

SCHEDULE

Regulation 3

The following shall be inserted after regulation 23 in Part 3 of the principal Regulations:

“INVESTMENT OR OTHERWISE HANDLING OF FUNDS IN BANKRUPTCY AND PAYMENT OF INTEREST

23A.—(1) When the cash balance standing to the credit of the bankrupt in the account in respect of that bankrupt kept by the Secretary of State is in excess of the amount which, in the opinion of the trustee, is required for the immediate purposes of the bankruptcy and should be invested, he may request the Secretary of State to invest the amount not so required in Government securities, to be placed to the credit of that account for the benefit of the bankrupt.

(2) When any of the money so invested is, in the opinion of the trustee, required for the immediate purposes of the bankruptcy, he may request the Secretary of State to raise such sum as may be required by the sale of such of those securities as may be necessary.

(3) In cases where investments have been made at the request of the trustee in pursuance of paragraph (1) above and additional sums to the amounts so invested, including money received under paragraph (7) below, are paid into the Insolvency Services Account to the credit of the bankrupt, a request shall be made to the Secretary of State by the trustee if it is desired that these additional funds should be invested.

(4) Any request relating to the investment in, or sale of, as the case may be, Treasury Bills under paragraphs (1), (2) or (3) above shall be made on a form obtainable from the Department or on one that is substantially similar and any request relating to the purchase or sale, as the case may be, of any other type of Government security made under the provisions of those paragraphs shall be made in writing.

(5) Any request made under paragraphs (1), (2) or (3) above shall be sufficient authority to the Secretary of State for the investment or sale as the case may be.

(6) Whenever the amount standing to the credit of a bankrupt in the Insolvency Services Account on or after 2nd April 2001 exceeds £2,000, the bankrupt shall be entitled to interest on the excess at the rate of 3½ per cent. per annum provided that:

- (a) where, in the opinion of the trustee, it is necessary or expedient in order to facilitate the conclusion of the bankruptcy that interest should cease to accrue, he may give notice in writing to the Secretary of State to that effect and interest shall cease to accrue from the date of receipt of that notice by the Secretary of State, and
- (b) at any time after receipt by the Secretary of State of a notice under sub-paragraph (a) above, provided that the balance standing to the credit of the bankrupt exceeds £2,000, the trustee may give notice in writing to the Secretary of State requesting that interest should accrue on the excess and interest shall start to accrue on the excess at the rate of 3½ per cent. per annum from the date of receipt of the notice by the Secretary of State.

(7) All money received in respect of investments and interest earned under this regulation shall be paid into the Insolvency Services Account to the credit of the bankrupt.”