
STATUTORY INSTRUMENTS

2018 No. 1082

The Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018

PART 3

ADMINISTRATION

CHAPTER 10

Expenses of the Administration

Order of priority

3.51.—(1) Where there is a former administrator, the former administrator's remuneration and expenses as determined in accordance with rule 3.98 are payable in priority to the expenses in this rule.

(2) Subject to paragraph (1) and to any court order under paragraph (3) the expenses of the administration are payable in the following order of priority—

- (a) expenses properly incurred by the administrator in performing the administrator's functions;
- (b) the cost of any caution provided by the administrator in accordance with the Act or these Rules;
- (c) where an administration order was made, the expenses of the applicant and any person appearing on the hearing of the application whose expenses were allowed by the court;
- (d) where the administrator was appointed otherwise than by order of the court—
 - (i) the costs and expenses of the appointer in connection with the making of the appointment, and
 - (ii) the costs and expenses incurred by any other person in giving notice of intention to appoint an administrator;
- (e) any amount payable to a person in respect of assistance in the preparation of a statement of affairs or statement of concurrence;
- (f) any allowance made by order of the court in respect of the costs on an application for release from the obligation to submit a statement of affairs or deliver a statement of concurrence;
- (g) any necessary disbursements by the administrator in the course of the administration (including any costs referred to in Articles 30 or 59 of the EU Regulation and expenses incurred by members of the creditors' committee or their representatives and allowed for by the administrator under rule 3.90 but not including any payment of corporation tax in circumstances referred to in sub-paragraph (j) below);

- (h) the remuneration or emoluments of any person who has been employed by the administrator to perform any services for the company, as required or authorised under the Act or these Rules;
 - (i) the administrator's remuneration the basis of which has been fixed under Chapter 14 of this Part of these Rules and unpaid pre-administration costs approved under rule 3.52; and
 - (j) the amount of any corporation tax on chargeable gains accruing on the realisation of any asset of the company (irrespective of the person by whom the realisation is effected).
- (3) If the assets are insufficient to satisfy the liabilities, the court may make an order as to the payment out of the assets of the expenses incurred in the administration in such order of priority as the court thinks just.