
STATUTORY INSTRUMENTS

1986 No. 1915

The Insolvency (Scotland) Rules 1986

PART 7

PROVISIONS OF GENERAL APPLICATION

CHAPTER 2

PROXIES AND COMPANY REPRESENTATION

Definition of “proxy”

7.14.—(1) For the purposes of the Rules, a person (“the principal”) may authorise another person (“the proxy-holder”) to attend, speak and vote as his representative at meetings of creditors or contributories or of the company in insolvency proceedings, and any such authority is referred to as a proxy.

(2) A proxy may be given either generally for all meetings in insolvency proceedings or specifically for any meeting or class of meetings.

(3) Only one proxy may be given by the principal for any one meeting; and it may only be given to one person, being an individual aged 18 or over. The principal may nevertheless nominate one or more other such persons to be proxy-holder in the alternative in the order in which they are named in the proxy.

(4) Without prejudice to the generality of paragraph (3), a proxy for a particular meeting may be given to whoever is to be the chairman of the meeting.

(5) A proxy may require the holder to vote on behalf of the principal on matters arising for determination at any meeting, or to abstain, either as directed or in accordance with the holder's own discretion; and it may authorise or require the holder to propose, in the principal's name, a resolution to be voted on by the meeting.

Form of proxy

7.15.—(1) With every notice summoning a meeting of creditors or contributories or of the company in insolvency proceedings there shall be sent out forms of proxy.

(2) A form of proxy shall not be sent out with the name or description of any person inserted in it.

(3) A proxy shall be in the form sent out with the notice summoning the meeting or in a form substantially to the same effect.

(4) A form of proxy shall be filled out and signed by the principal, or by some person acting under his authority and, where it is signed by someone other than the principal, the nature of his authority shall be stated on the form.

Use of proxy at meeting

7.16.—(1) A proxy given for a particular meeting may be used at any adjournment of that meeting.

(2) A proxy may be lodged at or before the meeting at which it is to be used.

(3) Where the responsible insolvency practitioner holds proxies to be used by him as chairman of the meeting, and some other person acts as chairman, the other person may use the insolvency practitioner's proxies as if he were himself proxy-holder.

Retention of proxies

7.17.—(1) Proxies used for voting at any meeting shall be retained by the chairman of the meeting.

(2) The chairman shall deliver the proxies forthwith after the meeting to the responsible insolvency practitioner (where he was not the chairman).

(3) The responsible insolvency practitioner shall retain all proxies in the sederunt book.

Right of inspection

7.18.—(1) The responsible insolvency practitioner shall, so long as proxies lodged with him are in his hands, allow them to be inspected at all reasonable times on any business day, by -

- (a) the creditors, in the case of proxies used at a meeting of creditors,
- (b) a company's members or contributories, in the case of proxies used at a meeting of the company or of its contributories.

(2) The reference in paragraph (1) to creditors is -

- (a) in the case of a company in liquidation, those creditors whose claims have been accepted in whole or in part, and
- (b) in any other case, persons who have submitted in writing a claim to be creditors of the company concerned,

but in neither case does it include a person whose claim has been wholly rejected for purposes of voting, dividend or otherwise.

(3) The right of inspection given by this Rule is also exercisable, in the case of an insolvent company, by its directors.

(4) Any person attending a meeting in insolvency proceedings is entitled, immediately before or in the course of the meeting, to inspect proxies and associated documents to be used in connection with that meeting.

Proxy-holder with financial interest

7.19.—(1) A proxy-holder shall not vote in favour of any resolution which would directly or indirectly place him, or any associate of his, in a position to receive any remuneration out of the insolvent estate, unless the proxy specifically directs him to vote in that way.

(2) This Rule applies also to any person acting as chairman of a meeting and using proxies in that capacity; and in its application to him, the proxy-holder is deemed an associate of his.

Representation of corporations

7.20.—(1) Where a person is authorised under section 375 of the Companies Act to represent a corporation at a meeting of creditors or contributories, he shall produce to the chairman of the meeting a copy of the resolution from which he derives his authority.

(2) The copy resolution must be executed in accordance with the provisions of section 36(3) of the Companies Act, or certified by the secretary or a director of the corporation to be a true copy.