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STATUTORY INSTRUMENTS

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**2021 No. 1178**

The Payment and Electronic Money Institution  
Insolvency (England and Wales) Rules 2021

PART 7

Distributions to creditors

CHAPTER 1

Application

**Supplementary provisions as to dividend**

**118.**—(1) In the calculation and distribution of a dividend the administrator must make provision for—

- (a) any debts which are the subject of claims which have not yet been determined, and
- (b) disputed proofs and claims.

(2) A creditor who has not proved their debt before the declaration of any dividend is not entitled to disturb, by reason that they have not participated in it, the distribution of that dividend or any other dividend declared before their debt was proved, but—

- (a) when the creditor has proved that debt, they are entitled to be paid, out of any money for the time being available for the payment of any further dividend, any dividend or dividends which the creditor has failed to receive, and
- (b) any dividends payable under sub-paragraph (a) must be paid before the money is applied to the payment of any such further dividend.

(3) No action lies against the administrator for a dividend, but if the administrator refuses to pay a dividend the court may, if it thinks just, order the administrator to pay it and also to pay, out of the administrator's own money—

- (a) interest on the dividend, at the rate for the time being specified in section 17 of the Judgments Act 1838<sup>(1)</sup>, from the time when it was withheld, and
- (b) the costs of the proceedings in which the order to pay is made.

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**Commencement Information**

**II** Rule 118 in force at 12.11.2021, see [rule 2](#)

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<sup>(1)</sup> 1838 c. 110, amended by S.I. 1998/2940, S.I. 1993/564.

**Changes to legislation:**

There are currently no known outstanding effects for the The Payment and Electronic Money Institution Insolvency (England and Wales) Rules 2021, Section 118.