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STATUTORY INSTRUMENTS

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**1986 No. 1915**

**The Insolvency (Scotland) Rules 1986**

**PART 4**

**WINDING UP BY THE COURT**

**CHAPTER 10**

**SPECIAL MANAGER**

**Caution**

**4.70.**—(1) The appointment of the special manager does not take effect until the person appointed has found (or, being allowed by the court to do so, has undertaken to find) caution to the person who applies for him to be appointed.

(2) It is not necessary that caution be found for each separate company liquidation; but it may be found either specially for a particular liquidation, or generally for any liquidation in relation to which the special manager may be employed as such.

(3) The amount of the caution shall be not less than the value of the assets in respect of which he is appointed, as estimated by the applicant in his report under Rule 4.69.

(4) When the special manager has found caution to the person applying for his appointment, that person shall certify the adequacy of the security and notify the court accordingly.

- (5) The cost of finding caution shall be paid in the first instance by the special manager; but -
- (a) where a winding up order is not made, he is entitled to be reimbursed out of the property of the company, and the court may make an order on the company accordingly, and
  - (b) where a winding up order has been or is subsequently made, he is entitled to be reimbursed as an expense of the liquidation.