) a creditor has had a claim accepted in whole or in part; and

(b) the obligant holds a security over any part of the company's assets.

(3) The obligant must account to the administrator so as to put the company's assets in the same position as if the obligant had paid the debt to the creditor and thereafter had had the obligant's claim accepted in whole or in part in the administration after deduction of the value of the security.

(4) The obligant may require and obtain at the obligant's own expense from the creditor an assignation of the debt on payment of the amount of the debt, and on that being done may in respect of the debt submit a claim, and vote and draw a dividend, if otherwise legally entitled to do so.

(5) Paragraph (4) is without prejudice to any right, under any rule of law, of an obligant who has paid the debt.

(6) In this rule an "obligant" includes a cautioner.

Amount which may be claimed generally

3.111.—(1) Subject to the provisions of this rule and rules 3.112 and 3.113 the amount in respect of which a creditor is entitled to claim is the accumulated sum of principal and any interest which is due on the debt as at the date on which the company entered administration.

(2) If a debt does not depend on a contingency but would not be payable but for the administration until after the date on which the company entered administration, the amount of the claim is to be calculated as if the debt were payable on the date on which the company entered administration but subject to the deduction of interest at the rate specified in paragraph (4) from that date until the date for payment of the debt.

(3) In calculating the amount of a creditor's claim, the creditor must deduct any discount (other than any discount for immediate or early settlement) which is allowable by contract or course of dealing between the creditor and the company or by the usage of trade.

(4) The rate of interest referred to in paragraph (2) is to be whichever is the greater of—

(a) the official rate at the date the company entered administration; or

(b) the rate applicable to that debt apart from the administration.

(5) Where the administration was immediately preceded by a liquidation, the reference to the date on which the company entered administration in paragraph (1) and the second reference to that date in paragraph (2) are to be construed as references to the date the company went into liquidation.

Debts depending on contingency

3.112.—(1) Subject to paragraph (2), the amount which a creditor is entitled to claim is not to include a debt in so far as its existence or amount depends on a contingency.

(2) On an application by the creditor—

(a) to the administrator; or

(b) if there is no administrator, to the court,

the administrator or court must put a value on the debt in so far as it is contingent.

(3) Where under paragraph (2) a value is put on the debt—

(a) the amount in respect of which the creditor is then entitled to claim is to be that value but no more;

(b) where the contingent debt is an annuity, a cautioner may not then be sued for more than that value.

(4) Any interested person may appeal to the court against a valuation under paragraph (2) by the administrator, and the court may affirm or vary that valuation.

Secured debts

3.113.—(1) In calculating the amount of a secured creditor's claim the secured creditor is to deduct the value of any security as estimated by the secured creditor.

(2) If the secured creditor surrenders, or undertakes in writing to surrender, a security for the benefit of the company's assets, the secured creditor is not required to deduct the value of that security.

(3) The administrator may, at any time after the expiry of 12 weeks from the date on which the company entered administration, require a secured creditor at the expense of the company's assets to discharge the security or convey or assign it to the administrator on payment to the creditor of the value specified by the creditor.

(4) Where under paragraph (3) the administrator makes payment to the creditor, the amount in respect of which the creditor is then entitled to claim is to be any balance of the creditor's debt remaining after receipt of such payment.

(5) In calculating the amount of the claim of a creditor whose security has been realised the creditor must deduct the amount (less the expenses of realisation) which the creditor has received, or is entitled to receive, from the realisation.

Claims in foreign currency

3.114.—(1) A creditor may state the amount of his or her claim in a currency other than sterling where—

(a) the creditor's claim is constituted by decree or other order made by a court ordering the company to pay to the creditor a sum expressed in a currency other than sterling; or

(b) where it is not so constituted, the creditor's claim arises from a contract or bill of exchange in terms of which payment is or may be required to be made by the company to the creditor in a currency other than sterling.

(2) Where under paragraph (1) a claim is stated in a currency other than sterling the administrator must convert it into sterling at a single rate for each currency determined by the administrator by reference to the exchange rates prevailing in the London market at the close of business on the date on which the company entered administration or, if the administration was immediately preceded by a liquidation, on the date on which the company went into liquidation.

Order of priority in distribution

3.115.—(1) The funds of the company's assets must be distributed by the administrator to meet the following expenses and debts in the order in which they are mentioned—

(a) the expenses of the administration;

(b) any preferential debts within the meaning of section 386(**a**) (excluding any interest which has been accrued thereon to the date on which the company entered administration);

(c) ordinary debts, that is to say a debt which is neither a secured debt nor a debt mentioned in any other sub-paragraph of this paragraph;

(d) interest at the official rate, between the date on which the company entered administration and the date of payment, on—

(i) the preferential debts, and

(ii) the ordinary debts; and

(e) any postponed debt.

(2) In paragraph (1)—

(a) "postponed debt" means—

(i) a creditor's right to any alienation which has been reduced or restored to the company's assets under section 242 or to the proceeds of the sale of such an alienation,

(ii) a claim arising by virtue of section 382(1)(a) of the Financial Services and Markets Act 2000(**b**) (restitution orders), unless it is also a claim arising by virtue of sub-paragraph (b) of that section (a person who has suffered loss etc.), or

(iii) in administration, a claim which by virtue of the Act or any other enactment is a claim the payment of which is to be postponed;

(b) in sub-paragraph (d), where the administration was immediately preceded by a winding up, the reference to the date on which the company entered administration is to be construed as the date the company went into liquidation.

(3) The expenses of the administration mentioned in paragraph (1)(a) are payable in the order of priority mentioned in rule 3.116.

(4) Subject to section 175—

(a) any debt falling within either of paragraphs (1)(b) or (c) is to have the same priority as any other debt falling within the same sub-paragraph; and

(b) where the funds of the company's assets are inadequate to enable such debts to be paid in full, they are to abate in equal proportions.

(5) Any surplus remaining, after all expenses and debts mentioned in paragraph (1) have been paid in full, must (unless the articles of the company provide otherwise) be distributed among the members according to their rights and interests in the company.

(6) Nothing in this rule affects—

(a) the right of a secured creditor which is preferable to the rights of the administrator; or

(b) any preference of the holder of a lien over a title deed or other document which the administrator has taken into his or her possession or control in accordance with paragraph 67 of Schedule B1.

Order of priority of expenses of administration

3.116.—(1) Subject to rule 3.51 the expenses of the administration are payable out of the assets in the following order of priority—

(a) any outlays properly chargeable or incurred by the administrator in carrying out its functions in the administration, except those outlays specifically mentioned in the following sub-paragraphs;

(a) Section 386 was amended by paragraph 18 of schedule 8 of the Pensions Schemes Act 1993 (c.48), section 13(2) of the Financial Services (Banking Reform) Act 2013 (c.33), S.I. 2003/2093, S.I. 2014/3486 and S.I. 2015/486.

(b) 2000 c.8. Section 382(1) was amended by paragraph 21(2) of Schedule 9 to the Financial Services Act 2012 (c.21).

(b) the cost, or proportionate cost, of any caution provided by an administrator in accordance with the Act or these Rules;

(c) the expenses of the applicant in the administration, and of any person appearing in the petition whose expenses are allowed by the court;

(d) the remuneration or emoluments of any person who has been employed by the administrator to perform any services for the company, as required or authorised by or under the Act or these Rules;

(e) the remuneration of the administrator determined in accordance with rules 3.95 to 3.101;

(f) the amount of any corporation tax on chargeable gains accruing on the realisation of any asset of the company (without regard to whether the realisation is effected by the administrator, a secured creditor or otherwise).

Estate to be distributed in respect of the accounting periods

3.117.—(1) The administrator must make up accounts of the administrator's intromissions with the company's assets in respect of each accounting period.

(2) In this rule, "accounting period" is to be construed as follows—

(a) the first accounting period is the period of six months beginning with the date on which the company entered administration; and

(b) any subsequent accounting period is the period of six months beginning with the end of the last accounting period except that—

(i) where the administrator and the creditors' committee agree; or

(ii) where there is no creditors' committee, the court determines,

the accounting period is to be such other period beginning with the end of the last accounting period as may be agreed or, as the case may be determined, it is to be that other period.

(3) An agreement or determination under paragraph (2)(b)—

(a) may be made in respect of one or more than one accounting period;

(b) may be made before the beginning of the accounting period in relation to which it has effect and, in any event, is not to have effect unless made before the day on which such accounting period would, but for the agreement or determination, have ended;

(c) may provide for different accounting periods to be of different durations.

(4) The administrator may make a distribution to secured or preferential creditors or, where the administrator has the permission of the court, to unsecured creditors only if-

(a) the administrator has sufficient funds for the purpose;

(b) the administrator does not intend to give notice pursuant to paragraph 83 of Schedule B1(**a**);

(c) the administrator's statement of proposals, as approved by the creditors under paragraph 53(1) or 54(5) of Schedule B1(**b**), contains a proposal to make a distribution to the class of creditors in question, and

(d) the payment of a dividend is consistent with the functions and duties of the administrator and any proposals made by the administrator or which the administrator intends to make.

(5) The administrator may pay—

(a) the expenses of the administration mentioned in rule 3.116(1)(a), other than the administrator's own remuneration, at any time;

(b) the preferential debts within the meaning of section 386 at any time but only with the consent of the creditors' committee or, if there is no creditors' committee, of the court.

(a) Paragraph 83 is amended by section 128(3) of the 2015 Act.

(b) Paragraph 53 is amended by paragraph 10(8) to (10) of Schedule 9 to the 2015 Act. Paragraph 54 is amended by paragraph 10(11) to (16) of Schedule 9 to the 2015 Act.

(6) If the administrator—

(a) is not ready to pay a dividend in respect of an accounting period; or

(b) considers it would be inappropriate to pay such a dividend because the expenses of doing so would be disproportionate to the amount of the dividend,

the administrator may postpone such payment to a date not later than the time for payment of a dividend in respect of the next accounting period.

(7) Where an appeal is taken under rule 3.108(5) against the acceptance or rejection of a creditor's claim, the administrator must at the time of payment of dividends and until the appeal is determined, set aside an amount which would be sufficient, if the determination in the appeal were to provide for the claim being accepted in full, to pay a dividend in respect of that claim.

(8) Where a creditor—

(a) has failed to produce evidence in support of a claim earlier than eight weeks before the end of an accounting period on being required by the administrator to do so under rule 3.107; and

(b) has given a reason for such failure which is acceptable to the administrator,

the administrator must set aside, for such time as is reasonable to enable the creditor to produce that evidence or any other evidence that will enable the administrator to be satisfied under rule 3.107 an amount which would be sufficient, if the claim were accepted in full, to pay a dividend in respect of that claim.

(9) Where a creditor submits a claim to the administrator later than eight weeks before the end of an accounting period but more than eight weeks before the end of a subsequent accounting period in respect of which, after making allowance for contingencies, funds are available for the payment of a dividend, the administrator must, if accepting the claim in whole or in part, pay to the creditor—

(a) the same dividend or dividends as has or have already been paid to creditors of the same class in respect of any accounting period or periods; and

(b) whatever dividend may be payable to that creditor in respect of the said subsequent accounting period

provided that paragraph (a) above is without prejudice to any dividend which has already been paid.

(10) In the declaration of and payment of a dividend, no payments are to be made more than once by virtue of the same debt.

(11) Subject to any notification by the person entitled to a dividend given to the administrator that the person wishes the dividend to be paid to another person, or has assigned that entitlement to another person, where both a creditor and a member State liquidator have had a claim accepted in relation to the same debt, payment is only to be made to the creditor.

Small debts

3.118.—(1) A creditor is deemed to have submitted a claim for the purposes of adjudication of entitlement to and payment of a dividend but not otherwise where—

(a) the debt is a small debt;

(b) notice has been delivered to the creditor under rule 3.119; and

(c) the creditor has not advised the administrator that the debt is incorrect or not owed in response to the notice.

(2) In this rule "small debt" means a debt (being the total amount owed to a creditor) which does not exceed £1,000 (which amount is prescribed for the purposes of paragraph 13A(**a**) of Schedule 8 to the Act and paragraph 18A(**b**) of Schedule 9 to the Act.

(a) Paragraph 13A is inserted by section 131 of the 2015 Act.
(b) Paragraph 18A is inserted by section 132 of the 2015 Act.

Contents of notice to be delivered to creditors owed small debts etc.

3.119.—(1) The administrator may treat a debt, which is a small debt according to the accounting records or the statement of affairs of the company, as if it were accepted under rule 3.108 for the purpose of paying a dividend.

(2) Where the administrator intends to treat such a debt as if it were accepted under rule 3.108 for the purpose of payment of a dividend, the administrator must not later than 12 weeks before the end of the accounting period deliver to the creditor a notice.

(3) The notice must—

(a) state the amount of the debt which the administrator believes to be owed to the creditor according to the accounting records or statement of affairs of the company;

(b) state that the administrator will treat the debt which is stated in the notice, being for £1,000 or less, as accepted for the purpose of payment of a dividend unless the creditor advises the administrator that the amount of the debt is incorrect or that no debt is owed;

(c) require the creditor to notify the administrator by not later than eight weeks before the end of the accounting period if the amount of the debt is incorrect or if no debt is owed; and

(d) inform the creditor that where the creditor advises the administrator that the amount of the debt is incorrect the creditor must also submit not later than eight weeks before the end of the accounting period a statement of claim and documentary evidence of debt (see rule 3.105) in order to receive a dividend.

PART 4

BLOCK TRANSFER OF PROCEEDINGS

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1]

Power to make a block transfer order

4.1.—(1) Part 4 applies where it is expedient to transfer some or all of the cases in which an outgoing office-holder ("the outgoing office-holder") holds office to one or more office-holders ("the replacement office-holder") in a single transaction where the outgoing office-holder—

(a) dies;

(b) retires from practice; or

(c) is otherwise unable or unwilling to continue in office.

(2) In a case to which this Part applies the Court of Session has the power to make an order ("a block transfer order") appointing a replacement office-holder in the place of the outgoing office-holder to be—

(a) administrator in any administration; or

(b) supervisor of a CVA.

(3) The replacement office-holder must be qualified to act as an insolvency practitioner in relation to the company.

Application for a block transfer order

4.2.—(1) An application for a block transfer order may be made to the Court of Session for—

(a) the removal of the outgoing office-holder by the exercise of any of the powers in paragraph (2);

(b) the appointment of a replacement office-holder by the exercise of any of the powers in paragraph (3); or

(c) such other order or direction as may be necessary or expedient in connection with the matters referred to in sub-paragraphs (a) and (b).

(2) The powers referred to in paragraph (1)(a) are those in—

(a) section 7(5) and paragraph 39(6) of Schedule A1; and

(b) paragraph 88 of Schedule B1 and rule 4.1(2).

(3) The powers referred to in paragraph (1)(b) are those in —

(a) section 7(5) and paragraph 39(6) of Schedule A1; and

(b) paragraphs 63, 91 and 95 of Schedule B1 and rule 4.12(2).

(4) Subject to paragraph (5), the application may be made by any of the following—

(a) the outgoing office-holder (if able and willing to do so);

(b) any person who holds office jointly with the outgoing office-holder;

(c) any person who is proposed to be appointed as the replacement office-holder;

(d) any creditor in a case subject to the application;

(e) the recognised professional body which was the source of the outgoing office-holder's authorisation (immediately before the application is made); or

(f) the Secretary of State.

(5) Where one or more of the outgoing office-holders in the schedule required by paragraph (8) is an administrator, an application may not be made unless the applicant is a person permitted to apply to replace the outgoing office-holder under section 13 or paragraph 63, 91 or 95 of Schedule B1 or such a person is joined as applicant in relation to the replacement of the outgoing office-holder.

(6) An applicant (other than the Secretary of State) must deliver a notice of the intended application to the Secretary of State on or before the date the application is made.

(7) The application must be served on—

(a) the outgoing office-holder (if not the applicant or deceased);

(b) any person who holds office jointly with the outgoing office-holder; and

(c) such other person as the Court of Session directs.

(8) The application must contain a schedule setting out—

(a) identification details for the insolvency proceedings; and

(b) the capacity in which the outgoing office-holder was appointed.

(9) The application must be supported by evidence—

(a) setting out the circumstances as a result of which it is expedient to appoint a replacement office-holder; and

(b) exhibiting the consent to act of each person who is proposed to be appointed as replacement office-holder.

Action following application for a block transfer order

4.3.—(1) In cases relating to the appointment of a supervisor of a CVA, in deciding to what extent (if any) the costs of making an application under rule 4.2 should be paid as an expense of the CVA proceedings to which the application relates, the factors to which the Court of Session must have regard include—

(a) the reasons for the making of the application;

(b) the number of cases to which the application relates;

(c) the value of the assets comprised in those cases; and

(d) the nature and extent of the costs involved.

(2) Where an application relates to the appointment of an administrator and is made by a person under section 13 or paragraph 63, 91 or 95 of Schedule B1, the costs of making that application are to be paid as an expense of the administration to which the application relates unless the Court of Session directs otherwise.

(3) Notice of any appointment made under rule 4.2 must be delivered by the replacement office-holder—

(a) to the Secretary of State as soon as reasonably practicable; and

(b) to—

(i) the creditors in the first progress report following such appointment,

(ii) such other persons as the Court of Session may direct, in such manner as the court may direct.

PART 5

DECISION MAKING

CHAPTER 1

Application of Part

Application of Part

5.1. In this Part—

(a) Chapters 2 to 9 apply where the Act or these Rules require a decision to be made by a qualifying decision procedure or permit a decision to be made by the deemed consent procedure; and

(b) Chapter 10 applies to company meetings.

CHAPTER 2

Decision procedures

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Interpretation

5.2.—(1) In these Rules—

"decision date" means—

(a) in the case of a decision to be made at a meeting, the date of the meeting;

(b) in the case of a decision to be made either by a decision procedure other than a meeting or by the deemed consent procedure, the date the decision is to be made or deemed to have been made; and

a decision falling within sub-paragraph (b) is to be treated as made at 23:59 on the decision date;

"decision procedure" means a qualifying decision procedure prescribed by rule 5.3;

"electronic voting" includes any electronic system which enables a person to vote without the need to attend at a particular location to do so;

"physical meeting" means a meeting where the creditors are invited to be present together at the same place (whether or not it is possible to attend the meeting without being present at that place);

"virtual meeting" means a meeting where persons who are not invited to be physically present together may participate in the meeting including communicating directly with all the other participants in the meeting and voting (either directly or via a proxy-holder).

(2) The decision date is to be set at the discretion of the convener, but must be not less than 14 days from the date of delivery of the notice, except where the table in rule 5.11 requires a different period or the court directs otherwise.

The prescribed decision procedures

[Note: under section 246ZE a decision may not be made by a creditors' meeting (a physical meeting) unless the prescribed proportion of the creditors request in writing that the decision be made by such a meeting.]

5.3.—(1) The following decision procedures are prescribed for the purpose of section 246ZE(**a**) by which a convener may seek a decision under the Act or these Rules from creditors—

(a) correspondence;

(b) electronic voting;

(c) virtual meeting;

(d) physical meeting;

(e) any other decision making procedure which enables all creditors who are entitled to participate in the making of the decision to participate equally.

Electronic voting

5.4. Where the decision procedure uses electronic voting—

(a) the notice delivered to creditors in accordance with rule 5.8 must give them any necessary information as to how to access the voting system including any password required;

(b) except where electronic voting is being used at a meeting, the voting system must be a system capable of enabling a creditor to vote at any time between the notice being delivered and the decision date; and

(c) in the course of a vote the voting system must not provide any creditor with information concerning the vote cast by any other creditor.

Virtual meetings

5.5. Where the decision procedure uses a virtual meeting the notice delivered to creditors in accordance with rule 5.8 must contain—

(a) any necessary information as to how to access the virtual meeting including any telephone number, access code or password required; and

(b) a statement that the meeting may be suspended or adjourned by the chair of the meeting (and must be adjourned if it is so resolved at the meeting).

Physical meetings

5.6.—(1) A request for a physical meeting under section 246ZE(3) may be made before or after the notice of the decision procedure or deemed consent procedure has been delivered, but must be made not later than five business days after the date on which the convener delivered the notice of the decision procedure or deemed consent procedure unless these Rules provide to the contrary.

(**a**) Section 246ZE was added by section 122 of the 2015 Act. Subsection (11) provides that "qualifying decision procedure" means a procedure prescribed or authorised under paragraph 8A of Schedule 8 to the Act.

(2) It is the convener's responsibility to check whether any requests for a physical meeting are submitted before the deadline and if so whether in aggregate they meet or surpass one of the thresholds requiring a physical meeting under section 246ZE(7).

(3) Where the prescribed proportion of creditors require a physical meeting the convener must summon the meeting by giving notice which complies with rule 5.8 so far as applicable and which must also contain a statement that the meeting may be suspended or adjourned by the chair of the meeting (and must be adjourned if it is so resolved at the meeting).

(4) In addition, the notice under paragraph (3) must inform the creditors that as a result of the requirement to hold a physical meeting the original decision procedure or the deemed consent procedure is superseded.

(5) The convener must send the notice under paragraph (3) not later than three business days after one of the thresholds requiring a physical meeting has been met or surpassed.

(6) The convener—

(a) may permit a creditor to attend a physical meeting remotely if the convener receives a request to do so in advance of the meeting; and

(b) must include in the notice of the meeting a statement explaining the convener's discretion to permit remote attendance.

(7) In this rule, attending a physical meeting "remotely" means attending and being able to participate in the meeting without being in the place where the meeting is held.

(8) For the purpose of determining whether the thresholds under section 246ZE(7) are met, the convener must calculate the value of the creditor's debt by reference to rule 5.28.

Deemed consent

[Note: the deemed consent procedure cannot be used to make a decision on remuneration of any person, or where the Act, these Rules, any other legislation or a court order requires a decision to be made by a decision procedure.]

5.7.—(1) This rule makes further provision about the deemed consent procedure to that set out in section 246ZF.

(2) A notice seeking deemed consent must, in addition to the requirements of section 246ZF, comply with the requirements of rule 5.8 so far as applicable and must also contain—

(a) a statement that in order to object to the proposed decision a creditor must have delivered a notice, stating that the creditor so objects, to the convener not later than the decision date together with a statement of claim and documentary evidence of debt in accordance with these Rules, failing which the objection will be disregarded;

(b) a statement that it is the convener's responsibility to aggregate any objections to see if the threshold is met for the decision to be taken as not having been made; and

(c) a statement that if the threshold is met the deemed consent procedure will terminate without a decision being made and if a decision is sought again on the same matter it will be sought by a decision procedure.

(3) In this rule, the threshold is met where the appropriate number of relevant creditors (as defined in section 246ZF(7)) have objected to the proposed decision.

(4) For the purpose of aggregating objections, the convener may presume the value of relevant creditors' claims to be the value of claims by those creditors who, in the convener's view, would have been entitled to vote had the decision been sought by a decision procedure in accordance with this Part, even where those creditors had not already met the criteria for such entitlement to vote.

(5) Rules 5.28, 5.29 and 5.30 apply to the admission or rejection of a claim for the purpose of ~~the convener deciding whether or not an objection should count towards the total aggregated~~ objections.

(6) A decision of the convener on the aggregation of objections under this rule is subject to appeal under rule 5.32 as if it were a decision under Chapter 7 of this Part.

CHAPTER 3

Notices, voting and venues for decisions

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Notices to creditors of decision procedure

5.8.—(1) This rule sets out the requirements for notices to creditors where a decision is sought by a decision procedure.

(2) The convener must deliver a notice to every creditor who is entitled to notice of the procedure.

(3) The notice must contain the following—

(a) identification details for the insolvency proceedings;

(b) details of the decision to be made or of any resolution on which a decision is sought;

(c) a description of the decision procedure which the convener is using, and arrangements, including the venue, for the decision procedure;

(d) a statement of the decision date;

(e) except in the case of a decision in relation to a proposed CVA, a statement as to when the creditor must have delivered a statement of claim and documentary evidence of debt in accordance with these Rules failing which a vote by the creditor will be disregarded;

(f) a statement that a creditor whose debt is treated as a small debt in accordance with rule 3.118 must still deliver a statement of claim and documentary evidence of debt if that creditor wishes to vote;

(g) a statement that a creditor who has opted out from receiving notices may nevertheless vote if the creditor provides a statement of claim and documentary evidence of debt in accordance with paragraph (e);

(h) in the case of a decision in relation to a proposed CVA, a statement of the effects of the relevant provisions of the following—

(i) rule 5.26 about creditors' voting rights,

(ii) rule 5.28 about the calculation of creditors' voting rights, and

(iii) rule 5.31 about the requisite majority of creditors for making decisions;

(i) except in the case of a physical meeting, a statement that creditors who meet the thresholds in section 246ZE(7) may, within five business days from the date of delivery of the notice, require a physical meeting to be held to consider the matter;

(j) in the case of a meeting, a statement that any proxy must be delivered to the convener or chair before it may be used at the meeting;

(k) in the case of a meeting, a statement that, where applicable, a complaint may be made in accordance with rule 5.35 and the period within which such a complaint may be made; and

(l) a statement that a creditor may appeal a decision in accordance with rule 5.32, and the relevant period under rule 5.32 within which such an appeal may be made.

(4) The notice must be authenticated and dated by the convener.

(5) Where the decision procedure is a meeting the notice must be accompanied by a blank proxy complying with rule 6.3.

(6) This rule does not apply if the court orders under rule 5.12 that notice of a decision procedure be given by advertisement only.

Voting in a decision procedure

5.9.—(1) In order to be counted in a decision procedure other than where votes are cast at a meeting, votes must—

(a) be received by the convener on or before the decision date; and

(b) in the case of a vote cast by a creditor—

(i) in a CVA, be accompanied by written notification of the creditor's debt unless such a notification has already been given to the convener;

(ii) in an administration, be accompanied by a statement of claim and documentary evidence of debt (where the requirement to provide the latter is not dispensed with under rule 5.26(2)) unless already given to the convener.

(2) In an administration, a vote must be disregarded if—

(a) a statement of claim and, where required, documentary evidence of debt are not received by the convener on or before the decision date or, in the case of a meeting, at or before the meeting (unless under rule 5.24 the chair is content to accept them before resumption of the adjourned meeting); or

(b) the convener decides, in the application of Chapter 7 of this Part, that the creditor is not entitled to cast the vote.

(3) The convener must have received at least one valid vote on or before the decision date in order for a decision to be made.

Venue for the decision procedure

5.10. The convener must have regard to the convenience of those invited to participate when fixing the venue for a decision procedure (including the resumption of an adjourned meeting).

Notice of decision procedures or of seeking deemed consent: when and to whom delivered

[Note: when an office-holder is obliged to give notice to "the creditors", this is subject to rule 1.33, which limits the obligation to giving notice to those creditors of whose address the office-holder is aware.]

5.11.—(1) Notices of decision procedures, and notices seeking deemed consent, must be delivered in accordance with the following table.

Proceedings	*Decisions*	*Persons to whom notice must be delivered*	*Minimum notice required*
administration	decisions of creditors	the creditors who had claims against the company at the date when the company entered administration (except for those who have subsequently been paid in full)	14 days
proposed CVA	decisions of creditors	the creditors	7 days for a decision on proposed modifications to the proposal from the company's directors ~~under paragraph 31(7)~~ of Schedule A1; 7 days for consideration of proposal where

			physical meeting requisitioned; in other cases, 14 days
main proceedings in another member State	approval under Article 36(5) of the EU Regulation of proposed undertaking offered by a member State liquidator	all the local creditors in the United Kingdom	14 days

(2) This rule does not apply where the court orders under rule 5.12 that notice of a decision procedure be given by advertisement only.

Notice of decision procedure by advertisement only

5.12.—(1) The court may order that notice of a decision procedure is to be given by advertisement only and not by individual notice to the persons concerned.

(2) In considering whether to make such an order, the court must have regard to the relative cost of advertisement as against the giving of individual notices, the amount of assets available and the extent of the interest of creditors or members or any particular class of them.

(3) The advertisement must meet the requirements for a notice under rule 5.8(3), and must also state—

(a) that the court ordered that notice of the decision procedure be given by advertisement only; and

(b) the date of the court's order.

Gazetting and advertisement

5.13.—(1) In an administration, where a decision is being sought in a meeting the convener must gazette a notice stating—

(a) that a meeting of creditors is to take place;

(b) the venue for the meeting;

(c) the purpose of the meeting; and

(d) the time and date by which, and the place at which, those attending must deliver proxies and statements of claim and documentary evidence of debt (if not already delivered) in order to be entitled to vote.

(2) The notice must also state—

(a) who is the convener in respect of the meeting; and

(b) if the meeting results from a request of one or more creditors under section 246ZE, the fact that it was so summoned.

(3) The notice must be gazetted before or as soon as reasonably practicable after notice of the meeting is delivered in accordance with these Rules.

(4) Information to be gazetted under this rule may also be advertised in such other manner as the convener thinks fit.

(5) The convener may gazette other decision procedures or the deemed consent procedure in which case the equivalent information to that required by this rule must be stated in the notice.

Notice to company officers in respect of meetings

5.14.—(1) In a proposal for a CVA or in an administration, notice to participate in a creditors' meeting must be delivered to every present or former officer of the company whose presence the convener thinks is required and that person is required to attend the meeting.

(2) A notice under this rule must be delivered in compliance with the minimum notice requirements set out in rule 5.11 or in compliance with an order of the court under rule 5.12.

Non-receipt of notice of decision

5.15. Where a decision is sought by a notice in accordance with the Act or these Rules, the decision procedure or deemed consent procedure is presumed to have been duly initiated and conducted, even if not everyone to whom the notice is to be delivered has received it.

Decisions on remuneration and conduct

5.16.—(1) This rule applies in relation to a decision or resolution which is proposed in an administration, and which affects a person in relation to that person's remuneration or conduct as administrator (actual, proposed or former).

(2) The following may not vote on such a decision or resolution whether as a creditor, proxy-holder or corporate representative, except so far as permitted by rule 6.7 (proxy-holder with financial interest)—

(a) that person;

(b) the partners and employees of that person;

(c) the officers and employees of the company of which that person is a director, officer or employee; and

(d) the representative of any person mentioned in sub-paragraphs (a) to (c).

CHAPTER 4

Requisitioned decisions

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Requisitions of decision

[Note: this rule is concerned with requests by creditors for a decision, rather than requests for decisions to be made by way of a physical meeting under section 246ZE(3).]

5.17.—(1) In this Chapter, "requisitioned decision" means a decision requested to be sought under paragraph 52(2) or 56(1) of Schedule B1.

(2) A request for a decision to be sought under paragraph 52(2) of Schedule B1 must be delivered within eight business days of the date on which the administrator's statement of proposals is delivered.

(3) The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a copy of the requesting creditor's statement of claim, together with—

(i) a list of the creditors concurring with the request and of the amounts of their respective claims, and

(ii) confirmation of concurrence from each creditor concurring; or

(b) a copy of the requesting creditor's statement of claim and a statement that that alone is sufficient without the concurrence of other creditors.

Expenses and timing of requisitioned decision

5.18.—(1) The convener must, not later than 14 days from receipt of a request for a requisitioned decision, provide the requesting creditor with itemised details of the sum to be deposited as caution for payment of the expenses of such procedure.

(2) The convener is not obliged to initiate the decision procedure or deemed consent procedure (where applicable) until either—

(a) the convener has received the required sum; or

(b) the period of 14 days has expired without the convener having informed the requesting creditor of the sum required to be deposited as caution.

(3) A requisitioned decision must be made within 28 days of the date on which the earlier of the events specified in paragraph (2) of this rule occurs.

(4) The expenses of a requisitioned decision must be paid out of the deposit (if any) unless the creditors decide that they are to be payable as an expense of the administration.

(5) The notice of a requisitioned decision of creditors must contain a statement that the creditors may make a decision as in paragraph (4) of this rule.

(6) Where the creditors do not so decide, the expenses must be paid by the requesting creditor to the extent that the deposit (if any) is not sufficient.

(7) To the extent that the deposit (if any) is not required for payment of the expenses, it must be repaid to the requesting creditor.

CHAPTER 5

Constitution of Meetings

Quorum at meetings

5.19.—(1) A meeting is not competent to act unless a quorum is in attendance.

(2) In the case of a meeting of creditors, a quorum is at least one creditor entitled to vote.

(3) Where the provisions of this rule as to quorum are satisfied by the attendance of the chair alone or the chair and one additional person, but the chair is aware, either by virtue of statements of claim and documentary evidence of debt and proxies received or otherwise, that one or more additional persons would, if attending, be entitled to vote, the chair must delay the start of the meeting by at least 15 minutes after the appointed time.

(4) In this rule, the reference to the number of creditors necessary to constitute a quorum includes those represented by proxy by any person (including the chair).

Chair at meetings

5.20. The chair of a meeting must be—

(a) the convener; or

(b) an appointed person.

The chair – attendance, interventions and questions

5.21. The chair of a meeting may—

(a) allow any person who has given reasonable notice of wishing to attend to participate in a virtual meeting or to be admitted to a physical meeting;

(b) decide what intervention, if any, may be made at a meeting of creditors by any person attending who is not a creditor; and

decide what questions may be put to any present or former officer of the company.

CHAPTER 6

Adjournment and suspension of meetings

Adjournment by chair

5.22.—(1) The chair may (and must if it is so resolved) adjourn a meeting for not more than 14 days, subject to any direction of the court.

(2) Any further adjournment under this rule must not be to a day later than 14 days after the date on which the meeting was originally held, subject to any direction of the court.

(3) But in a case relating to a proposed CVA, the chair may, and must if the meeting so resolves, adjourn a meeting held under paragraph 29(1) of Schedule A1 to a day which is not more than 14 days after the date on which the moratorium (including any extension) ends.

Adjournment in absence of chair

5.23.—(1) In an administration, if no one attends to act as chair within 30 minutes of the time fixed for a meeting to start, then the meeting is adjourned to the same time and place the following week or, if that is not a business day, to the business day immediately following.

(2) If no one attends to act as chair within 30 minutes of the time fixed for the meeting after a second adjournment under this rule, then the meeting comes to an end.

Statements of claim and documentary evidence of debt in adjournment

5.24. Where a meeting in an administration is adjourned, the chair may allow a statement of claim and documentary evidence of debt (where required) to be used if delivered at or before resumption of the adjourned meeting.

Suspension

5.25. The chair of a meeting may, without an adjournment, declare the meeting suspended for one or more periods not exceeding one hour in total (or, in exceptional circumstances, such longer total period during the same day as the chair may determine).

CHAPTER 7

Creditors' voting rights and majorities

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Creditors' voting rights

5.26.—(1) In an administration, a creditor is entitled to vote in a decision procedure or to object to a decision proposed using the deemed consent procedure only if—

(a) the creditor has delivered to the convener a statement of claim and documentary evidence of debt, including any calculation for the purposes of rule 5.28 or 5.29;

(b) the statement of claim and documentary evidence of debt were received by the convener not later than the decision date, or in the case of a meeting, at or before the meeting; and

(c) the statement of claim and documentary evidence of debt has been admitted for the purposes of entitlement to vote.

(2) The convener or chair may dispense with the requirement to produce documentary evidence of debt in paragraph (1)(a).

(3) In the case of a meeting, a proxy-holder is not entitled to vote on behalf of a creditor unless the convener or chair has received the proxy intended to be used on behalf of that creditor.

(4) In a decision relating to a proposed CVA every creditor, secured or unsecured, who has notice of the decision procedure is entitled to vote in respect of that creditor's debt.

(5) Where a decision is sought in an administration under rule 3.52(3)(b), rule 3.96(5) or rule 3.96(6), creditors are entitled to participate to the extent stated in those rules.

Claim made in proceedings in other member States

5.27.—(1) Where, in an administration,—

(a) a creditor is entitled to vote under rule 5.26 (as determined, where that is the case, in accordance with rule 5.32);

(b) that creditor has made the claim in other proceedings;

(c) that creditor votes on a resolution in a decision procedure; and

(d) a member State liquidator casts a vote in respect of the same claim,

only the creditor's vote is to be counted.

(2) Where, in an administration,—

(a) a creditor has made a claim in more than one set of other proceedings; and

(b) more than one member State liquidator seeks to vote in respect of that claim,

the entitlement to vote in respect of that claim is exercisable by the member State liquidator in the main proceedings, whether or not the creditor has made the claim in the main proceedings.

(3) In this rule, "other proceedings" mean main, secondary or territorial proceedings in another member State.

Calculation of voting rights

5.28.—(1) Votes are calculated according to the amount of each creditor's claim—

(a) in an administration, as at the date on which the company entered administration, less—

(i) any payments that have been made to the creditor after that date in respect of the claim, and

(ii) any adjustment by way of set-off which has been made in accordance with that principle or would have been made if that principle were applied on the date on which the votes are counted;

(b) in a proposed CVA—

(i) at the date the company went into liquidation where the company is being wound up,

(ii) at the date the company entered administration (less any payments made to the creditor after that date in respect of the claim) where it is in administration,

(iii) at the beginning of the moratorium where a moratorium has been obtained (less any payments made to the creditor after that date in respect of the claim), or

(iv) where (i) to (iii) do not apply, at the decision date.

(2) A creditor may vote in respect of a debt of an unliquidated or unascertained amount if the convener or chair decides to put upon it an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.

(3) In relation to a proposed CVA, a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.

(4) Where a debt is wholly secured its value for voting purposes is nil.

(5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.

(6) The value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases—

(a) where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2) of that Schedule; and

(b) where, in a proposed CVA, there is a decision on whether to extend or further extend a moratorium or to bring a moratorium to an end before the end of the period of any extension.

(7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.

(8) A vote cast in a decision procedure which is not a meeting may not be changed.

(9) Paragraph (7) does not prevent a creditor or member State liquidator from—

(a) voting in respect of less than the full value of an entitlement to vote; or

(b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

Calculation of voting rights: hire-purchase agreements

5.29.—(1) In an administration, a creditor under a hire-purchase agreement is entitled to vote in respect of the amount of the debt due and payable by the company on the date on which the company entered administration.

(2) In calculating the amount of any debt for the purpose of paragraph (1), no account is to be taken of any amount attributable to the exercise of any right under the relevant agreement so far as the right has become exercisable solely by virtue of—

(a) the making of an administration application;

(b) a notice of intention to appoint an administrator or any matter arising as a consequence of the notice; or

(c) the company entering administration.

Procedure for admitting creditors' claims for voting

5.30.—(1) The convener or chair in respect of a decision procedure must ascertain entitlement to vote and admit or reject claims accordingly.

(2) The convener or chair may admit or reject a claim in whole or in part.

(3) If the convener or chair is in any doubt whether a claim should be admitted or rejected, the convener or chair must mark it as objected to and allow votes to be cast in respect of it, subject to such votes being subsequently declared invalid if the objection to the claim is sustained.

Requisite majorities

5.31.—(1) A decision is made by creditors when a majority (in value) of those voting have voted in favour of the proposed decision, except where this rule provides otherwise.

(2) In the case of an administration, a decision is not made if those voting against it include more than half in value of the creditors to whom notice of the decision procedure was delivered who are not, to the best of the convener's or chair's belief, persons connected with the company.

(3) Each of the following decisions in a proposed CVA is made when 75% or more (in value) of those responding vote in favour of it—

(a) a decision approving a proposal or a modification;

(b) a decision extending or further extending a moratorium; or

(c) a decision bringing a moratorium to an end before the end of the period of any extension.

(4) In a proposed CVA a decision is not made if more than half of the total value of the unconnected creditors vote against it.

(5) For the purposes of paragraph (4)—

(a) a creditor is unconnected unless the convener or chair decides that the creditor is connected with the company;

(b) in deciding whether a creditor is connected reliance may be placed on the information provided in the company's statement of affairs or otherwise in accordance with these Rules; and

(c) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.

Appeals against decisions under this Chapter

5.32.—(1) A decision of the convener or chair under this Chapter is subject to appeal to the court by a creditor.

(2) In a proposed CVA, an appeal to the court against a decision under this Chapter may also be made by a member of the company.

(3) If the decision is reversed or varied, or votes are declared invalid, the court may order another decision procedure to be initiated or make such order as it thinks just but, in a CVA, the court may only make an order if it considers that the circumstances which led to the appeal give rise to unfair prejudice or material irregularity.

(4) An appeal under this rule may not be made after the end of the period of 21 days beginning with the decision date.

(5) However, the previous paragraph does not apply in a proposed CVA where an appeal may not be made after the end of the period of 28 days beginning with the day on which the first of the reports required by section 4(6) or paragraph 30(3) of Schedule A1 was lodged with the court.

(6) The person who made the decision is not personally liable for costs incurred by any person in relation to an appeal under this rule unless the court makes an order to that effect.

CHAPTER 8

Exclusions from meetings

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Action where person excluded

5.33.—(1) In this rule and rules 5.34 and 5.35, an "excluded person" means a person who has taken all steps necessary to attend a virtual meeting or has been permitted by the convener to attend a physical meeting remotely under the arrangements which—

(a) have been put in place by the convener of the meeting; but

(b) do not enable that person to attend the whole or part of that meeting.

(2) Where the chair becomes aware during the course of the meeting that there is an excluded person, the chair may—

(a) continue the meeting;

(b) declare the meeting void and convene the meeting again; or

(c) declare the meeting valid up to the point where the person was excluded and adjourn the meeting.

(3) Where the chair continues the meeting, the meeting is valid unless—

(a) the chair decides in consequence of a complaint under rule 5.35 to declare the meeting void and hold the meeting again; or

(b) the court directs otherwise.

(4) Without prejudice to paragraph (2), where the chair becomes aware during the course of the meeting that there is an excluded person, the chair may, at the chair's discretion and without an adjournment, declare the meeting suspended for any period up to 1 hour.

Indication to excluded person

5.34.—(1) A creditor who claims to be an excluded person may request an indication of what occurred during the period of that person's claimed exclusion.

(2) A request under paragraph (1) must be made in accordance with paragraph (3) as soon as reasonably practicable, and in any event, not later than 4pm on the business day following the day on which the exclusion is claimed to have occurred.

(3) A request under paragraph (1) must be made to—

(a) the chair, where it is made during the course of the meeting; or

(b) the convener, where it is made after the meeting.

(4) Where satisfied that the person making the request is an excluded person, the person to whom the request is made under paragraph (3) must deliver the requested indication to the excluded person as soon as reasonably practicable, and in any event, not later than 4pm on the business day following the day on which the request was made under paragraph (1).

Complaint

5.35.—(1) A person may make a complaint who—

(a) is, or claims to be, an excluded person; or

(b) attends the meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person.

(2) A complaint under paragraph (1) must be made to the appropriate person who is—

(a) the chair, where it is made during the course of the meeting; or

(b) the convener, where it is made after the meeting.

(3) The complaint must be made as soon as reasonably practicable and, in any event, not later than 4pm on the business day following—

(a) the day on which the person was, appeared, or claimed to be, excluded; or

(b) where an indication is sought under rule 5.34, the day on which the complainant received the indication.

(4) The appropriate person must, as soon as reasonably practicable following receipt of the complaint—

(a) consider whether there is an excluded person;

(b) where satisfied that there is an excluded person, consider the complaint; and

(c) where satisfied that there has been prejudice, take such action as the appropriate person considers fit to remedy the prejudice.

(5) Paragraph (6) applies where the appropriate person is satisfied that the complainant is an excluded person and—

(a) a resolution was voted on at the meeting during the period of the person's exclusion; and

(b) the excluded person asserts how the excluded person intended to vote on the resolution.

(6) Where the appropriate person is satisfied that if the excluded person had voted as that person intended it would have changed the result of the resolution, then the appropriate person must, as soon as reasonably practicable—

(a) count the intended vote as having been cast in that way;

(b) amend the record of the result of the resolution;

(c) where notice of the result of the resolution has been delivered to those entitled to attend the meeting, deliver notice to them of the change and the reason for it; and

(d) where notice of the result of the resolution has yet to be delivered to those entitled to attend the meeting, the notice must include details of the change and the reason for it.

(7) Where satisfied that more than one complainant is an excluded person, the appropriate person must have regard to the combined effect of the intended votes.

(8) The appropriate person must deliver notice to the complainant of any decision as soon as reasonably practicable.

(9) A complainant who is not satisfied by the action of the appropriate person may apply to the court for directions and any application must be made no more than two business days from the date of receiving the decision of the appropriate person.

CHAPTER 9

Records

Record of a decision

5.36.—(1) Where a decision is sought using a decision procedure, the convener or chair must make a record of the decision procedure.

(2) In the case of a meeting, the record must be in the form of a minute of the meeting.

(3) The record must be authenticated by the convener or chair and must include—

(a) identification details for the insolvency proceedings;

(b) a list of the names of the creditors who participated in the decision procedure and their claims;

(c) where a decision is taken on the election of members of a creditors' committee, the names and addresses of those elected;

(d) a record of any change to the result of the resolution made under rule 5.35(6) and the reason for any such change; and

(e) in any case, a record of every decision made and how creditors voted.

(4) Where a decision is sought using the deemed consent procedure, the convener must make a record of the procedure.

(5) The record under paragraph (4) must be authenticated by the convener and must—

(a) identify the insolvency proceedings;

(b) state whether or not the decision was made; and

(c) contain a list of the creditors who objected to the decision and their claims.

(6) A record made under this rule must also identify any decision procedure (or the deemed consent procedure) by which a decision had previously been sought.

CHAPTER 10

Company meetings

Company meetings in administration

5.37.—(1) This rule applies to company meetings in an administration.

(2) Unless the Act or these Rules provide otherwise, a company meeting must be called and conducted, and records of the meeting must be kept—

(a) in accordance with the law of Scotland, including any applicable provision in or made under the Companies Act, in the case of a company incorporated—

(i) in Scotland, or

(ii) outside the United Kingdom other than in a EEA state;

(b) in accordance with the law of that state applicable to meetings of the company in the case of a company incorporated in an EEA state other than the United Kingdom.

(3) Reference to a company meeting called and conducted to resolve, decide or determine a particular matter includes a reference to that matter being resolved, decided or determined by written resolution.

(4) In summoning any company meeting the administrator must have regard to the convenience of the members when fixing the venue.

(5) The chair of a company meeting in an administration must be either the administrator or an appointed person.

Remote attendance: notification requirements

5.38. When a meeting is to be summoned and held in accordance with section 246A(3)(**a**), the convener must notify all those to whom notice of the meeting is being given of—

(a) the ability of a person claiming to be an excluded person to request an indication in accordance with rule 5.41;

(b) the ability of a person within rule 5.42(1) to make a complaint in accordance with that rule; and

(c) in either case, the period within which a request or complaint must be made.

Location of company meetings

5.39.—(1) This rule applies to a request to the convener of a meeting under section 246A(9)(**b**) to specify a place for the meeting.

(2) The request must be accompanied by—

(a) a list of the members making or concurring with the request and their voting rights, and

(b) from each person concurring, confirmation of that person's concurrence.

(3) The request must be delivered to the convener within seven business days of the date on which the convener delivered the notice of the meeting in question.

(4) Where the convener considers that the request has been properly made in accordance with the Act and this rule, the convener must—

(a) deliver notice to all those previously given notice of the meeting—

(i) that it is to be held at a specified place, and

(ii) as to whether the date and time are to remain the same or not;

(b) set a venue (including specification of a place) for the meeting, the date of which must be not later than 28 days after the original date for the meeting; and

(c) deliver at least 14 days' notice of that venue to all those previously given notice of the meeting;

and the notices required by sub-paragraphs (a) and (c) may be delivered at the same or different times.

(5) Where the convener has specified a place for the meeting in response to a request to which this rule applies, the chair of the meeting must attend the meeting by being present in person at that place.

(a) Section 246A was inserted by S.I. 2010/18.
(b) Section 246A(9) is amended by paragraph 54(4) of Schedule 9 to the 2015 Act.

Action where person excluded

5.40.—(1) In this rule and rules 5.41 and 5.42, an "excluded person" means a person who has taken all steps necessary to attend a company meeting under the arrangements which—

(a) have been put in place by the convener of the meeting under section 246A(6); but

(b) do not enable that person to attend the whole or part of that meeting.

(2) Where the chair becomes aware during the course of the meeting that there is an excluded person, the chair may—

(a) continue the meeting;

(b) declare the meeting void and convene the meeting again; or

(c) declare the meeting valid up to the point where the person was excluded and adjourn the meeting.

(3) Where the chair continues the meeting, the meeting is valid unless—

(a) the chair decides in consequence of a complaint under rule 5.42 to declare the meeting void and hold the meeting again; or

(b) the court directs otherwise.

(4) Without prejudice to paragraph (2), where the chair becomes aware during the course of the meeting that there is an excluded person, the chair may, at the chair's discretion and without an adjournment, declare the meeting suspended for any period up to one hour.

Indication to excluded person

5.41.—(1) A person who claims to be an excluded person may request an indication of what occurred during the period of that person's claimed exclusion.

(2) A request under paragraph (1) must be made in accordance with paragraph (3) as soon as reasonably practicable, and in any event, not later than 4pm on the business day following the day on which the exclusion is claimed to have occurred.

(3) A request under paragraph (1) must be made to—

(a) the chair where it is made during the course of the meeting; or

(b) the convener where it is made after the meeting.

(4) Where satisfied that the person making the request is an excluded person, the person to whom the request is made under paragraph (3) must deliver the requested indication to the excluded person as soon as reasonably practicable, and in any event, not later than 4pm on the business day following the day on which the request was made under paragraph (1).

Complaint

5.42.—(1) A person may make a complaint who—

(a) is, or claims to be, an excluded person; or

(b) attends the meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person.

(2) A complaint under paragraph (1) must be made to the appropriate person who is—

(a) the chair, where it is made during the course of the meeting; or

(b) the convener, where it is made after the meeting.

(3) The complaint must be made as soon as reasonably practicable and, in any event, not later than 4pm on the business day following—

(a) the day on which the person was, appeared, or claimed to be, excluded; or

(b) where an indication is sought under rule 5.41, the day on which the complainant received the indication.

(4) The appropriate person must, as soon as reasonably practicable following receipt of the complaint,

(a) consider whether there is an excluded person;

(b) where satisfied that there is an excluded person, consider the complaint; and

(c) where satisfied that there has been prejudice, take such action as the appropriate person considers fit to remedy the prejudice.

(5) Paragraph (6) applies where the appropriate person is satisfied that the complainant is an excluded person and—

(a) a resolution was voted on at the meeting during the period of the person's exclusion; and

(b) the excluded person asserts how the excluded person intended to vote on the resolution.

(6) Where the appropriate person is satisfied that if the excluded person had voted as that person intended it would have changed the result of the resolution, then the appropriate person must, as soon as reasonably practicable—

(a) count the intended vote as having been cast in that way;

(b) amend the record of the result of the resolution;

(c) where notice of the result of the resolution has been delivered to those entitled to attend the meeting, deliver notice to them of the change and the reason for it; and

(d) where notice of the result of the resolution has yet to be delivered to those entitled to attend the meeting, the notice must include details of the change and the reason for it.

(7) Where satisfied that more than one complainant is an excluded person, the appropriate person must have regard to the combined effect of the intended votes.

(8) The appropriate person must deliver notice to the complainant of any decision as soon as reasonably practicable.

(9) A complainant who is not satisfied by the action of the appropriate person may apply to the court for directions and any application must be made no more than two business days from the date of receiving the decision of the appropriate person.

PART 6

PROXIES AND CORPORATE REPRESENTATION

[Note: A document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

Application and interpretation

6.1.—(1) This Part applies in any case where a proxy is given in relation to a meeting or insolvency proceedings under the Act or these Rules or where a corporation authorises a person to represent it.

(2) References in this Part to "the chair" are to the chair of the meeting for which a specific proxy is given or at which a continuing proxy is exercised.

Specific and continuing proxies

6.2.—(1) A proxy is a document made by a creditor or member which directs or authorises another person (a "proxy-holder") to act as the representative of the creditor or member at a meeting, or meetings, by speaking, voting, abstaining or proposing resolutions.

(2) A proxy may be either—

(a) a specific proxy which relates to a specific meeting; or

(b) a continuing proxy for the insolvency proceedings.

(3) A specific proxy must—

(a) direct the proxy-holder how to act at the meeting by giving specific instructions; or

(b) authorise the proxy-holder to act at the meeting without specific instructions; or

(c) contain both direction and authorisation.

(4) A proxy is to be treated as a specific proxy for the meeting which is identified in the proxy unless it states that it is a continuing proxy for the insolvency proceedings.

(5) A continuing proxy must authorise the proxy-holder to attend, speak, vote or abstain, or to propose resolutions without giving the proxy-holder any specific instructions.

(6) A continuing proxy may be superseded by a proxy for a specific meeting or withdrawn by a written notice to the office-holder.

(7) A creditor or member may appoint more than one person to be proxy-holder but if so—

(a) their appointment is as alternates; and

(b) only one of them may act as proxy-holder at the meeting.

(8) The proxy-holder must be an individual.

Blank proxy

6.3.—(1) A blank proxy is a document which—

(a) complies with the requirements in this rule; and

(b) when completed with the details specified in paragraph (3) will be a proxy as described in rule 6.2.

(2) A blank proxy must state that the creditor or member named in the document (when completed) appoints a person who is named or identified as the proxy-holder of the creditor or member.

(3) The specified details are—

(a) the name and address of the creditor or member;

(b) either the name of the proxy-holder or the identification of the proxy-holder (e.g. the chair of the meeting);

(c) a statement that the proxy is either—

(i) for a specific meeting, which is identified in the proxy, or

(ii) a continuing proxy for the insolvency proceedings; and

(d) if the proxy is for a specific meeting, instructions as to the extent to which the proxy holder is directed to vote in a particular way, to abstain or to propose any resolution.

(4) When it is delivered, a blank proxy must not have inserted in it—

(a) the name or description of any person as proxy-holder or as a nominee for office-holder; or

(b) instructions as to how a person appointed as proxy-holder is to act.

(5) A blank proxy must have a note to the effect that the proxy may be completed with the name of the person or the chair of the meeting who is to be proxy-holder.

Use of proxies

6.4.—(1) A proxy for a specific meeting must be delivered to the chair at or before the meeting.

(2) A continuing proxy must be delivered to the office-holder and may be exercised at any meeting which begins after the proxy is delivered.

(3) A proxy may be used at the resumption of the meeting after an adjournment, but if a different proxy is given for use at a resumed meeting, that proxy must be delivered to the chair before the start of the resumed meeting.

(4) Where a specific proxy directs a proxy-holder to vote for or against a resolution for the nomination or appointment of a person as office-holder, the proxy-holder may, unless the proxy states otherwise, vote for or against (as the proxy-holder thinks fit) a resolution for the nomination or appointment of that person jointly with another or others.

(5) A proxy-holder may propose a resolution which is one on which the proxy-holder could vote if someone else proposed it.

(6) Where a proxy gives specific directions as to voting, this does not, unless the proxy states otherwise, prohibit the proxy-holder from exercising discretion as to how to vote on a resolution which is not dealt with by the proxy.

(7) The chair may require a proxy used at a meeting to be the same as or substantially similar to the blank proxy delivered for that meeting or to a blank proxy previously delivered which has been completed as a continuing proxy.

Use of proxies by the chair

6.5.—(1) Where a proxy appoints the chair (however described in the proxy) as proxy-holder the chair may not refuse to be the proxy-holder.

(2) Where the office-holder is appointed as proxy-holder but another person acts as chair of the meeting, that other person may use the proxies as if that person were the proxy-holder.

(3) Where, in a meeting of creditors in an administration, the chair holds a proxy which requires the proxy-holder to vote for a particular resolution and no other person proposes that resolution the chair must propose it unless the chair considers that there is good reason for not doing so.

(4) If the chair does not propose such a resolution, the chair must as soon as reasonably practicable after the meeting deliver a notice of the reason why that was not done to the creditor or member.

Right of inspection and delivery of proxies

6.6.—(1) A person attending a meeting is entitled, immediately before or in the course of the meeting, to inspect proxies or any statement of claim or documentary evidence of debt delivered to the chair or to any other person in accordance with the notice convening the meeting.

(2) Where the chair is not the office-holder, the chair must deliver all proxies used for voting at a meeting to the office-holder, as soon as reasonably practicable after the meeting.

Proxy-holder with financial interest

6.7.—(1) A proxy-holder must not vote for a resolution which would—

(a) directly or indirectly place the proxy-holder or any associate of the proxy-holder in a position to receive any remuneration, fees or expenses from the company's assets; or

(b) fix or change the amount of or the basis of any remuneration, fees or expenses receivable by the proxy-holder or any associate of the proxy-holder out of the company's assets.

(2) However, a proxy-holder may vote for a resolution described in paragraph (1) if the proxy specifically directs the proxy-holder to vote in that way.

(3) Where an office-holder is appointed as proxy-holder and that proxy is used under rule 6.5(2) by another person acting as chair, the office-holder is deemed to be an associate of the person acting as chair.

Resolution conferring authorisation to represent corporation

[Note: section 434B(**a**) makes provision for corporate representation in company insolvency proceedings.]

6.8.—(1) A person authorised to represent a corporation (other than as proxy-holder) at a meeting of creditors must produce to the chair—

(a) the resolution conferring the authority; or

(b) a copy of that resolution certified as a true copy by—

(i) two directors,

(ii) a director and the secretary, or

(iii) a director in the presence of a witness who attests the director's signature.

(2) The resolution conferring the authority must have been signed or subscribed (or in the case of an electronic document, authenticated) by or on behalf of the company in accordance with the Requirements of Writing (Scotland) Act 1995(**b**).

(3) In this rule "authenticated" has the meaning given in the Requirements of Writing (Scotland) Act 1995.

PART 7

THE EU REGULATION

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1]

Interpretation of this Part

7.1. In this Part—

"winding up proceedings" means insolvency proceedings listed in the United Kingdom entry in Annex A to the EU Regulation other than voluntary arrangements where they relate to individuals, bankruptcy or sequestration.

"conversion into winding up proceedings" refers to an order under Article 51 of the EU Regulation that winding up proceedings of one kind are converted into winding up proceedings of another kind.

Conversion into winding up proceedings: application

7.2.—(1) This rule applies where a member State liquidator in main proceedings applies to the court under Article 51 of the EU Regulation for conversion of—

(a) a CVA or an administration into winding up proceedings of another kind; or

(b) winding up proceedings other than a CVA or an administration into a CVA or an administration.

(2) A statement containing a statutory declaration made by or on behalf of the member State liquidator must be lodged with the court in support of the application.

(a) Section 434B is inserted by S.I. 2008/948. The section heading is amended, and subsection (1)(a) is substituted, by paragraph 57 of Schedule 9 of the Small Business, Enterprise and Employment Act 2015 (c.26).

(b) 1995 c.7. See section 9B(2) and connected provision in regulation 5(4) of the Electronic Documents (Scotland) Regulations 2014 (S.S.I. 2014/83).

(3) The statement must state—

(a) that main proceedings have been opened in relation to the company in a member State other than the United Kingdom;

(b) the belief of the person making the statement that conversion of the winding up proceedings would be most appropriate as regards the interests of the local creditors and coherence between the main and secondary insolvency proceedings;

(c) the kind of winding up proceedings into which, in the opinion of the person making the statement, the winding up proceedings should be converted; and

(d) all other matters that, in the opinion of the member State liquidator, would assist the court in—

(i) deciding whether to make an order, and

(ii) considering whether and, if so, what consequential provision to include.

(4) The application and the statement must be served upon the company.

(5) Where the application is for conversion of a CVA or an administration, the application and the statement must also be served upon the supervisor or the administrator, as the case may be.

Conversion into winding up proceedings: court order

7.3.—(1) On hearing an application for conversion of winding up proceedings under rule 7.2, the court may, subject to Article 51 of the EU Regulation, make such order as it thinks just.

(2) An order under paragraph (1) may contain such consequential provision as the court thinks just.

(3) An order for conversion of a CVA or an administration into winding up proceedings of another kind may provide that the company be wound up as if a resolution for voluntary winding up under section 84 were passed on the day on which the order is made.

Proceedings in another member State: duty to give notice

7.4.—(1) This rule applies where the supervisor of a CVA or an administrator is required to give notice, or provide a copy of a document (including an order of the court) to the court or the registrar of companies.

(2) Where not already required to do so by Article 41 of the EU Regulation, the supervisor or administrator must also give notice or provide a copy to—

(a) any member State liquidator; or

(b) where the supervisor or administrator knows that an application has been made to commence insolvency proceedings in another member State but a member State liquidator has not yet been appointed, the court to which that application has been made.

Member State liquidator: rules on creditors' participation in proceedings

7.5.—(1) The provisions in these Rules apply to a member State liquidator's participation in proceedings in accordance with Article 45 of the EU Regulation) in the same manner as they apply to creditors' participation in those proceedings.

(2) In this rule, "creditors' participation"—

(a) includes the following matters—

(i) requesting and being provided with information, including inspecting or obtaining copies of documents or files,

(ii) being provided with notices or other documents,

(iii) participating and voting in decision procedures,

(iv) the establishment and operation of creditor committees,

(v) submitting statements of claim and documentary evidence of debt in respect of debts and receipt of dividends,

(vi) applying to the court and appearing at hearings and

(b) is limited to creditors' participation from the time of the opening of proceedings in accordance with Article 2(8) of the EU Regulation.

Main proceedings in Scotland: undertaking by office-holder in respect of assets in another member State (Article 36 of the EU Regulation)

7.6.—(1) This rule applies where an office-holder in main proceedings proposes to give an undertaking under Article 36 of the EU Regulation in respect of assets located in another member State.

(2) In addition to the requirements as to form and content set out in Article 36 the undertaking must contain—

(a) the heading "Proposed Undertaking under Article 36 of the EU Insolvency Regulation (2015/848)";

(b) identification details for the main proceedings;

(c) identification and contact details for the office-holder; and

(d) a description of the effect of the undertaking if approved.

(3) The proposed undertaking must be delivered to all the local creditors in the member State concerned of whose address the office-holder is aware.

(4) Where the undertaking is rejected the office-holder must inform all the creditors of the company of the rejection of the undertaking as soon as reasonably practicable.

(5) Where the undertaking is approved the office-holder must as soon as reasonably practicable—

(a) send a copy of the undertaking to all the creditors with a notice informing them of the approval of the undertaking and of its effect (so far as they have not already been given this information under paragraph (2)(d));

(b) where the insolvency proceedings relate to a registered company, deliver a copy of the undertaking to the registrar of companies.

(6) The office-holder may advertise details of the undertaking in the other member State in such manner as the office-holder thinks fit.

Main proceedings in another member State: approval of undertaking offered by the member State liquidator to local creditors in the UK

7.7.—(1) This rule applies where a member State liquidator proposes an undertaking under Article 36 of the EU Regulation and the secondary proceedings which the undertaking is intended to avoid would be insolvency proceedings to which these Rules apply.

(2) The decision by the local creditors whether to approve the undertaking must be made by a decision procedure subject to the rules which apply to the approval of a proposed CVA under section 4A of the Act.

(3) In Part 5, the rules in Chapters 1 to 9 apply to the decision procedure (with any necessary modifications) except for the following—5.7, 5.12, 5.14, 5.16 to 5.18 and 5.27.

(4) Where the main proceedings relate to a registered company, the member State liquidator must deliver a copy of the approved undertaking to the registrar of companies.

Powers of an office-holder or member State liquidator in proceedings concerning members of a group of companies (Article 60 of the EU Regulation)

7.8. Where an office-holder or a member State liquidator makes an application in accordance with paragraph (1)(b) of Article 60 of the EU Regulation the application must state with reasons why the applicant thinks the matters set out in points (i) to (iv) of that paragraph apply.

Group coordination proceedings (section 2 of Chapter 5 of the EU Regulation)

7.9.—(1) This rules applies to an application to open group coordination proceedings by an office-holder.

(2) The application must be headed "Application under Article 61 of Regulation (EU) 2015/848 to open group coordination proceedings"

(3) The application must (in addition to the requirements in Article 61 of the EU Regulation) contain—

(a) identification and contact details for the office-holder making the application;

(b) identification details for the company and the insolvency proceedings by virtue of which the office-holder is making the application;

(c) identification details for the company and the insolvency proceedings in respect of each company which is a member of the group;

(d) contact details for the office-holders and member State liquidators appointed in those proceedings;

(e) identification details for any insolvency proceedings in respect of a member of the group which are not to be subject to the coordination because of an objection to being included; and

(f) if relevant, a copy of any such agreement as is mentioned in Article 66 of the EU Regulation.

(4) An "office-holder" in paragraph (3)(d) includes a person holding office in insolvency proceedings in relation to the company in England and Wales or Northern Ireland, and a member State liquidator.

Group coordination order (Article 68 of the EU Regulation)

7.10.—(1) An order opening group coordination proceedings must contain—

(a) details of the matters set out in Article 68(1)(a) to (c) of the EU Regulation;

(b) identification details for the insolvency proceedings by virtue of which the office-holder is making the application;

(c) identification and contact details for the office-holder making the application;

(d) identification details for the insolvency proceedings which are subject to the coordination; and

(e) identification details for any insolvency proceedings for a member of the group which are not subject to the coordination because of an objection to being included.

(2) The office-holder who made the application must deliver a copy of the order to the coordinator and to any person who is, in respect of proceedings subject to the coordination—

(a) an office-holder;

(b) a person holding office in insolvency proceedings in relation to the company in England and Wales or Northern Ireland; and

(c) a member State liquidator.

Delivery of group coordination order to registrar of companies

7.11. An office-holder in respect of insolvency proceedings subject to coordination must deliver a copy of the group coordination order to the registrar of companies.

Office-holder's report

7.12.—(1) This rule applies where, under the second paragraph of Article 70(2) of the EU Regulation, an office-holder is required to give reasons for not following the coordinator's recommendations or the group coordination plan.

(2) Those reasons must be given as soon as reasonably practicable by a notice to all the creditors.

(3) In an administration, those reasons may be given in the next progress report where doing so satisfies the requirement to give the reasons as soon as reasonably practicable.

Publication of opening of proceedings by a member State liquidator

7.13.—(1) This rule applies where—

(a) a company subject to insolvency proceedings has an establishment in Scotland; and

(b) a member State liquidator is required or authorised under Article 28 of the EU Regulation to publish a notice.

(2) The notice must be gazetted.

Statement by member State liquidator that insolvency proceedings in another member State are closed etc.

7.14. A statement by a member State liquidator under paragraph 84 of Schedule B1 informing the registrar of companies that a member State liquidator in insolvency proceedings open in another member State consents to the dissolution must contain—

(a) identification details for the company; and

(b) identification details for the member State liquidator.

Kelly Tolhurst
Parliamentary Under Secretary of State
Minister for Small Business, Consumers and Corporate Responsibility
11th October 2018 Department for Business, Energy and Industrial Strategy

SCHEDULE 1

Introductory Rule 2

REVOCATIONS

In this Schedule, "the 1986 rules" means the Insolvency (Scotland) Rules 1986.

Name	*Number*	*Extent of revocation*
The Insolvency (Scotland) Rules 1986	S.I. 1986/1915	Parts 1 and 2 in their entirety. Rules 0.1 to 0.3 and Part 7 (and schedules 3 to 5) insofar as they apply to CVAs and administration.
The Insolvency (Scotland) Amendment Rules 1987	S.I. 1987/1921	Insofar as they amend the 1986 Rules in relation to CVAs and administration.
The Insolvency (Scotland) Amendment Rules 2002	S.I. 2002/2709	The entire S.I.
The Enterprise Act 2002 (Consequential Amendments) (Prescribed Part) (Scotland) Order 2003	S.I. 2003/2108	Part 1 insofar as it amends the 1986 Rules in relation to CVAs and administration.
The Insolvency (Scotland) Regulations 2003	S.I. 2003/2109	Part 2 and Schedule 2 insofar as they amend the 1986 Rules in relation to CVAs and administration.
The Insolvency (Scotland) Amendment Rules 2003	S.I. 2003/2111	Insofar as they amend the 1986 Rules in relation to CVAs and administration.
The Insolvency (Scotland) Amendment Rules 2006	S.I. 2006/734	The entire S.I. except for rule 13.
The Insolvency (Scotland) Amendment Rules 2008	S.I. 2008/662	The entire S.I.
The Insolvency (Scotland) Amendment Rules 2009	S.I. 2009/662	The entire S.I.
The Insolvency (Scotland) Amendment (No. 2) Rules 2009	S.I. 2009/2375	The entire S.I.
The Insolvency (Scotland) Amendment Rules 2010	S.I. 2010/688	The entire S.I.
The Tribunals, Courts and Enforcement Act 2007 (Consequential Amendments) Order 2012	S.I. 2012/2404	In schedule 3, paragraph 4(2)-(4).
The Insolvency (Scotland) Amendment Rules 2014	S.S.I. 2014/114	Insofar as it amends the 1986 Rules in relation to administration.
The Insolvency Amendment (EU 2015/848) Regulations 2017	S.I. 2017/702	Part 5 insofar as it amends the 1986 Rules in relation to CVAs and administration.

SCHEDULE 2

Introductory Rule 4

TRANSITIONAL AND SAVINGS PROVISIONS

General

1. In this Schedule—

"the 1986 Rules" means the Insolvency (Scotland) Rules 1986 as they had effect immediately before the commencement date and a reference to "1986 Rules" followed by a rule number is a reference to a rule in the 1986 Rules; and

"the commencement date" means the date these Rules come into force.

Requirement for office-holder to provide information to creditors on opting out

2.—(1) Rule 1.35, which requires an office-holder to provide information to a creditor on the right to elect to opt out under rule 1.34 in the first communication to the creditor, does not apply to—

(a) an administrator; or

(b) a supervisor of a CVA

who has delivered the first communication before the commencement date.

(2) An administrator or supervisor of a CVA may choose to deliver information on the right to opt out in which case the communication to the creditor must contain the information required by rule 1.35.

Electronic communication

3.—(1) Rule 1.41(4) does not apply where the relevant proceedings commenced before the commencement date.

(2) In this paragraph relevant proceedings are commenced on—

(a) the delivery of a proposal for a voluntary arrangement to the intended nominee;

(b) the appointment of an administrator under paragraph 14 or 22 of Schedule B1; or

(c) the making of an administration order.

Statement of affairs

4.—(1) The provisions of these Rules relating to statements of affairs in an administration do not apply where relevant proceedings were commenced before the commencement date and the 1986 Rules relating to statements of affairs in an administration continue to apply.

(2) In this paragraph relevant proceedings are commenced on—

(a) the appointment of an administrator under paragraph 14 or 22 of Schedule B1; or

(b) the making of an administration order;

Savings in respect of meetings to be held on or after the commencement date and resolutions by correspondence

5.—(1) This paragraph applies where on or after the commencement date—

(a) a creditors' meeting is to be held as a result of a notice issued before that date in relation to a meeting for which provision is made by the 1986 Rules or the 1986 Act;

(b) a meeting is to be held as a result of a requisition by a creditor made before that date;

(c) a meeting is to be held as a result of a statement made under paragraph 52(1)(b) of Schedule B1 and a request is made before that date which obliges the administrator to summon an initial creditors' meeting.

(2) Where paragraph (1) applies, Part 5 of these Rules does not apply and the 1986 Rules relating to the following continue to apply—

(a) the requirement to hold the meeting;

(b) notice and advertisement of the meeting;

(c) governance of the meeting;

(d) recording and taking minutes of the meeting;

(e) the report or return of the meeting;

(f) membership and formalities of establishment of creditor's committees where the resolution to form the committee is passed at the meeting;

(g) the office-holder's resignation or removal at the meeting;

(h) the office-holder's release;

(i) fixing the office-holder's remuneration;

(j) hand-over of assets to a supervisor of a voluntary arrangement where the proposal is approved at the meeting;

(k) the notice of appointment of a supervisor of a voluntary arrangement where the appointment is made at the meeting;

(l) claims that remuneration is or that other expenses are excessive; and

(m) complaints about exclusion at the meeting.

(3) Where, before the commencement date, the administrator sought to obtain a resolution by correspondence under 1986 rule 2.28, the 1986 Rules relating to resolutions by correspondence continue to apply and paragraph (2) applies to any meeting that those rules require the office-holder to summon.

Progress reports and statements to the registrar of companies

6.—(1) Where an obligation to prepare a progress report arises before the commencement date but has not yet been fulfilled 1986 rule 2.38 continues to apply.

(2) Where, before the commencement date, a conversion notice under paragraph 83 of Schedule B1 was sent to the registrar of companies, 1986 rule 2.47 continues to apply.

Foreign currency

7. Where, before the commencement date, an amount stated in a foreign currency on a statement of claim or evidence of debt (according to the nature of the debt claimed) is converted into sterling by the administrator under 1986 rule 4.17(2), the administrator and any successor to the administrator must continue to use that exchange rate for subsequent conversions of that currency into sterling for the purpose of distributing any assets of the insolvent estate.

CVA moratoria

8. Where, before the commencement date, the directors of a company submit to the nominee the documents required under paragraph 6(1) of Schedule A1, the 1986 Rules relating to moratoria continue to apply to that proposed voluntary arrangement.

Applications before the court

9. Where an application to court is lodged or a petition is presented under the Act or under the 1986 Rules before the commencement date and the application or petition has not been determined or withdrawn, the 1986 Rules continue to apply to that application or petition.

Forms

10. A form contained in Schedule 5 to the 1986 Rules may be used on or after the commencement date if—

(a) the form is used to provide a statement of affairs pursuant to paragraph 4 of this Schedule;

(b) the form relates to a meeting held under the 1986 Rules to which paragraph 5 of this Schedule applies;

(c) the form is required because before the commencement date, the administrator sought to obtain the passing of a resolution by correspondence; or

(d) the form relates to any application to the court made, or petition presented, before the commencement date.

Administrations commenced before 15th September 2003

11. The 1986 Rules continue to apply to administrations where the petition for an administration order was presented before 15th September 2003.

Savings in respect of special insolvency rules: limited liability partnerships

12. The 1986 Rules insofar as they apply to insolvency proceedings under the Limited Liability Partnerships Regulations 2001(**a**) continue to have effect for the purposes of the application of those Regulations.

(**a**) S.I. 2001/1090.

SCHEDULE 3

Introductory Rule 5

PUNISHMENT OF OFFENCES UNDER THESE RULES

Rule creating offence	*General nature of the offence*	*Mode of prosecution*	*Maximum Penalty*	*Daily default fine (if applicable)*
1.51(1)	Falsely claiming to be a person entitled to inspect a document with the intention of gaining sight of it.	1. On indictment 2. Summary	2 years' imprisonment, or a fine, or both. 12 months' imprisonment, or a fine not exceeding the statutory maximum, or both.	Not applicable.
3.55(7)	Former administrator failing to file a notice of automatic end of administration and progress report.	Summary	A fine not exceeding level 3 on the standard scale.	One tenth of level 3 on the standard scale.
3.70(2)	Failure to comply with administrator's duties on vacating office.	Summary	A fine not exceeding level 3 on the standard scale.	One tenth of level 3 on the standard scale.
3.93(3)	Administrator failing to deliver progress reports in accordance with rule 3.93(1).	Summary	A fine not exceeding level 3 on the standard scale	One tenth of level 3 on the standard scale.
3.106(1)	Producing false evidence; failing to report false evidence	1. On indictment 2. Summary	2 years' imprisonment, or a fine, or both. 12 months' imprisonment, or a fine not exceeding the statutory maximum, or both.	Not applicable
3.107(7)	Failing to comply with an order requiring attendance for private examination	Summary	3 months' imprisonment, or a fine not exceeding level 5 on the standard scale, or both.	Not applicable

SCHEDULE 4

Rule 1.54

INFORMATION TO BE INCLUDED IN THE SEDERUNT BOOK

PART 1

1. A decision of the Sheriff or the Court of Session under rule 1.56.

PART 3

2. Any statement of affairs delivered to the administrator in accordance with rule 3.29(4) subject to any order of the court made under rule 3.45 that the statement of affairs or a specified part must not be inserted in the sederunt book.

3. Any statement of concurrence delivered to the administrator in accordance with rule 3.31(1).

4. A copy of the notice of the result of the creditors' decision on a proposed revision to the administrator's proposals under rule 3.43.

5. A copy of the certified order delivered to the administrator in accordance with rule 3.49(4).

6. A record of every resolution passed at a creditors' committee meeting as recorded and authenticated in accordance with rule 3.85(3).

7. A copy of every resolution passed under rule 3.86, together with a note that agreement to the resolution of the creditors' committee was obtained.

8. Under rule 3.96:

(a) the accounts submitted for audit;

(b) the scheme of division; and

(c) the final determination in relation to the administrator's outlays and remuneration.

9.—(1) Details of the administrator's decision to accept a claim (whether in whole or in part) under rule 3.108(1) including—

(a) the amount of the claim accepted;

(b) the category of debt, and the value of any security, as decided by the administrator.

(2) Details of the administrator's reasons for rejecting a claim (whether in whole or in part) under rule 3.108(3).

(3) Any decision of the court on an appeal under rule 3.108(5).

10. Details of—

(a) any agreement reached under rule 3.117(2)(b)(i); or

(b) any determination made under rule 3.117(2)(b)(ii).

PART 5

11. A record of a decision procedure made in accordance with rule 5.36(1).

12. A record of a deemed consent procedure made in accordance with rule 5.36(4).

PART 6

13. All proxies used for voting at a meeting, as soon as reasonably practicable after the meeting (where the chair is the office-holder), or as soon as reasonably practicable after their delivery to the office-holder in accordance with rule 6.6(2) (where the chair is not the office-holder).

EXPLANATORY NOTE

(This note is not part of the Rules)

These Rules set out the detailed procedures for the conduct of company voluntary arrangements ("CVAs") and administration proceedings in Scotland under the Insolvency Act 1986 ("the Act"). The Rules accordingly give effect, for Scotland, to Parts 1 and 2 of the Act and to EU Regulation No 2015/848 of 20 May 2015 on insolvency proceedings (the EU Regulation).

These Rules, in conjunction with a related Scottish Statutory Instrument – the Insolvency (Scotland) Receivership and Winding Up Rules 2018 (which make provision in relation to winding up proceedings) - aim to modernise and consolidate the Insolvency (Scotland) Rules 1986 (S.I. 1986/1915, as amended). To the extent that they apply to CVAs and administration proceedings, the 1986 Rules are accordingly revoked by this instrument, along with a number of amending rules and related instruments.

These Rules also give effect to amendments made to the Act by the Small Business, Enterprise and Employment Act 2015 (c.26).

These Rules are structured as follows:

- The Introductory Rules (rules 1-6) contain the citation, commencement, extent and application of these Rules. The Introductory Rules also introduce Schedule 1 (revocations), Schedule 2 (transitional and savings provisions) and Schedule 3 (punishment of offences).
- Part 1 (rules 1.1-1.57) is a common part containing definitions and rules about the standard content of documents; the delivery of documents; the use of websites; and the keeping of records. Part 1 also gives effect to Schedule 4 which sets out the information to be contained in the Sederunt Book.
- Part 2 (rules 2.1-2.44) contains rules about CVAs.
- Part 3 (rules 3.1-3.119) contains rules about administration.
- Part 4 (rules 4.1-4.3) contains rules about the block transfer of insolvency proceedings between insolvency practitioners.
- Part 5 (rules 5.1-5.42) is a common part containing rules about decision making.
- Part 6 (rules 6.1-6.8) is a common part containing rules about proxies and corporate representation.
- Part 7 (rules 7.1-7.14) contains rules which give effect to the EU Regulation.

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