



Insolvency Act 1986

1986 CHAPTER 45

PART IX

BANKRUPTCY

CHAPTER III

TRUSTEES IN BANKRUPTCY

Tenure of office as trustee

[^{F1}291A First trustee in bankruptcy

- (1) On the making of a bankruptcy order the official receiver becomes trustee of the bankrupt's estate, unless the court appoints another person under subsection (2).
- (2) If when the order is made there is a supervisor of a voluntary arrangement approved in relation to the bankrupt under Part 8, the court may on making the order appoint the supervisor of the arrangement as the trustee.
- (3) Where a person becomes trustee of a bankrupt's estate under this section, the person must give notice of that fact to the bankrupt's creditors (or, if the court so allows, advertise it in accordance with the court's directions).
- (4) A notice or advertisement given by a trustee appointed under subsection (2) must explain the procedure for establishing a creditors' committee under section 301.]

Textual Amendments

- F1** S. 291A inserted (6.4.2017 for E.W.) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), ss. 133(1), 164(1); S.I. 2016/1020, reg. 4(f)

Status: Point in time view as at 13/03/2018.

Changes to legislation: Insolvency Act 1986, Chapter III is up to date with all changes known to be in force on or before 09 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

292 [F2 Appointment of trustees: general provision]

[F3(1) This section applies to any appointment of a person (other than the official receiver) as trustee of a bankrupt's estate.]

(2) No person may be appointed as trustee of a bankrupt’s estate unless he is, at the time of the appointment, qualified to act as an insolvency practitioner in relation to the bankrupt.

(3) Any power to appoint a person as trustee of a bankrupt’s estate includes power to appoint two or more persons as joint trustees; but such an appointment must make provision as to the circumstances in which the trustees must act together and the circumstances in which one or more of them may act for the others.

(4) The appointment of any person as trustee takes effect only if that person accepts the appointment in accordance with the rules. Subject to this, the appointment of any person as trustee takes effect at the time specified in his certificate of appointment.

[F4(5)]

Textual Amendments

F2 S. 292 heading substituted (6.4.2017 for E.W.) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 10 para. 5\(2\)](#); S.I. 2016/1020, reg. 4(f)

F3 S. 292(1) substituted (6.4.2017 for E.W.) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 10 para. 5\(3\)](#); S.I. 2016/1020, reg. 4(f)

F4 S. 292(5) omitted (6.4.2017 for E.W.) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 10 para. 5\(4\)](#); S.I. 2016/1020, reg. 4(f)

Modifications etc. (not altering text)

C1 S. 292 applied (with modifications) by S.I. 1986/1999, art. 3, [Sch. 1 Pt. II](#) (as amended (6.4.2016) by [The Enterprise and Regulatory Reform Act 2013 \(Consequential Amendments\) \(Bankruptcy\) and the Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) Regulations 2016 \(S.I. 2016/481\), reg. 1, Sch. 2 para. 2\(7\)\(c\)](#))

C2 S. 292 applied (with modifications) (1.12.1994) by S.I. 1994/2421, arts. 8(3)(9), 10(6), [Sch. 4 Pt. II para. 26](#)

C3 S. 292 modified (1.12.1994) by S.I. 1994/2421, art. 11(2)(3), [Sch. 7 para. 10](#)

[F5]293 Summoning of meeting to appoint first trustee.

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Textual Amendments

F5 Ss. 293-295 omitted (6.4.2017 for E.W.) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 10 para. 6](#); S.I. 2016/1020, reg. 4(f)

[F5]294 Power of creditors to requisition meeting.

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Status: Point in time view as at 13/03/2018.

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Textual Amendments

- F5** Ss. 293-295 omitted (6.4.2017 for E.W.) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), [Sch. 10 para. 6](#); S.I. 2016/1020, reg. 4(f)

^{F5}**295 Failure of meeting to appoint trustee.**

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Textual Amendments

- F5** Ss. 293-295 omitted (6.4.2017 for E.W.) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), [Sch. 10 para. 6](#); S.I. 2016/1020, reg. 4(f)

296 Appointment of trustee by Secretary of State.

- (1) At any time when the official receiver is the trustee of a bankrupt's estate by virtue of any provision of this Chapter ^{F6}... he may apply to the Secretary of State for the appointment of a person as trustee instead of the official receiver.
- (2) On an application under subsection (1) the Secretary of State shall either make an appointment or decline to make one.
- (3) Such an application may be made notwithstanding that the Secretary of State has declined to make an appointment either on a previous application under subsection (1) ^{F7}... or under section 300(4) below.
- (4) Where the trustee of a bankrupt's estate has been appointed by the Secretary of State (whether under this section or otherwise), the trustee shall give notice to the bankrupt's creditors of his appointment or, if the court so allows, shall advertise his appointment in accordance with the court's directions.
- (5) In that notice or advertisement the trustee shall [^{F8}explain the procedure for establishing a creditors' committee under section 301.]

Textual Amendments

- F6** Words in s. 296(1) omitted (6.4.2017 for E.W.) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), [Sch. 10 para. 7\(a\)](#); S.I. 2016/1020, reg. 4(f)
- F7** Words in s. 296(3) omitted (6.4.2017 for E.W.) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), [Sch. 10 para. 7\(b\)](#); S.I. 2016/1020, reg. 4(f)
- F8** Words in s. 296(5) substituted for s. 296(5)(a)(b) (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), [Sch. 9 para. 76](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)

Modifications etc. (not altering text)

- C4** S. 296 applied (with modifications) by S.I. 1986/1999, art. 3, [Sch. 1 Pt. II](#) (as amended (6.4.2016) by [The Enterprise and Regulatory Reform Act 2013 \(Consequential Amendments\) \(Bankruptcy\) and the Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) Regulations 2016 \(S.I. 2016/481\)](#), reg. 1, [Sch. 2 para. 2\(7\)\(c\)](#))
- C5** S. 296 applied (with modifications) (1.12.1994) by S.I. 1994/2421, art. 8(3)(9), [Sch. 4 Pt. II para. 12](#)

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C6 S. 296 modified (1.12.1994) by S.I. 1994/2421, art. 11(2)(3), **Sch. 7 para. 13**

F⁹297 Special cases.

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Textual Amendments
F⁹ S. 297 omitted (6.4.2017 for E.W.) by virtue of **Small Business, Enterprise and Employment Act 2015** (c. 26), s. 164(1), **Sch. 10 para. 8**; S.I. 2016/1020, reg. 4(f)

298 Removal of trustee; vacation of office.

(1) Subject as follows, the trustee of a bankrupt’s estate may be removed from office only by an order of the court or by a [F¹⁰decision of the bankrupt's creditors made by a creditors' decision procedure instigated] specially for that purpose in accordance with the rules.

F¹¹(2)

(3) F¹²

(4) Where the official receiver is trustee by virtue of [F¹³section 291A(1)] or a trustee is appointed by the Secretary of State or (otherwise than under [F¹⁴section 291A(2)]) by the court, a [F¹⁵creditors' decision procedure may be instigated] for the purpose of [F¹⁶removing] the trustee only if—

- (a) the trustee thinks fit, or
- (b) the court so directs, or
- (c) F¹⁷... one of the bankrupt’s creditors [F¹⁸so requests,] with the concurrence of not less than one-quarter, in value, of the creditors (including the creditor making the request).

[F¹⁹(4A) Where the bankrupt's creditors decide to remove a trustee, they may in accordance with the rules appoint another person as trustee in his place.

(4B) Where the decision to remove a trustee is made under subsection (4), the decision does not take effect until the bankrupt's creditors appoint another person as trustee in his place.]

(5) If the trustee was appointed by the Secretary of State, he may be removed by a direction of the Secretary of State.

(6) The trustee (not being the official receiver) shall vacate office if he ceases to be a person who is for the time being qualified to act as an insolvency practitioner in relation to the bankrupt.

(7) The trustee may, in the prescribed circumstances, resign his office by giving notice of his resignation to the [F²⁰prescribed person].

(8) The trustee shall vacate office on giving notice to the [F²⁰prescribed person] that [F²¹the trustee has given notice under section 331(2).]

[F²²(8A) A notice under subsection (8)—

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- (a) must not be given before the end of the period prescribed by the rules as the period within which the bankrupt's creditors may object to the trustee's release, and
 - (b) must state whether any of the bankrupt's creditors objected to the trustee's release.]
- (9) The trustee shall vacate office if the bankruptcy order is annulled.

Textual Amendments

- F10** Words in s. 298(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 77\(2\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F11** S. 298(2) omitted (6.4.2017 for E.W.) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 10 para. 9\(2\)](#); S.I. 2016/1020, reg. 4(f)
- F12** S. 298(3) repealed (1.4.2004) by 2002 c. 40, ss. 269, 278, 279, [Sch. 23 para. 10, Sch. 26 \(with s. 249\(6\)\)](#); S.I. 2003/2093, [art. 2\(2\)](#), [Sch. 2](#) (subject to arts. 3-8 (as amended by S.I. 2003/2332, [art. 2](#)))
- F13** Words in s. 298(4) substituted (6.4.2017 for E.W.) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 10 para. 9\(3\)\(a\)](#); S.I. 2016/1020, reg. 4(f)
- F14** Words in s. 298(4) substituted (6.4.2017 for E.W.) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 10 para. 9\(3\)\(b\)](#); S.I. 2016/1020, reg. 4(f)
- F15** Words in s. 298(4) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 77\(3\)\(a\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F16** Word in s. 298(4) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 77\(3\)\(b\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F17** Words in s. 298(4)(c) omitted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 77\(3\)\(c\)\(i\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F18** Words in s. 298(4)(c) inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 77\(3\)\(c\)\(ii\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F19** S. 298(4A)(4B) inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 77\(4\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F20** Words in s. 298(7)(8) substituted (6.4.2016) by [Enterprise and Regulatory Reform Act 2013 \(c. 24\), s. 103\(3\), Sch. 19 para. 23](#); S.I. 2016/191, [art. 2 \(with art. 3\)](#)
- F21** Words in s. 298(8) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 77\(5\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F22** S. 298(8A) inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 77\(6\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)

Modifications etc. (not altering text)

- C7** Ss. 298–307 applied (with modifications) by S.I. 1986/1999, [art. 3, Sch. 1 Pt. II](#) (as amended (6.4.2016) by [The Enterprise and Regulatory Reform Act 2013 \(Consequential Amendments\) \(Bankruptcy\)](#) and the [Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) Regulations 2016 \(S.I. 2016/481\), reg. 1, Sch. 2 para. 2\(7\)\(c\)](#))

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C8 S. 298 modified (1.12.1994) by S.I. 1994/2421, art. 11(2)(3), **Sch. 7 para. 15** (as amended (8.12.2017) by **The Insolvency (Miscellaneous Amendments) Regulations 2017** (S.I. 2017/1119), reg. 1(1), **Sch. 2 para. 7(3)**)

299 Release of trustee.

- (1) Where the official receiver has ceased to be the trustee of a bankrupt's estate and a person is appointed in his stead, the official receiver shall have his release with effect from the following time, that is to say—
 - (a) where that person is appointed by ^{F23}... the bankrupt's creditors or by the Secretary of State, the time at which the official receiver gives notice [^{F24}under this paragraph to the prescribed person] that he has been replaced, and
 - (b) where that person is appointed by the court, such time as the court may determine.
- (2) If the official receiver while he is the trustee gives notice to the Secretary of State that the administration of the bankrupt's estate in accordance with Chapter IV of this Part is for practical purposes complete, he shall have his release with effect from such time as the Secretary of State may determine.
- (3) A person other than the official receiver who has ceased to be the trustee shall have his release with effect from the following time, that is to say—
 - (a) in the [^{F25}following cases], the time at which notice is given to the [^{F26}prescribed person] in accordance with the rules that that person has ceased to hold office [^{F27}—
 - (i) the person has been removed from office by a decision of the bankrupt's creditors and the creditors have not decided against his release,
 - (ii) the person has died;]
 - ^{F28}(b) in the following cases, such time as the Secretary of State may, on an application by the person, determine—
 - (i) the person has been removed from office by a decision of the bankrupt's creditors and the creditors have decided against his release,
 - (ii) the person has been removed from office by the court or by the Secretary of State,
 - (iii) the person has vacated office under section 298(6);]
 - (c) in the case of a person who has resigned, such time as may be prescribed;
 - (d) in the case of a person who has vacated office under section 298(8)—
 - ^{F29}(i) if any of the bankrupt's creditors objected to the person's release before the end of the period for so objecting prescribed by the rules, such time as the Secretary of State may, on an application by that person, determine, and
 - (ii) otherwise, the time at which the person vacated office.]
- ^{F30}(3A) Where the person is removed from office by a decision of the bankrupt's creditors, any decision of the bankrupt's creditors as to whether the person should have his release must be made by a creditors' decision procedure.]
- (4) Where a bankruptcy order is annulled, the trustee at the time of the annulment has his release with effect from such time as the court may determine.

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- (5) Where the official receiver or the trustee has his release under this section, he shall, with effect from the time specified in the preceding provisions of this section, be discharged from all liability both in respect of acts or omissions of his in the administration of the estate and otherwise in relation to his conduct as trustee.

But nothing in this section prevents the exercise, in relation to a person who has had his release under this section, of the court's powers under section 304.

Textual Amendments

- F23** Words in s. 299(1)(a) omitted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 78\(2\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F24** Words in s. 299(1)(a) substituted (6.4.2016) by [Enterprise and Regulatory Reform Act 2013 \(c. 24\), s. 103\(3\), Sch. 19 para. 24\(2\)](#); S.I. 2016/191, art. 2 (with art. 3)
- F25** Words in s. 299(3)(a) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 78\(3\)\(a\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F26** Words in s. 299(3)(a) substituted (6.4.2016) by [Enterprise and Regulatory Reform Act 2013 \(c. 24\), s. 103\(3\), Sch. 19 para. 24\(3\)](#); S.I. 2016/191, art. 2 (with art. 3)
- F27** Words in s. 299(3)(a) inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 78\(3\)\(b\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F28** S. 299(3)(b) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 78\(4\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F29** S. 299(3)(d)(i)(ii) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 78\(5\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F30** S. 299(3A) inserted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 78\(6\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)

Modifications etc. (not altering text)

- C9** Ss. 298–307 applied (with modifications) by S.I. 1986/1999, art. 3, [Sch. 1 Pt. II](#) (as amended (6.4.2016) by [The Enterprise and Regulatory Reform Act 2013 \(Consequential Amendments\) \(Bankruptcy\) and the Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) Regulations 2016 \(S.I. 2016/481\), reg. 1, Sch. 2 para. 2\(7\)\(c\)](#))
- C10** S. 299 applied (with modifications) (1.12.1994) by S.I. 1994/2421, arts. 8(3)(9), 10(6), [Sch. 4 Pt. II para. 22](#)
- C11** S. 299 modified (1.12.1994) by S.I. 1994/2421, art. 11(2)(3), [Sch. 7 para. 16](#)

300 Vacancy in office as trustee.

- (1) This section applies where the appointment of any person as trustee of a bankrupt's estate fails to take effect or, such an appointment having taken effect, there is otherwise a vacancy in the office of trustee.
- (2) The official receiver shall be trustee until the vacancy is filled.

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- [^{F31}(3) The official receiver may ask the bankrupt's creditors to appoint a person as trustee, and must do so if so requested by not less than one tenth in value of the bankrupt's creditors.
- (3A) If the official receiver makes such a request the bankrupt's creditors may in accordance with the rules appoint a person as trustee.]
- (4) If at the end of the period of 28 days beginning with the day on which the vacancy first came to the official receiver's attention he has not [^{F32}asked, and is not proposing to ask, the bankrupt's creditors to appoint a person as trustee], he shall refer the need for an appointment to the Secretary of State.
- ^{F33}(5)
- (6) On a reference to the Secretary of State under subsection (4) ^{F34}. . . the Secretary of State shall either make an appointment or decline to make one.
- (7) If on a reference under subsection (4) ^{F34}. . . no appointment is made, the official receiver shall continue to be trustee of the bankrupt's estate, but without prejudice to his power to make a further reference.
- (8) References in this section to a vacancy include a case where it is necessary, in relation to any property which is or may be comprised in a bankrupt's estate, to revive the trusteeship of that estate after the [^{F35}vacation of office by the trustee under section 298(8)] or the giving by the official receiver of notice under section 299(2).

Textual Amendments

- F31** S. 300(3)(3A) substituted for s. 300(3) (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 79\(2\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F32** Words in s. 300(4) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 79\(3\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F33** S. 300(5) repealed (1.4.2004) by 2002 c. 40, ss. 269, 278, 279, Sch. 23 para. 11(a), Sch. 26 (with s. 249(6)); S.I. 2003/2093, [art. 2\(2\)](#), Sch. 2 (subject to arts. 3-8 (as amended by S.I. 2003/2332, art. 2))
- F34** Words in s. 300(6)(7) repealed (1.4.2004) by 2002 c. 40, ss. 269, 278, 279, Sch. 23 para. 11(b), Sch. 26 (with s. 249(6)); S.I. 2003/2093, [art. 2\(2\)](#), Sch. 2 (subject to arts. 3-8 (as amended by S.I. 2003/2332, art. 2))
- F35** Words in s. 300(8) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 79\(4\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)

Modifications etc. (not altering text)

- C12** Ss. 298-307 applied (with modifications) by S.I. 1986/1999, art. 3, [Sch. 1 Pt. II](#) (as amended (6.4.2016) by [The Enterprise and Regulatory Reform Act 2013 \(Consequential Amendments\) \(Bankruptcy\) and the Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) Regulations 2016 \(S.I. 2016/481\), reg. 1, Sch. 2 para. 2\(7\)\(c\)](#))
- C13** S. 300 applied (with modifications) (1.12.1994) by S.I. 1994/2421, art. 8(3)(9), [Sch. 4 Pt. II para. 12](#)
- C14** S. 300 modified (1.12.1994) by S.I. 1994/2421, art. 11(2)(3), [Sch. 7 para. 17](#)

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Control of trustee

301 Creditors' committee.

- (1) Subject as follows, a [^{F36}bankrupt's creditors] may, in accordance with the rules, establish a committee (known as “the creditors’ committee”) to exercise the functions conferred on it by or under this Act.
- (2) [^{F37}The] bankrupt’s creditors shall not establish such a committee, or confer any functions on such a committee, at any time when the official receiver is the trustee of the bankrupt’s estate, except in connection with [^{F38}the appointment] of a person to be trustee instead of the official receiver.

Textual Amendments

- F36** Words in s. 301(1) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 80\(2\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F37** Word in s. 301(2) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 80\(3\)\(a\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)
- F38** Words in s. 301(2) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 80\(3\)\(b\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e)

Modifications etc. (not altering text)

- C15** Ss. 298–307 applied (with modifications) by S.I. 1986/1999, art. 3, [Sch. 1 Pt. II](#) (as amended (6.4.2016) by [The Enterprise and Regulatory Reform Act 2013 \(Consequential Amendments\) \(Bankruptcy\) and the Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) Regulations 2016 \(S.I. 2016/481\), reg. 1, Sch. 2 para. 2\(7\)\(c\)](#))
- C16** S. 301 applied (with modifications) (1.12.1994) by S.I. 1994/2421, art. 8(3)(9), [Sch. 4 Pt. II para. 16](#)
- C17** S. 301 modified (1.12.1994) by S.I. 1994/2421, art. 11(2)(3), [Sch. 7 para. 18](#)
S. 301 amended (1.12.2001) by [2000 c. 8, s. 374\(4\)\(b\)](#); S.I. 2001/3538, [art. 2\(1\)](#)

302 Exercise by Secretary of State of functions of creditors' committee.

- (1) The creditors’ committee is not to be able or required to carry out its functions at any time when the official receiver is trustee of the bankrupt’s estate; but at any such time the functions of the committee under this Act shall be vested in the Secretary of State, except to the extent that the rules otherwise provide.
- (2) Where in the case of any bankruptcy there is for the time being no creditors’ committee and the trustee of the bankrupt’s estate is a person other than the official receiver, the functions of such a committee shall be vested in the Secretary of State, except to the extent that the rules otherwise provide.

Modifications etc. (not altering text)

- C18** Ss. 298–307 applied (with modifications) by S.I. 1986/1999, art. 3, [Sch. 1 Pt. II](#) (as amended (6.4.2016) by [The Enterprise and Regulatory Reform Act 2013 \(Consequential Amendments\) \(Bankruptcy\) and the Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) Regulations 2016 \(S.I. 2016/481\), reg. 1, Sch. 2 para. 2\(7\)\(c\)](#))

Status: Point in time view as at 13/03/2018.

Changes to legislation: Insolvency Act 1986, Chapter III is up to date with all changes known to be in force on or before 09 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

C19 S. 302 applied (with modifications) (1.12.1994) by S.I. 1994/2421, art. 8(3)(9), **Sch. 4 Pt. II para. 16**

303 General control of trustee by the court.

- (1) If a bankrupt or any of his creditors or any other person is dissatisfied by any act, omission or decision of a trustee of the bankrupt's estate, he may apply to the court; and on such an application the court may confirm, reverse or modify any act or decision of the trustee, may give him directions or may make such other order as it thinks fit.
- (2) The trustee of a bankrupt's estate may apply to the court for directions in relation to any particular matter arising under the bankruptcy.
- [^{F39}(2A) Where at any time after a bankruptcy petition has been presented to the court against any person, whether under the provisions of the Insolvent Partnerships Order 1994 or not, the attention of the court is drawn to the fact that the person in question is a member of an insolvent partnership, the court may make an order as to the future conduct of the insolvency proceedings and any such order may apply any provisions of that Order with any necessary modifications.
- (2B) Where a bankruptcy petition has been presented against more than one individual in the circumstances mentioned in subsection (2A) above, the court may give such directions for consolidating the proceedings, or any of them, as it thinks just.
- (2C) Any order or directions under subsection (2A) or (2B) may be made or given on the application of the official receiver, any responsible insolvency practitioner, the trustee of the partnership or any other interested person and may include provisions as to the administration of the joint estate of the partnership, and in particular how it and the separate estate of any member are to be administered.]

Textual Amendments

F39 S. 303(2A)-(2C) inserted (1.12.1994) by S.I. 1994/2421, art. 14(2)

Modifications etc. (not altering text)

C20 Ss. 298–307 applied with modifications by S.I. 1986/1999, art. 3, **Sch. 1 Pt. II**

C21 S. 303 applied (with modifications) (1.12.1994) by S.I. 1994/2421, art. 8(3)(9), **Sch. 4 Pt. II para. 20**

304 Liability of trustee.

- (1) Where on an application under this section the court is satisfied—
- (a) that the trustee of a bankrupt's estate has misapplied or retained, or become accountable for, any money or other property comprised in the bankrupt's estate, or
 - (b) that a bankrupt's estate has suffered any loss in consequence of any misfeasance or breach of fiduciary or other duty by a trustee of the estate in the carrying out of his functions,

the court may order the trustee, for the benefit of the estate, to repay, restore or account for money or other property (together with interest at such rate as the court thinks just) or, as the case may require, to pay such sum by way of compensation in respect of the misfeasance or breach of fiduciary or other duty as the court thinks just.

This is without prejudice to any liability arising apart from this section.

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- (2) An application under this section may be made by the official receiver, the Secretary of State, a creditor of the bankrupt or (whether or not there is, or is likely to be, a surplus for the purposes of section 330(5) (final distribution)) the bankrupt himself.

But the leave of the court is required for the making of an application if it is to be made by the bankrupt or if it is to be made after the trustee has had his release under section 299.

- (3) Where—

- (a) the trustee seizes or disposes of any property which is not comprised in the bankrupts estate, and
- (b) at the time of the seizure or disposal the trustee believes, and has reasonable grounds for believing, that he is entitled (whether in pursuance of an order of the court or otherwise) to seize or dispose of that property,

the trustee is not liable to any person (whether under this section or otherwise) in respect of any loss or damage resulting from the seizure or disposal except in so far as that loss or damage is caused by the negligence of the trustee; and he has a lien on the property, or the proceeds of its sale, for such of the expenses of the bankruptcy as were incurred in connection with the seizure or disposal.

Modifications etc. (not altering text)

C22 Ss. 298-307 applied (with modifications) by [S.I. 1986/1999, art. 3, Sch. 1 Pt. II](#)
S. 304 applied (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) Regulations 2004 \(S.I. 2004/353\)](#), [reg. 31](#) (as amended (10.8.2005) by [S.I. 2005/1998, regs. 2\(3\)](#), {40(1)-(4)(10)(a)})

Status:

Point in time view as at 13/03/2018.

Changes to legislation:

Insolvency Act 1986, Chapter III is up to date with all changes known to be in force on or before 09 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.