#### STATUTORY INSTRUMENTS

### 1986 No. 1915 (S. 139)

# INSOLVENCY COMPANIES

### The Insolvency (Scotland) Rules 1986

Made - - - - 10th November 1986
Laid before Parliament 26th November 1986
Coming into Operation 29th December 1986

#### THE INSOLVENCY (SCOTLAND) RULES 1986

#### INTRODUCTORY PROVISIONS

- 0.1 Citation and commencement
- 0.2 Interpretation
- 0.3 Application

#### PART I

#### COMPANY VOLUNTARY ARRANGEMENTS

#### CHAPTER 1

#### **PRELIMINARY**

1.1 Scope of this Part; interpretation

#### **CHAPTER 2**

#### PROPOSAL BY DIRECTORS

- 1.2 Preparation of proposal
- 1.3 Contents of proposal
- 1.4 Notice to intended nominee
- 1.5 Statement of affairs
- 1.6 Additional disclosure for assistance of nominee
- 1.7 Nominee's report on the proposal
- 1.8 Replacement of nominee

#### 1.9 Summoning of meetings under section 3

#### **CHAPTER 3**

#### PROPOSAL BY ADMINISTRATOR OR LIQUIDATOR WHERE HE IS THE NOMINEE

- 1.10 Preparation of proposal
- 1.11 Summoning of meetings under section 3

#### CHAPTER 4

# PROPOSAL BY ADMINISTRATOR OR LIQUIDATOR WHERE ANOTHER INSOLVENCY PRACTITIONER IS THE NOMINEE

1.12 Preparation of proposal and notice to nominee

#### CHAPTER 5

#### **MEETINGS**

- 1.13 General
- 1.14 Summoning of meetings
- 1.15 Attendance by company officers
- 1.16 Adjournments
- 1.17 Report of meetings

#### CHAPTER 6

#### IMPLEMENTATION OF THE VOLUNTARY ARRANGEMENT

- 1.18 Resolutions to follow approval
- 1.19 Hand-over of property, etc. to supervisor
- 1.20 Revocation or suspension of the arrangement
- 1.21 Supervisor's accounts and reports
- 1.22 Fees, costs, charges and expenses
- 1.23 Completion of the arrangement
- 1.24 False representations, etc.

#### PART 2

#### ADMINISTRATION PROCEDURE

#### CHAPTER 1

#### APPLICATION FOR, AND MAKING OF, THE ORDER

- 2.1 Independent report on company's affairs
- 2.2 Notice of petition
- 2.3 Notice and advertisement of administration order

#### **CHAPTER 2**

#### STATEMENT OF AFFAIRS AND PROPOSALS TO CREDITORS

<b>1</b>	TAT .*			C	cc ·
2.4	Notice	realliring	statement	$\alpha t a$	ittaire
4.7	1101100	requiring	Statement	OI U	muns

- 2.5 Form of the statement of affairs
- 2.6 Expenses of statement of affairs
- 2.7 Statement to be annexed to proposals
- 2.8 Notices of proposals to members

#### CHAPTER 3

#### MEETINGS AND NOTICES

20		1
<i>,</i> u	Genera	ı
4.1	Ciciicia	1

- 2.10 Meeting to consider administrator's proposals
- 2.11 Retention of title creditors
- 2.12 Hire-purchase, conditional sale and hiring agreements
- 2.13 Report of meetings
- 2.14 Notices to creditors

#### **CHAPTER 4**

#### THE CREDITORS' COMMITTEE

2.15 Application of provisions in Part 3 (Receivers)

#### CHAPTER 5

#### THE ADMINISTRATOR

- 2.16 Remuneration
- 2.17 Abstract of receipts and payments
- 2.18 Resignation from office
- 2.19 Administrator deceased
- 2.20 Order filling vacancy

#### CHAPTER 6

#### VAT BAD DEBT RELIEF

2.21 Application of provisions in Part 3 (Receivers)

PART 3

**RECEIVERS** 

CHAPTER 1

#### **APPOINTMENT**

3.1 Acceptance of Appointment

#### CHAPTER 2

#### STATEMENT OF AFFAIRS

1	^	3. T . *			C	cc ·
3.	')	Notice	requiring	statement	$\alpha$ t	attairs
J.		1101100	requiring	Statement	$\mathbf{o}_{\mathbf{I}}$	arrans

3.3 Expenses of statement of affairs

#### **CHAPTER 3**

#### THE CREDITORS' COMMITTEE

$\sim$	4	<b>a</b>			•
3.	4	( 'oneti	ifiifion	ot co	mmittee
J.	.т	Consu	llulion	$o_1 c_0$	

- 3.5 Functions of the committee
- 3.6 Application of provisions relating to liquidation committee
- 3.7 Information from receiver
- 3.8 Members' dealings with the company

#### **CHAPTER 4**

#### **MISCELLANEOUS**

- 3.9 Abstract of receipts and payments
- 3.10 Receiver deceased
- 3.11 Vacation of office

#### CHAPTER 5

#### VAT BAD DEBT RELIEF

- 3.12 Issue of certificate of insolvency
- 3.13 Notice to creditors
- 3.14 Preservation of certificate with company's records

#### PART 4

#### WINDING UP BY THE COURT

#### CHAPTER 1

#### PROVISIONAL LIQUIDATOR

- 4.1 Appointment of provisional liquidator
- 4.2 Order of appointment
- 4.3 Caution
- 4.4 Failure to find or to maintain caution
- 4.5 Remuneration
- 4.6 Termination of appointment

#### **CHAPTER 2**

#### STATEMENT OF AFFAIRS

- 4.7 Notice requiring statement of affairs
- 4.8 Form of the statement of affairs

#### 4.9 Expenses of statement of affairs

#### **CHAPTER 3**

#### **INFORMATION**

- 4.10 Information to creditors and contributories
- 4.11 Information to registrar of companies

#### **CHAPTER 4**

#### MEETINGS OF CREDITORS AND CONTRIBUTORIES

- 4.12 First meetings in the liquidation
- 4.13 Other meetings
- 4.14 Attendance at meetings of company's personnel

#### CHAPTER 5

#### CLAIMS IN LIQUIDATION

- 4.15 Submission of claims
- 4.16 Application of the Bankruptcy Act
- 4.17 Claims in foreign currency

#### CHAPTER 6

#### THE LIQUIDATOR

#### SECTION A: APPOINTMENT AND FUNCTIONS OF LIQUIDATOR

- 4.18 Appointment of liquidator by the court
- 4.19 Appointment by creditors or contributories
- 4.20 Authentication of liquidator's appointment
- 4.21 Hand-over of assets to liquidator
- 4.22 Taking possession and realisation of the company's assets

#### SECTION B: REMOVAL AND RESIGNATION; VACATION OF OFFICE

- 4.23 Summoning of meeting for removal of liquidator
- 4.24 Procedure on liquidator's removal
- 4.25 Release of liquidator on removal
- 4.26 Removal of liquidator by the court
- 4.27 Advertisement of removal
- 4.28 Resignation of liquidator
- 4.29 Action following acceptance of liquidator's resignation
- 4.30 Leave to resign granted by the court

#### SECTION C: RELEASE ON COMPLETION OF WINDING UP

#### 4.31 Final meeting

#### SECTION D: OUTLAYS AND REMUNERATION

Determination of amount of outlays and remuneration

Recourse of liquidator to meeting of creditors

4.324.33

4.34 4.35	Recourse to the court Creditors' claim that remuneration is excessive			
	SECTION E: SUPPLEMENT ARY PROVISIONS			
4.36 4.37 4.38 4.39	Liquidator deceased Loss of qualification as insolvency practitioner Power of court to set aside certain transactions Rule against solicitation			
	CHAPTER 7			
	THE LIQUIDATION COMMITTEE			
4.40 4.41 4.42 4.43 4.44 4.45 4.46 4.47 4.48 4.49 4.50 4.51 4.52 4.53 4.54 4.55 4.56 4.57 4.58 4.59	Preliminary Membership of committee Formalities of establishment Committee established by contributories Obligations of liquidator to committee Meetings of the committee The chairman at meetings Quorum Committee members' representatives Resignation Termination of membership Removal Vacancy (creditor members) Vacancy (contributory members) Voting rights and resolutions Resolutions by post Liquidator's reports Expenses of members, etc. Dealings by committee-members and others Composition of committee when creditors paid in full			
	CHAPTER 8			
	THE LIQUIDATION COMMITTEE WHERE WINDING UP FOLLOWS IMMEDIATELY ON ADMINISTRATION			
4.60 4.61 4.62 4.63 4.64 4.65	Preliminary Continuation of creditors' committee Membership of committee Liquidator's certificate Obligations of liquidator to committee Application of Chapter 7			

	CHAPTER 9
	DISTRIBUTION OF COMPANY'S ASSETS BY LIQUIDATOR
4.66 4.67 4.68	F
	CHAPTER 10
	SPECIAL MANAGER
4.69 4.70 4.71 4.72 4.73	Caution Failure to find or to maintain caution
	CHAPTER 11
	PUBLIC EXAMINATION OF COMPANY OFFICERS AND OTHERS
4.74 4.75	Notice of order for public examination Order on request by creditors or contributories
	CHAPTER 12
	MISCELLANEOUS
4.76 4.77	
	CHAPTER 13

#### COMPANY WITH PROHIBITED NAME

4.78 Preliminary
------------------

- 4.79 Application for leave under section 216(3)
- 4.80 First excepted case
- 4.81 Second excepted case
- 4.82 Third excepted case

#### PART 5

#### CREDITORS' VOLUNTARY WINDING UP

5. Application of Part 4

#### PART 6

#### MEMBERS' VOLUNTARY WINDING UP

6. Application of Part 4

#### PART 7

#### PROVISIONS OF GENERAL APPLICATION

#### CHAPTER 1

#### **MEETINGS**

7.1	Scope	of Cha	pter 1

- 7.2 Summoning of meetings
- 7.3 Notice of meeting
- 7.4 Additional notices in certain cases
- 7.5 Chairman of meetings
- 7.6 Meetings requisitioned
- 7.7 Quorum
- 7.8 Adjournment
- 7.9 Entitlement to vote (creditors)
- 7.10 Entitlement to vote (members and contributories)
- 7.11 Chairman of meeting as proxy holder
- 7.12 Resolutions
- 7.13 Report of meeting

#### CHAPTER 2

#### PROXIES AND COMPANY REPRESENTATION

- 7.14 Definition of "proxy"
- 7.15 Form of proxy
- 7.16 Use of proxy at meeting
- 7.17 Retention of proxies
- 7.18 Right of inspection
- 7.19 Proxy-holder with financial interest
- 7.20 Representation of corporations

#### **CHAPTER 3**

#### **MISCELLANEOUS**

- 7.21 Giving of notices, etc.
- 7.22 Sending by post
- 7.23 Certificate of giving notice, etc.
- 7.24 Validity of proceedings
- 7.25 Evidence of proceedings at meetings
- 7.26 Right to list of creditors and copy documents
- 7.27 Confidentiality of documents
- 7.28 Insolvency practitioner's caution
- 7.29 Punishment of offences
- 7.30 Forms for use in insolvency proceedings
- 7.31 Fees, expenses, etc.
- 7.32 Power of court to cure defects in procedure
- 7.33 Sederunt book

Signature

### SCHEDULE 1 — MODIFICATIONS OF PART 4 IN RELATION TO CREDITORS' VOLUNTARY WINDING UP

1. The following paragraphs describe the modifications to be made to...

#### General

2. Any reference, in any provision in Part 4, which is...

Chapter 1 (Provisional liquidator)

3. This Chapter shall not apply.

Chapter 2 (Statement of affairs)

- 4. Rules 4. 7 and 4.8
- 5. Rule 4.9

#### Chapter 3 (Information)

6. Rule 4.10

#### Chapter 4 (Meetings of creditors and contributories)

- 7. Rule 4.12
- 8. Rule 4.14
- 9. Rule 4.15
- 10. Rule 4.16

#### Chapter 6 (The liquidator)

- 11. Rule 4.18
- 12. Rule 4.19
- 13. Rule 4.23
- 14. Rule 4.24
- 15. Rule 4.25
- 16. Rule 4.28
- 17. Rule 4.29
- 18. Rule 4.31
- 19. Rule 4.36
- 20. Rule 4.37

#### Chapter 7 (The liquidation committee)

- 21. Rule 4.40
- 21. Rule 4.41
- 23. Rule 4.43
- 24. Rule 4.47
- 25. Rule 4.53
- 26. Rule 4.54
- 27. Rule 4.55

Chapter 8 (The liquidation committee where winding up follows immediately on administration)

28. This Chapter shall not apply.

#### Chapter 9 (Distribution of company's assets by liquidator)

29. Rule 4.66

#### Chapter 10 (Special manager)

- 30. Rule 4.70
- 31. Rule 4.71

Chapter 11 (Public examination of company officers and others)

32. This Chapter shall not apply.

Chapter 12 (Miscellaneous)

33. Rule 4.77

# SCHEDULE 2 — APPLICATION OF PART 4 IN RELATION TO MEMBERS' VOLUNTARY WINDING UP

1. The following paragraphs describe the provisions of Part 4 which,...

#### General

2. Any reference in any provision of Part 4, which is...

#### Chapter 3 (Information)

3. Rule 4.11

#### Chapter 6 (The liquidator)

- 4. Rule 4.18
- 5. Rule 4.19
- 6. Rules 4.20 to 4.22
- 7. Rule 4.26
- 8. Rule 4.27
- 9. Rule 4.28
- 10. Rule 4.36
- 11. Rule 4.37 12. Rule 4.38
- 13. Rule 4.39

#### Chapter 10 (Special manager)

14. (1) This Chapter shall apply subject to the following modifications...

#### SCHEDULE 3 — DEPOSIT PROTECTION BOARD'S VOTING RIGHTS

- 1. This Schedule applies where Rule 7.4 does.
- 2. In relation to any meeting at which the Deposit Protection...
- 3. The statement shall contain details of: -
- 4. The Board's statement shall, for the purpose of voting at...
- 5. Any voting rights which a creditor might otherwise exercise at...
- 6. The Board may from time to time submit a further...

#### SCHEDULE 4 — PUNISHMENT OF OFFENCES UNDER THE RULES

#### SCHEDULE 5 — FORMS

Document Generated: 2024-07-07

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

**Explanatory Note**