
STATUTORY INSTRUMENTS

2016 No. 1024

The Insolvency (England and Wales) Rules 2016

PART 5

MEMBERS' VOLUNTARY WINDING UP

CHAPTER 3

Special manager

Security

5.18.—(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 liquidator for the appointment.

(2) A person appointed as special manager may give security either specifically for a particular winding up, or generally for any winding up 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 business or property in relation to which the special manager is appointed, as estimated in the liquidator's report which accompanied the application for appointment.

(4) When the special manager has given security to the liquidator, the liquidator 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 the special manager is entitled to be reimbursed as an expense of the winding up.