
STATUTORY INSTRUMENTS

2016 No. 1024

The Insolvency (England and Wales) Rules 2016

PART 10

BANKRUPTCY

CHAPTER 9

Replacement of exempt property

Purchase of replacement property

10.106.—(1) A purchase of replacement property under section 308(3) may be made either before or after the realisation by the trustee of the value of the property vesting in the trustee under the section.

(2) The trustee is under no obligation to apply funds to the purchase of a replacement for property vested in the trustee, unless and until the trustee has sufficient funds in the bankrupt's estate for that purpose.

Money provided in lieu of sale

10.107.—(1) The following applies where a third party proposes to the trustee that the third party should provide the bankrupt's estate with a sum of money enabling the bankrupt to be left in possession of property which would otherwise be made to vest in the trustee under section 308.

(2) The trustee may accept that proposal, if satisfied that it is a reasonable one, and that the bankrupt's estate will benefit to the extent of the value of the property in question less the cost of a reasonable replacement.