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STATUTORY INSTRUMENTS

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**2016 No. 1024**

**The Insolvency (England and Wales) Rules 2016**

**PART 10**

**BANKRUPTCY**

**CHAPTER 11**

**Income payments agreements**

[Note: a document required by the Act or these Rules must also contain the standard contents set out in Part 1.]

**Approval of income payments agreements**

**10.115.**—(1) An income payments agreement can only be entered into before the bankrupt's discharge.

(2) The official receiver or trustee must provide a draft of the agreement to the bankrupt for the bankrupt's approval.

(3) Within 14 days or such longer period as may be specified by the official receiver or trustee from the date on which the income payments agreement was delivered, the bankrupt must—

- (a) if the bankrupt decides to approve the agreement, authenticate the agreement and return it to the official receiver or trustee; or
- (b) if the bankrupt decides not to approve the agreement, deliver a notice of that decision specifying the bankrupt's reasons for not approving the agreement to the official receiver or trustee.

**Acceptance of income payments agreements**

**10.116.**—(1) On receipt by the official receiver or trustee of the authenticated income payments agreement, the official receiver or trustee must authenticate and date it at which time it will come into force and a copy must be delivered to the bankrupt.

(2) Where the agreement provides for payments by a third person in accordance with section 310A(1)(b)(1), a notice of the agreement must be delivered by the official receiver or trustee to that person.

(3) The notice must—

- (a) identify the bankrupt;
- (b) state that an income payments agreement has been made, the date of it, and that it provides for the payment by the third person of sums owed to the bankrupt (or a part of those sums) to be paid to the official receiver or trustee;
- (c) state the name and address of the third person;

- (d) state the amount of money to be paid to the official receiver or trustee from the bankrupt's income, the period over which the payments are to be made, and the intervals at which the sums are to be paid; and
- (e) identify and provide contact details for the official receiver or trustee and details of how and where the sums are to be paid.

(4) When making any payment to the official receiver or the trustee a person who has received notice of an income payments agreement with reference to income otherwise payable by that person to the bankrupt may deduct the permitted fee towards the clerical and administrative costs of compliance with the income payments agreement.

(5) The payer must give to the bankrupt a statement of any amount deducted by the payer under paragraph (4).

### **Variation of income payments agreements**

**10.117.**—(1) Where an application is made to court for variation of an income payments agreement, the application must be accompanied by a copy of the agreement.

(2) Where the bankrupt applies to the court for variation of an income payments agreement under section 310A(6)(b), the bankrupt must deliver a copy of the application and notice of the venue to the official receiver or trustee (whichever is appropriate) at least 28 days before the date fixed for the hearing.

(3) When the official receiver or trustee applies to the court for variation of an income payments agreement under section 310A(6)(b), the official receiver or trustee must deliver a copy of the application and notice of the venue to the bankrupt at least 28 days before the date fixed for the hearing.

(4) The court may order the variation of an income payments agreement under section 310A.

(5) The court order must contain—

- (a) identification details for the proceedings;
- (b) the name and title of the judge making the order;
- (c) the name and postal address of the applicant
- (d) the order that the income payments agreement be varied as specified;
- (e) the date of the income payments agreement referred to in paragraph (d);
- (f) details of how the income payments agreement is varied by the order; and
- (g) the date of the order.

(6) Where the court orders an income payments agreement under section 310A(1)(a) to be varied, so as to be an agreement under section 310A(1)(b) providing that a third person is to make payments to the trustee or the official receiver, the official receiver or trustee must deliver a notice of the agreement to that person in accordance with rule 10.116(2).

(7) A person who has received notice of an income payments agreement relating to income otherwise payable by that person to the bankrupt may deduct the permitted fee towards the clerical and administrative costs of compliance with the agreement when making any payment to the official receiver or the trustee.

(8) The payer must give the bankrupt a statement of any amount deducted under paragraph (7).