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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 6

Objective 1

CHAPTER 2

Distribution plan

**Distribution plan**

**112.**—(1) This rule applies where after setting a bar date under regulation 20, the administrator proposes to make a distribution from the asset pool.

(2) The administrator must draw up a distribution plan setting out—

- (a) subject to paragraph (3), a schedule of dates on which a distribution is to be made from the asset pool (“a distribution”);
- (b) the identity of the customers to whom a distribution is to be made;
- (c) how each relevant funds claim is to be calculated (“the net relevant funds claim”), taking into account—
  - (i) any liabilities owed by the customer to the institution in respect of fees and expenses as set out in regulation 24 of EMR 2011 or regulation 23(14) of PSR 2017,
  - (ii) any liabilities owed to the customer by the institution under a PS or EMI contract, and
  - (iii) any shortfall claim of the customer;
- (d) the amount to be retained by the administrator from the relevant funds to pay the expenses of the special administration in accordance with rules 99 and 101 and how the retention of these amounts will affect the amount paid to settle relevant funds claims.

(3) In setting out the schedule of dates for distributions, no date must be earlier than three months after the bar date.

(4) For the purpose of calculating the customer’s relevant funds claim so that the claim can be paid out (or partly paid out) before the contingency occurs or the dispute is resolved, the distribution plan must also set out—

- (a) where any liabilities under paragraph (2)(c) are contingent, how the administrator intends to value the liability, and
- (b) where any liabilities are disputed, whether the administrator intends to make an assumption as to the outcome of the dispute.

(5) Where an institution has more than one asset pool, the administrator must draw up a distribution plan for each asset pool.

**Approval by the creditors' committee**

**113.**—(1) Where there is a creditors' committee, the administrator must summon a meeting of that committee to approve the distribution plan.

(2) The administrator must send the proposed distribution plan to each member of the creditors' committee when sending out notice of the meeting.

(3) The creditors' committee may approve the distribution plan with or without modification.

**Approval by the court**

**114.**—(1) This rule applies where a meeting of the creditors' committee has taken place in accordance with rule 113 or where there is no creditors' committee.

(2) The administrator must apply to the court for approval of the distribution plan.

(3) The administrator must send a copy of the distribution plan to—

- (a) all persons who have submitted a relevant funds claim,
- (b) any customer notified under rule 111, and
- (c) the FCA,

and details as to how to find out the venue for the hearing must be sent out with the copy of the distribution plan.

(4) The court, on receiving an application under paragraph (2) must fix the venue for the hearing and in fixing the venue must have regard to the desirability of the application being heard as soon as is reasonably practicable subject to the persons notified under paragraph (3) and the members of the creditors' committee being able to attend and make representations at the hearing.

(5) On hearing the application under paragraph (2) the court may—

- (a) make an order approving the distribution plan with or without modification if satisfied that:
  - (i) where rule 111 applies, the administrator has made the necessary notifications in accordance with that rule, and
  - (ii) where there is a creditors' committee, either that the committee has approved the distribution plan with or without modification or where the committee has been unable to approve the plan, the court has heard from the members of the committee or has given them an opportunity to explain why the committee were unable to approve the plan,
- (b) dismiss the application,
- (c) adjourn the hearing (generally or to a specified date), or
- (d) make any other order which the court thinks appropriate.

**Treatment of late claimants**

**115.**—(1) This rule applies where the administrator receives a relevant funds claim after the bar date set under regulation 20.

(2) Where the relevant funds claim is not submitted in accordance with rule 102, the administrator must notify the claimant accordingly and ask them to resubmit their relevant funds claim in accordance with the relevant rule.

(3) Where the relevant funds claim is submitted in accordance with rule 102 after the bar date set under regulation 20 but before a distribution either under regulation 20 or a distribution plan, the administrator must, so far as is reasonably practicable, include within the distribution any such relevant funds claim in accordance with regulation 20(5).

(4) Where the relevant funds claim is submitted in accordance with rule 102 after a distribution either under regulation 20 or a distribution plan, the administrator must, so far as is reasonably practicable include within any subsequent distribution any such relevant funds claim in accordance with regulation 20(9).

(5) The administrator may amend the distribution plan to reflect distributions under this rule without the need for the plan to be approved again by either the court or the creditors' committee.