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STATUTORY INSTRUMENTS

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**2016 No. 1024**

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

**PART 10**

**BANKRUPTCY**

**CHAPTER 7**

**Special manager**

**Security**

**10.95.**—(1) The appointment of the special manager does not take effect until the person appointed has given (or, if the court allows, undertaken to give) security to the applicant for the appointment.

(2) A person appointed as special manager may give security either specifically for a particular bankruptcy, or generally for any bankruptcy in relation to which that person may be appointed as special manager.

(3) The amount of the security must be not less than the value of the bankrupt's estate, property or business in relation to which the special manager is appointed, as estimated in the applicant's report which accompanied the application for appointment.

(4) When the special manager has given security to the applicant, the applicant must file with the court a certificate as to the adequacy of the security.

(5) The cost of providing the security must be paid in the first instance by the special manager; but—

- (a) where a bankruptcy order is not made, the special manager is entitled to be reimbursed out of the property of the debtor, and the court may order accordingly; and
- (b) where a bankruptcy order is made, the special manager is entitled to be reimbursed out of the bankrupt's estate in the prescribed order of priority.